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DRILLING READY TO COMMENCE AT RIQUEZA PROJECT, PERU

First hole to test the large-scale Puyamanpata Porphyry-Skarn Target

Highlights

- The NE Area FTA drill program is about to commence as previously forecast at the Puyamanpata target
- First diamond core drill hole (RP01) is designed to test a strong geochemical and geophysical anomaly interpretated as representing possible large-scale porphyry-skarn mineralisation

Inca Minerals Limited (ASX: **ICG**) is pleased to advise that site preparations for diamond core drilling have been completed and drilling is poised to start at the Riqueza Project in Peru.

As announced recently (18 May 2021), the FTA 6,070m diamond core program is targeting Tier-1 scale porphyry, skarn and carbonate replacement mineralisation. The initial drilling will focus on one of two porphyry targets that are interpreted to occur in the NE Area of Riqueza. The first hole is planned to a depth of 750m (Appendix 1, Table 1).

The following photos were taken of the diamond core drill rig at platform one, drill hole one.



***Photo 1**: The general setup of platform one, hole number one. The terrain is relatively accessible with low to moderate grassy slopes. Weather conditions at present range from fair to wet. Drilling is not normally affected by the weather conditions. At the time of the photo drilling had not started.*

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***Photo 2**: The general setup of platform one, hole number one, also showing the position of the sumps that collect and recycle the drill fluids. At the time of the photo drilling had not started.*



***Photo 3**: The drill rig whilst mobilising to the platform. As a highly manoeuvrable track-mounted rig, elaborate access tracks were not, and will not be required for most of the NE Area FTA drill program. Notwithstanding the compactness of the rig, diamond core drilling can reach depths of grater than 1,000m. The deepest hole in our program is 750m.*

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RP01 is highly prospective for **large-scale gold-silver-copper porphyry and copper-zinc skarn mineralisation as well as silver-lead-zinc carbonate replacement mineralisation.**

The drill hole RP01 targeting-parameters (ASX announcement 17 August 2020) include gold, copper and zinc geochemical anomalies as well as strong AMAGRAD *magnetic*; Induced Polarisation *conductivity* and *chargeability*; and radiometric *alteration* anomalies (Figure 1).

As previously announced, the FTA drilling program will be broken down into three groupings of holes. The first group, of which RP01 is part, is testing the Puymanpata porphyry-skarn target. This very large target satisfies Tier-1 deposit section criteria because it hosts:

- A geochemical gold anomaly (soil program),
- A soil geochemical copper anomaly (soil program),
- A soil geochemical zinc anomaly (soil program),
- Copper mineralisation (mapping and sampling program),
- A porphyry dyke (mapping and sampling program),
- A conductivity/chargeability anomaly (IP survey),
- An intense magnetic high anomaly (AMAGRAD survey),
- A broader magnetic low anomaly (AMAGRAD survey), and
- Both phyllic and potassic anomalies (Radiometric survey),

Puymanpata is a very high calibre drill target with multiple layers of anomalism. **The NE Area comprises a thick, gently folded sequence of grey limestone belonging to the Jumasha Formation. The occurrence of gold, copper and zinc in *in situ* soils developed from this limestone are highly unusual and indicative of a surface geochemical halo associated with a possible buried metal deposit. The geophysical anomalies that coincide with, and are below, this geochemical signature, are indicative of sulphide accumulations characteristic of porphyry and/or skarn style mineralisation.**

As the drill penetration rate is not currently known, it is not possible a calculation of the time it will take to drill RP01. Please also be aware that detailed core logging will be carried out prior to core sampling. Core sampling is performed after logging to guarantee representivity of the core samples.

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Competent Person's Statements

The information in this report that relates to exploration activities for the Riqueza project, located in Peru, is based on information compiled by Mr Ross Brown BSc (Hons), MAusIMM, SEG, Managing Director, Inca Minerals Limited, who is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience, which is relevant to the exploration activities, style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown is a fulltime employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.

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Appendix 1: Drill Hole Parameters of RP01

Hole ID	Drill Target Name	Target Size (mxm)	Target Mineralisation[1]	Drill Collar Position WGS846-18L[2]			Down Hole Parameters		
				Easting (m)	Northing (m)	Elevation	Azimuth[3]	Dip[4]	Depth
RP01	Puymanpata 1	350x750	P+S	459292.4	8595914.7	4432.5	315	-60	750
RP02	Puymanpata 2	500x750	P+S	459658.0	8595827.1	4346.1	0	-60	380
RP03	Puymanpata 2		P+S	459731.7	8595671.3	4312.9	0	-60	450
RP04	Puymanpata 2		P+S	459955.6	8595831.3	4259.5	0	-60	380
RP05	Puymanpata 3	300 diameter	P+S	460174.4	8596278.6	4177.9	90	-60	400
RP06	Pucamachay 1	300x500	P+S	460788.6	8596244.9	4376.0	90	-60	600
RP07	Pucamachay 1		P+S	460763.2	8596058.0	4363.0	90	-60	700
RP08	Chuje	200 diameter	P+S	460900.8	8595328.0	4231.9	0	-60	560
RP09	Pucamachay 2	250x1,000	P+S	461444.9	8595791.5	4353.4	90	-60	450
RP10	Pucamachay 2		P+S	461604.8	8595395.6	4279.0	335	-60	400
RP33	Yanacolipa 1	± 200 diameter	P+S	460513.8	8596474.1	4182.0	0	-90	450

Table 1: *NE Area drill holes. The rig is positioned on RP01.*

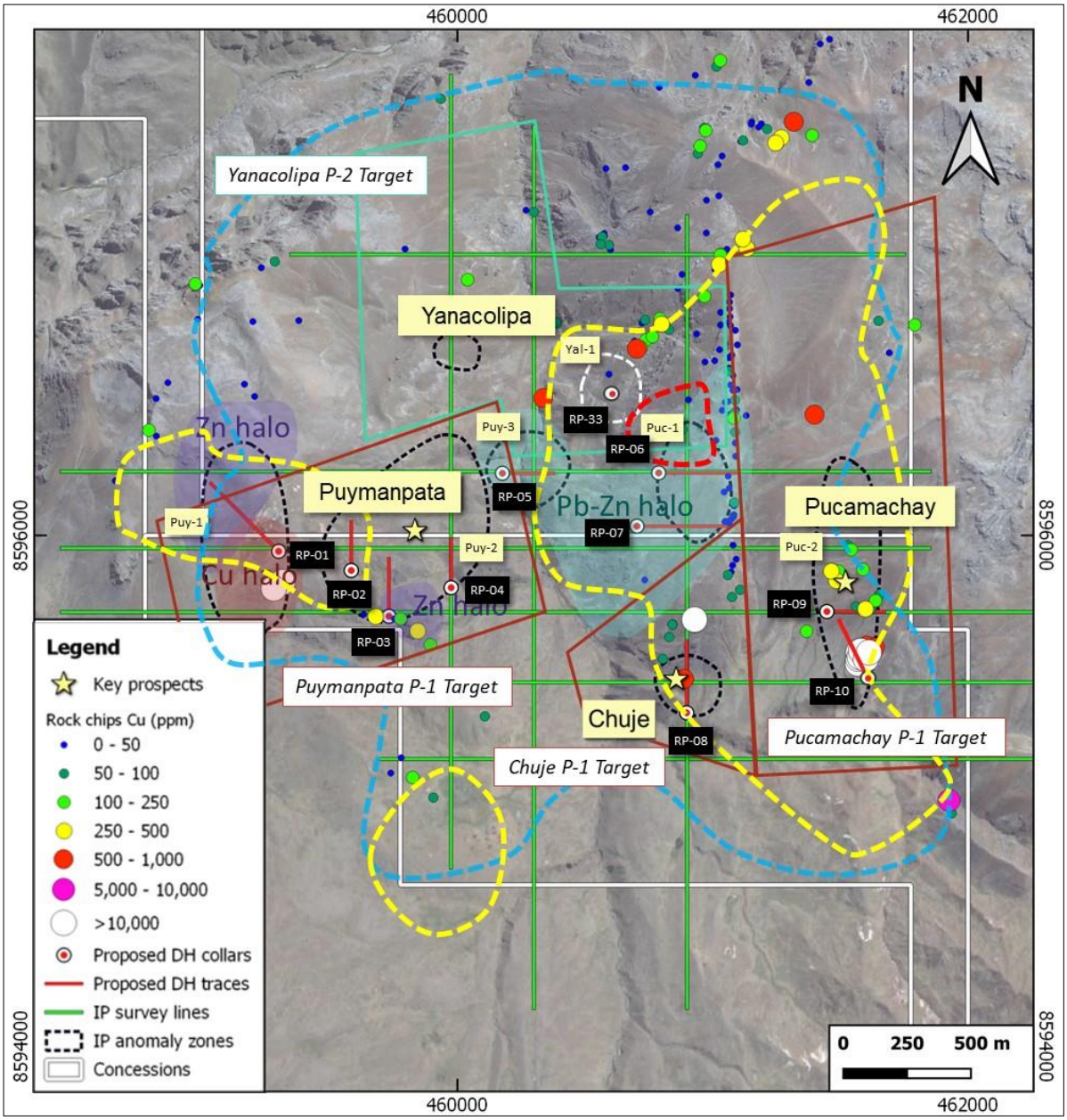


Figure 1 ***ABOVE****: A satellite plan that shows the NE Area mega-target made up of multiple pervasive targets and anomalism. The drill hole collars and drill traces (refer to the legend) and drill hole numbers are shown. Also shown are rockchip Cu results (refer to the legend), the IP survey coverage (green solid lines), the interpreted IP anomalies (black dashed lines), the AMAGRAD targets areas (P-1: brown solid lines, P-2: lime-green solid lines); geochemical halos (Pb-Zn: transparent green shaded area, Cu: transparent brown, Zn: transparent purple); copper heat map halo (blue dashed lines) and the gold heat map halos (dashed yellow lines) and gold hotspots (red dashed line). This figure appeared in ASX announcement of 17 August 2020.*

Appendix 2: JORC Code Compliancy Statement

The following information is provided to comply with the JORC Code (2012) exploration reporting requirements.

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria: Sampling techniques

JORC CODE Explanation

Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or hand-held XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.

Company Commentary

This announcement includes photos of a drill rig that has recently commenced operations at the Company's Riqueza Project. The announcement also refers to drill parameters of that drilling program. Reference is made in this announcement to previously announced AMAGRAD, IP, and soil geochemical programs. It does not refer to sampling results.

JORC CODE Explanation

Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.

Company Commentary

This announcement does not refer to new sampling results.

JORC CODE Explanation

Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is a coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.

Company Commentary

This announcement does not refer to new sampling results.

Criteria: Drilling techniques

JORC CODE Explanation

Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).

Company Commentary

No drilling or drilling results are referred to in this announcement. It refers to drill permitting outcomes and to drill proposals for the NE Area of the Company's Riqueza Project.

Criteria: Drill sample recovery

JORC CODE Explanation

Method of recording and assessing core and chip sample recoveries and results assessed.

Company Commentary

No drilling results are referred to in this announcement.

JORC CODE Explanation

Measures taken to maximise sample recovery and ensure representative nature of the samples.

Company Commentary

No drilling results are referred to in this announcement.

JORC CODE Explanation

Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.

Company Commentary

No drilling results are referred to in this announcement.

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Criteria: Logging

JORC CODE Explanation

Whether core and chip samples have been geologically and geo-technically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.

Company Commentary

No drilling results are referred to in this announcement.

JORC CODE Explanation

Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography

Company Commentary

No drilling results are referred to in this announcement.

JORC CODE Explanation

The total length and percentage of the relevant intersections logged.

Company Commentary

No drilling results are referred to in this announcement.

Criteria: Sub-sampling techniques and sample preparation

JORC CODE Explanation

If core, whether cut or sawn and whether quarter, half or all core taken.

Company Commentary

No drilling results are referred to in this announcement.

JORC CODE Explanation

If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.

Company Commentary

No drilling results are referred to in this announcement.

JORC CODE Explanation

For all sample types, the nature, quality, and appropriateness of the sample preparation technique.

Company Commentary

This announcement does not refer to new sampling results.

JORC CODE Explanation

Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.

Company Commentary

This announcement does not refer to new sampling results.

JORC CODE Explanation

Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.

Company Commentary

This announcement does not refer to new sampling results.

JORC CODE Explanation

Whether sample sizes are appropriate to the grain size of the material being sampled.

Company Commentary

This announcement does not refer to new sampling results.

Criteria: Quality of assay data and laboratory tests

JORC CODE Explanation

The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.

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Company Commentary

This announcement does not refer to new sampling results.

JORC CODE Explanation

For geophysical tools, spectrometers, hand-held XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.

Company Commentary

This announcement does not refer to new sampling results.

JORC CODE Explanation

Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.

Company Commentary

This announcement does not refer to new sampling results.

Criteria: Verification of sampling and assaying

JORC CODE Explanation

The verification of significant intersections by either independent or alternative company personnel.

Company Commentary

This announcement does not refer to new sampling results.

JORC CODE Explanation

The use of twinned holes.

Company Commentary

No drilling or drilling results are referred to in this announcement.

JORC CODE Explanation

Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.

Company Commentary

This announcement does not refer to any new sampling results.

JORC CODE Explanation

Discuss any adjustment to assay data.

Company Commentary

This announcement does not refer to new sampling results.

Criteria: Location of data points

JORC CODE Explanation

Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.

Company Commentary

This announcement does not refer to exploration related to a mineral resource estimation.

JORC CODE Explanation

Specification of the grid system used.

Company Commentary

WGS846-18L.

JORC CODE Explanation

Quality and adequacy of topographic control.

Company Commentary

This announcement includes photos of a drill rig that has recently commenced operations at the Company's Riqueza Project. The announcement also refers to drill parameters of that drilling program. Reference is made in this announcement to previously announced AMAGRAD, IP, and soil geochemical programs. It does not refer to sampling results.

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Criteria: Data spacing and distribution

JORC CODE Explanation

Data spacing for reporting of Exploration Results.

Company Commentary

This announcement does not refer to new data results.

JORC CODE Explanation

Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.

Company Commentary

No grade continuity, Mineral Resource or Ore Reserve estimations are referred to in this announcement.

JORC CODE Explanation

Whether sample compositing has been applied.

Company Commentary

This announcement does not refer to new sample compositing results.

Criteria: Orientation of data in relation to geological structure

JORC CODE Explanation

Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.

Company Commentary

This announcement does not refer to new sampling results.

JORC CODE Explanation

If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.

Company Commentary

This announcement includes photos of a drill rig that has recently commenced operations at the Company's Riqueza Project. The announcement also refers to drill parameters of that drilling program. Reference is made in this announcement to previously announced AMAGRAD, IP, and soil geochemical programs. It does not refer to sampling results.

The proposed drill holes were designed using geo-referenced software to provide the most representative intersection of mineralisation possible whilst using the least amount of drill metres required to do so.

Criteria: Sample security

JORC CODE Explanation

The measures taken to ensure sample security.

Company Commentary

This announcement does not refer to any new sampling results.

Criteria: Audits and reviews

JORC CODE Explanation

The results of any audits or reviews of sampling techniques and data.

Company Commentary

This announcement does not refer to new sampling results. Nevertheless, this announcement does refer to independent and Company drill proposals for the NE Area of the Company's Riqueza Project. The Company has reviewed the proposals and concludes that processes deployed and criteria used for selecting the hole locations were at best practise standard.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria: Mineral tenement and land tenure status

JORC CODE Explanation

Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.

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Company Commentary

Tenement Type: The Riqueza Project area comprises nine Peruvian mining concessions: Nueva Santa Rita, Antacocha I, Antacocha II, Rita Maria, Maihuasi, Uchpanga, Uchpanga II, Uchpanga III and Picuy.

Nueva Santa Rita ownership: The Company has a 5-year concession transfer option and assignment agreement ("**Agreement**") whereby the Company may earn 100% outright ownership of the concession.

All other above-named concessions: The Company has direct 100% ownership.

JORC CODE Explanation

The security of the land tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.

Company Commentary

The Agreement and all concessions are in good standing at the time of writing.

Criteria: Exploration done by other parties

JORC CODE Explanation

Acknowledgement and appraisal of exploration by other parties.

Company Commentary

This announcement does not refer to exploration conducted by previous parties.

Criteria: Geology

JORC CODE Explanation

Deposit type, geological setting, and style of mineralisation.

Company Commentary

The geological setting of the area is that of a gently SW dipping sequence of Cretaceous limestones, Tertiary "red-beds" and volcanics on a western limb of a NW-SE trending anticline; subsequently affected by an intrusive rhyolite volcanic dome believed responsible for a series of near vertical large-scale structures and multiple and pervasive zones of epithermal/porphyry/skarn related Cu- Au-Ag-Pb-Zn-Mo mineralisation.

Criteria: Drill hole information

JORC CODE Explanation

A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:

- *Easting and northing of the drill hole collar*
- *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.*
- *Dip and azimuth of the hole.*
- *Down hole length and interception depth.*
- *Hole length.*

Company Commentary

No drilling or drilling results are referred to in this announcement. A table is nevertheless provided that shows the above listed parameters for proposed holes only.

JORC CODE Explanation

If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.

Company Commentary

No drilling or drilling results are referred to in this announcement.

Criteria: Data aggregation methods

JORC CODE Explanation

In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations shown in detail

Company Commentary

No drilling results are referred to in this announcement.

JORC CODE Explanation

The assumptions used for any reporting of metal equivalent values should be clearly stated.

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Company Commentary

No drilling results are referred to in this announcement, and therefore, no metal equivalents are referred to in this announcement.

Criteria: Relationship between mineralisation widths and intercept lengths

JORC CODE Explanation

These relationships are particularly important in the reporting of Exploration Results.

If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.

If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known.')

Company Commentary

No drilling results are referred to in this announcement.

Criteria: Diagrams

JORC CODE Explanation

Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views

Company Commentary

Plans are provided showing the position of the proposed drill holes.

Criteria: Balanced reporting

JORC CODE Explanation

Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.

Company Commentary

The Company believes the ASX announcement provides a balanced report of the drilling proposal and past exploration results referred to in this announcement.

Criteria: Other substantive exploration data

JORC CODE Explanation

Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.

Company Commentary

This announcement refers to two previous ASX announcements dated: 17 August 2020 and 18 May 2021.

Criteria: Further work

JORC CODE Explanation

The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).

Company Commentary

By nature of early phase exploration, further work is necessary to better understand the mineralisation occurring in the NE Area of the Riqueza Project. Further work is also necessary to better understand the relationship between the mineralisation associated with these samples and the AMAGRAD, IP, 3D magnetic inversion models and soil anomalies. This is the reason why drilling has been proposed.

JORC CODE Explanation

Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.

Company Commentary

Refer above.

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