



## ACTIVITY REPORT - HIGHLIGHTS OF THIS QUARTER

MULTIPLE TIER-1 DRILL TARGETS GENERATED AT RIQUEZA FOLLOWING INDEPENDENT REVIEW OF ALL EXPLORATION PROGRAMS AT RIQUEZA; PARTNER WITHDRAWS FROM RIQUEZA PRIOR TO COMPLETION OF FINAL INTEGRATED RESULTS AND DRILL PROPOSAL; INCA AWARDED CO-FUNDING GRANT FOR LARGE AIRBORNE GEOPHYSICS SURVEY AT FREWENA; CAPITAL CONSOLIDATION PROPOSED TO INCREASE SHARE PRICE DISCOVERY AHEAD OF SUSTAINED GOLD-COPPER-SILVER FOCUSED EXPLORATION AT RIQUEZA AND FREWENA

**“This quarter marks the completion of drill target generation at Riqueza. Next step—drill permitting and drilling. This quarter also marks the beginning of an intensified exploration effort in the Northern Territory. It is a turning point in Inca’s recent history. Think Inca, think drilling, think a new beginning.”**

*Inca’s Managing Director Mr Ross Brown*

### In Peru...

- An independent consultancy reviewed all exploration at Riqueza and subsequently provided Inca a list of priority drill targets and proposed drill program.
- Nineteen targets were recommended for drill testing at Riqueza Project.
- All these targets comprise stand-alone opportunities for the possible discovery of large-scale (tier-1) gold-silver-copper epithermal mineralisation, gold-copper-silver porphyry mineralisation, copper-zinc skarn mineralisation, and gold-silver-copper-zinc volcanic massive sulphide mineralisation.
- Inca’s earn-in partner withdrew from Riqueza. Inca retains 100% of the project and unfettered access to all drill targets.

### In Australia...

- Inca is awarded a co-funding grant for a 1,182km<sup>2</sup> airborne magnetic and radiometrics survey at the Frewena project in the Northern Territory.
- Approval was received from the Northern Territory Government for the construction of drill pads and access tracks at the Frewena Fable Project.

## SUMMARY OF ACTIVITIES

### Riqueza Project - Peru

ASX announcements relating to the Riqueza Project this quarter:

- 7 April 2020 Interim Induced Polarisation Results at Riqueza
- 29 April 2020 Third Round of Funds Received For Riqueza
- 15 May 2020 Important Riqueza Update
- 27 May 2020 First Integrated Results from Riqueza
- 9 June 2020 Second Round of Integrated Results from Riqueza
- 16 June 2020 Third Round of Integrated Results for Riqueza
- 30 June 2020 Multiple Priority Targets Recommended for Drilling at Riqueza
- 23 July 2020 Additional Targets Recommended for Drilling at Riqueza (post-quarter ASX announcement)



## IOCG-Porphyry Projects - Australia

ASX announcements relating to the Australian projects this quarter:

- 4 May 2020 Porphyry Prospectivity Increases at MaCauley Creek
- 22 June 2020 Australian Projects Exploration Update
- 17 July 2020 Inca Awarded Co-Funding Grant for IOCG Exploration (*post-quarter ASX announcement*)

## PROJECT ACTIVITIES

### This Quarter at Riqueza Project – Peru

Activities pertaining to Riqueza in the June Quarter may be summarised in four points:

- Completion of the interpretation of the induced polarisation (**IP**) ground geophysical survey.
- Completion of the independent review of all former-partner-funded exploration.
- Completion of the independent assessment of targets and drill program recommendation.
- The withdrawal of the earn-in partner (ahead of the final results).

The finalisation of the IP survey interpretation at the beginning of the quarter marked the beginning of the independent review of all former-partner funded exploration programs, including the airborne magnetics and radiometric (**AMAGRAD**) survey; the 3D magnetic inversion modelling program; the expert mapping program, the grid soil geochemical survey, the WorldView3 satellite imagery program, the mapping and sampling program, and finally the IP survey.

The Company first released interim IP results (7 April 2020: Interim Induced Polarisation Results at Riqueza) which described several exciting IP targets. This was made part of the March Quarter Activities Report as a material post-quarter result.

The Company released a sequence of three announcements (27 May 2020, 9 June 2020 and 16 June 2020) describing the results of integrated exploration reviews for various geographic parts of the greater Riqueza Project area. These results were then used by an independent consultancy to generate drilling targets. The Company subsequently released two announcements describing the drill targets (30 June 2020: Multiple Priority Targets Recommended for Drilling at Riqueza, 22 July 2020: Additional Targets Recommended for Drilling at Riqueza).

At Riqueza, the June quarter is all about the recognition of the vast potential the project has in hosting a tier-1 deposit or tier-1 deposits; and the generation of drill targets and the design of a drill program to test them. A total of nineteen targets were considered sufficiently prospective to warrant drill testing. To date, the proposed drill program comprises a total of 30 drill holes for 13,460m of drilling (Table 1) with additional targets expected to be generated from in-house reviews (refer below).

The quarter also saw the withdrawal of the earn-in funding partner. After contributing approximately \$4Million to exploration this company tendered its Withdrawal Notice on 14 May 2020. The Share Subscription and Earn-in Agreement expired 60 days later on the 13 July 2020. The former partner did not meet phase 1 expenditure commitments of US\$9Million over four years to retain an interest in Riqueza. Accordingly, Inca retains 100% interest in the project. The former partner has no matching rights should Inca obtain another partner at Riqueza in the future.

It should be clearly stated that the exiting company had neither the final IP results, nor integrated data review results, nor drill targets, nor drill proposal when it withdrew from Riqueza.



The conclusions of the investigations by the consultancy and by the Company are as follows:

- Riqueza occurs within the prolific Miocene epithermal-porphyry belt of Central Peru;
- Epithermal, porphyry and skarn deposits occur within close proximity to Riqueza;
- Riqueza hosts large-scale, deep crustal structures that have served as conduits for intrusive activity;
- Riqueza hosts numerous forms of mineralisation over an area greater than 50sqkm. A large mineralised system is directly indicated and comprises known carbonate replacement silver-lead-zinc mineralisation, gold-silver-copper-lead-zinc epithermal mineralisation, and copper skarnoid mineralisation;
- Riqueza hosts known hydrothermally altered intrusive stocks and a sub-volcanic dome;
- Riqueza hosts strongly coincident geophysical (magnetics, conductivity, resistivity/chargeability) and geological/geochemical (mineralisation, pathfinder halos, radiometric and topographic) anomalies that are indicative of large-scale epithermal, porphyry, skarn and VMS mineralisation;
- **That these epithermal, porphyry, skarn and VMS targets warrant drill testing and...**
- **That a drill program comprising 30 holes with a 13,460m of drilling is independently recommended.**

A schematic cross section (Figure 1) is provided to show the juxtaposition and distribution of the different types of large-scale mineralisation that is either known to occur, or are strongly indicated to occur, at Riqueza. All these styles of mineralisation occur within the intrusive-related epithermal-porphyry-carbonate replacement continuum, best represented in the Sillitoe 2010 Cu-porphyry model (Figure 2).

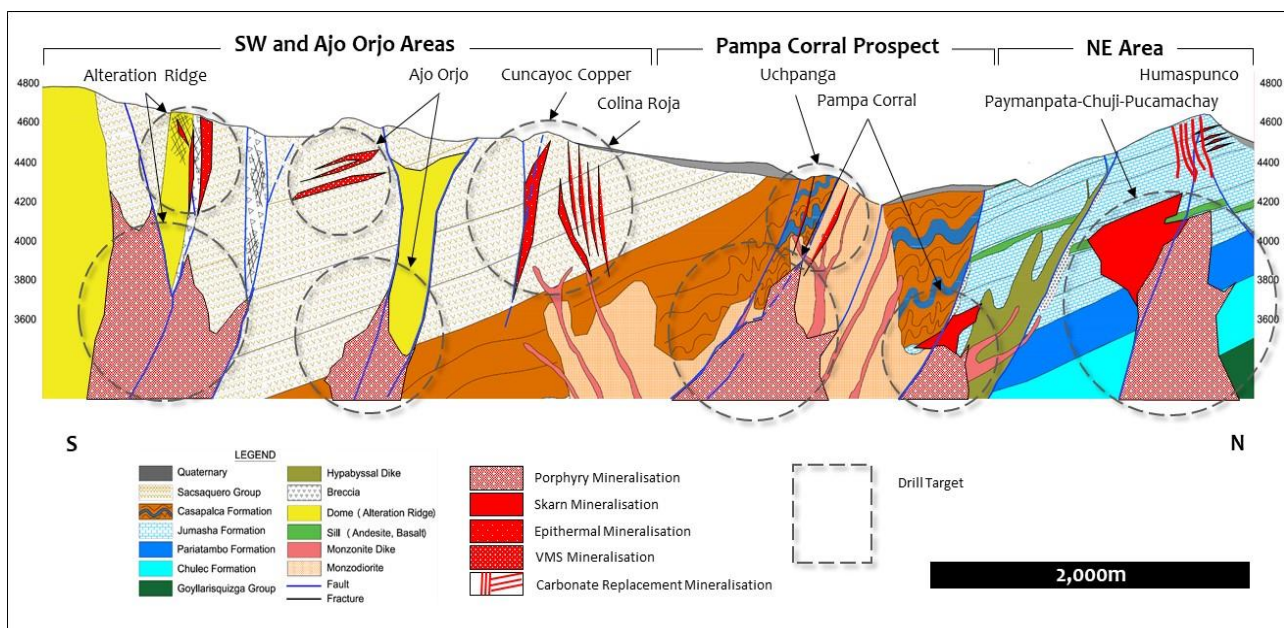


Figure 1 ABOVE: A schematic south (left) to north (right) cross section showing the broad geological setting of Riqueza and the various known and indicated components of the Riqueza mineralised system. The main drill target types are indicated to show their spatial relationship with each other. The target types include porphyry, skarn, epithermal, carbonate replacement and VMS mineralisation. It is clearly stated that the below-surface mineralisation indicated as targets in this diagram are the subject of drill testing.

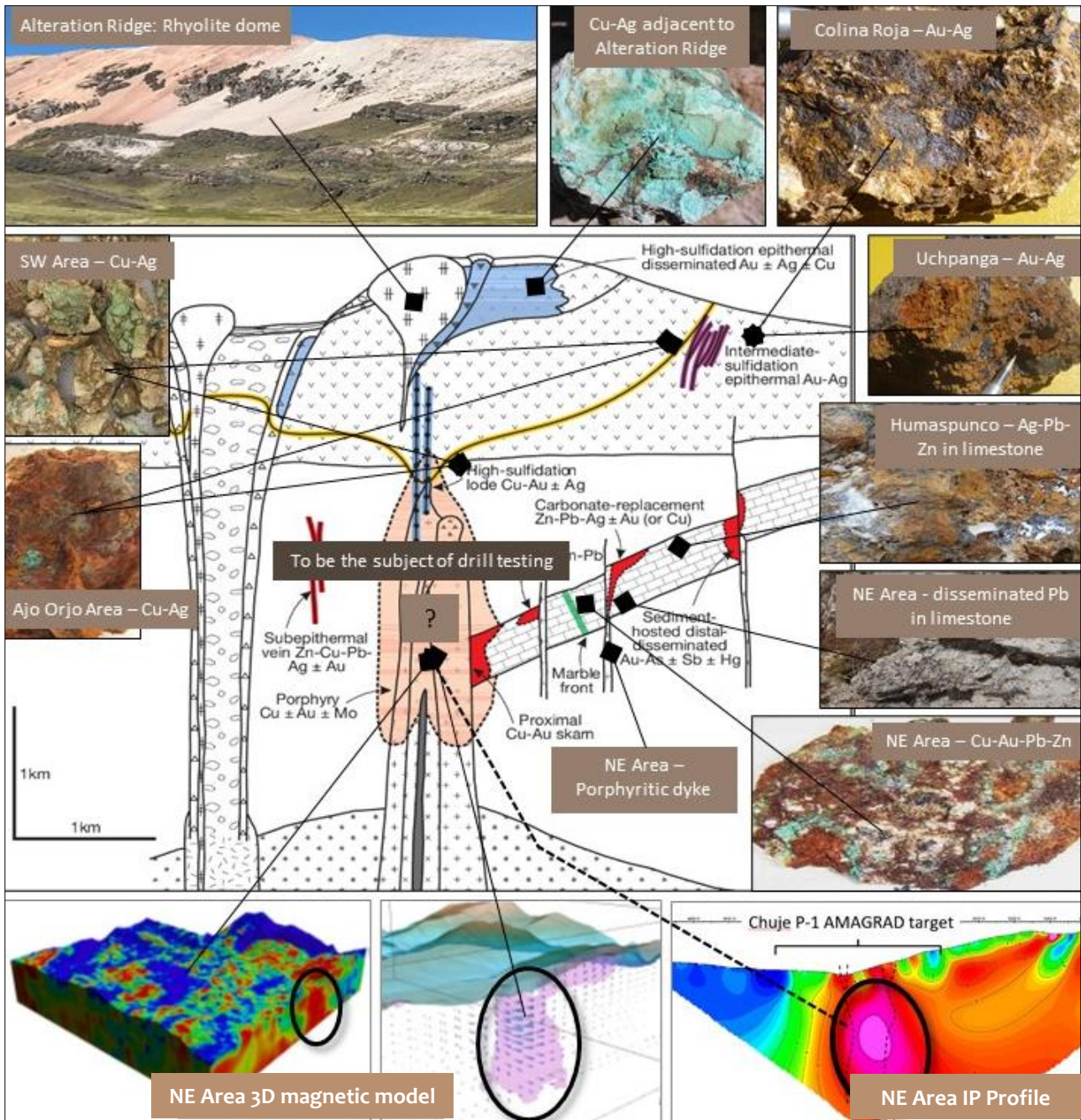


Figure 2 ABOVE: A modification of the Sillitoe (2010) Cu-porphyry model emphasising the metal zoning represented in the various prospects of Riqueza. The photos of mineralisation from each prospect are referenced to the “matching” parts of the model. The geophysical targets (magnetic models and IP) are “matched” with the possible Cu-porphyry, they possibly indicate.

Following completion of the exploration review, targets were independently generated. The targets were then independently reviewed to determine whether they warranted drill testing. Nineteen targets were deemed drill worthy.

All 19 drill targets are considered stand-alone opportunities in the possible discovery of large-scale (tier-1) metal deposits (Table 1 and Figure 3). They cover all corners of the Riqueza Project area, and specifically in the NE, SW, Ajo Oro, Pampa Corral and SW Corner areas.



Hole_ID	Hole Location		Target Size (mxm)	Target Mineralisation <sup>1</sup>	Drill Collar Position WGS846-18L <sup>2</sup>			Down Hole Parameters		
	Area	Drill Target Name			Easting (m)	Northing (m)	Elevation	Azimuth <sup>3</sup>	Dip <sup>4</sup>	Depth
RP01	NE Area	Puymanpata 1	350x750	P+S	459292.4	8595914.7	4432.5	315	-60	750
RP02	NE Area	Puymanpata 2		P+S	459658.0	8595827.1	4346.1	0	-60	380
RP03	NE Area	Puymanpata 2	500x750	P+S	459731.7	8595671.3	4312.9	0	-60	450
RP04	NE Area	Puymanpata 2		P+S	459955.6	8595831.3	4259.5	0	-60	380
RP05	NE Area	Puymanpata 3	300 diameter	P+S	460174.4	8596278.6	4177.9	90	-60	400
RP06	NE Area	Pucamachay 1	300x500	P+S	460788.6	8596244.9	4376.0	90	-60	600
RP07	NE Area	Pucamachay 1		P+S	460763.2	8596058.0	4363.0	90	-60	700
RP08	NE Area	Chuji	200 diameter	P+S	460900.8	8595328.0	4231.9	0	-60	560
RP09	NE Area	Pucamachay 2	250x1,000	P+S	461444.9	8595791.5	4353.4	90	-60	450
RP10	NE Area	Pucamachay 2		P+S	461604.8	8595395.6	4279.0	335	-60	400
RP11	Pampa Corral	Uchpanga	150x250	E+P	454567.4	8592877.7	4364.8	0	-60	450
RP12	Pampa Corral	Pampa Corral	666x1,400	E+P+S	455296.9	8593020.5	4275.5	0	-65	700
RP13	Pampa Corral	Pampa Corral		E+P+S	455306.9	8592346.0	4464.9	0	-60	450
RP14	Pampa Corral	Pampa Corral		E+P+S	456058.3	8593306.1	4400.0	0	-60	700
RP15	SW Area	Colina Roja	250 diameter	E+P	456049.0	8592940.1	4403.6	0	-60	750
RP16	SW Area	Cuncayoc Copper 1	200x300	E+P	456057.6	8591710.6	4580.6	0	-60	400
RP17	SW Area	Cuncayoc Copper 2	350 diameter	E+P	456048.0	8591154.5	4600.3	0	-60	480
RP18	Ajo Orjo	Ajo Orjo 1	400x1,000	E+P+V	459618.1	8591858.2	4635.9	225	-60	600
RP19	Ajo Orjo	Ajo Orjo 1		E+P+V	459816.4	8591735.8	4641.1	225	-60	600
RP20	Ajo Orjo	Ajo Orjo 2	200x350	E+P	459541.6	8591256.1	4628.2	90	-60	600
RP21	Ajo Orjo	Ajo Orjo 2		E+P	459252.8	8591252.6	4527.6	90	-60	300
RP22	SW Area	Cuncayoc Copper 3	500 diameter	E+P	457026.4	8591070.7	4807.1	0	-60	250
RP23	SW Area	Cuncayoc Copper 3		E+P	457027.5	8591237.7	4789.4	0	-60	250
RP24	SW Area	Alteration Ridge	200x350	E+P	455653.8	8590202.2	4600.5	90	-60	660
RP25	SW Area	Alteration Ridge		E+P	455974.7	8590199.0	4572.2	90	-60	450
RP26	SW Area	Huasijaja	600x700	E+P	458097.3	8590045.9	4645.3	0	-60	150
RP27	SW Area	Huasijaja		E+P	458110.2	8589670.9	4624.8	315	-60	200
RP28	SW Area	Yanaranra 1	200 diameter	E+P	452613.2	8589863.2	4557.1	270	-80	100
RP29	SW Corner	Yanaranra 2	200 diameter	E+P	453073.7	8589514.0	4593.0	45	-60	100
RP30	SW Corner	Ushpanga	300 diameter	E+P	455686.8	8589188.3	4692.3	150	-60	200

Table 1 ABOVE: Proposed drill program to test 19 targets. The hole numbers do not reflect priority.

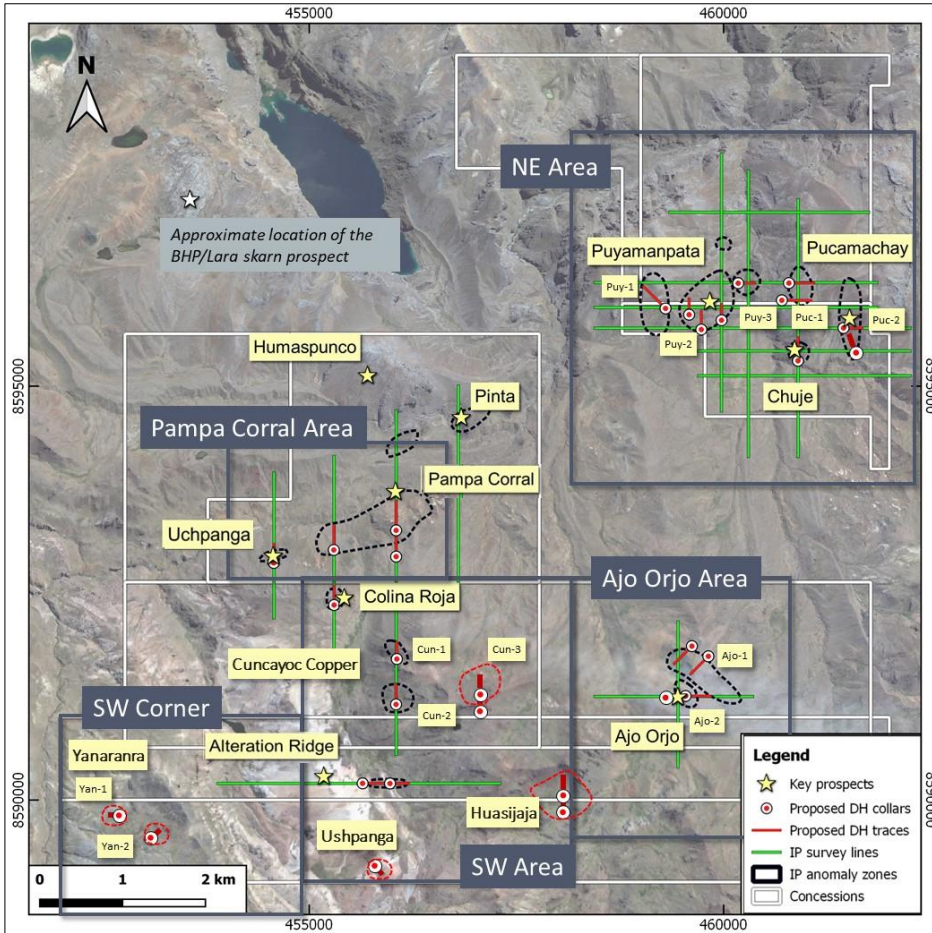


Figure 3 LEFT: Satellite plan showing the location of the 19 drill targets (black and red dashed lines) and proposed drill holes to test them (drill hole collars = white-red circles; drill traces = solid red lines). Five areas of interest are now recognised: the NE, SW, Ajo Orjo and the Pampa Corral areas and the new SW Corner (grey solid boxes). Also shown is the IP survey coverage (green solid lines). The shape of the drill targets associated with IP anomalies (with black dashed lines) may extend beyond the IP anomaly itself. The drill targets that are not related to IP anomalism are indicated by dashed red lines.



### Next Quarter at Riqueza

The Company is currently adding its own drill targets to those already independently generated. Inca's additional attention is drawn to the "at-surface" high-grade gold and silver occurrences in the Uchpanga and Colina Roja Prospect areas. In previous exploration, Inca returned grades of 6.3g/t gold in veins within volcanics at Colina Roja. The gold drill targets *inter alia* will be defined in the following weeks days. Mostly shallow holes (<100m) are anticipated to test these targets.

The process of drill permitting has now commenced. The Company has already appointed a service provider for the purposes of providing all the necessary permits for drilling to be conducted at Riqueza. The drill hole locations are currently being pegged in the field and the environmental base-line study has commenced. It is the intention of the Company to apply for a category-1 drill permit called a *Ficha Técnica Ambiental (FTA)*<sup>1</sup> for the NE Area and a category-2 drill permit called a *Declaración de Impacto Ambiental (DIA)*<sup>2</sup> for the remainder of the project area. The advantage of this strategy is to maximise of the number of drill platforms permissible (up to 40 if required in the future) but to minimise the lead time, as an FTA is quicker to obtain than a DIA.

The lead time to the granting of all permits (FTA, water, archaeological permits and certificate to commence work) is between 17 weeks and 25 weeks<sup>3</sup>. At the time of writing, drill permitting is in week-3 of this process. The DIA may take between 22 weeks and 30 weeks to obtain. The DIA will be staged to follow the FTA.

### This Quarter at Frewena Regional<sup>4</sup> Project – The Northern Territory

As a post-quarter material event, the Company was awarded a co-funding grant from the Northern Territory Department of Primary Industry and Resources (NTPIR) of one hundred thousand dollars (\$100,000) under its Geophysics and Drilling Collaborations Program (GDC). The funds will be deployed in the Company's planned airborne magnetic and radiometric geophysical survey (AMAGRAD) that will cover several large Iron Ore Copper Gold (IOCG) targets at the Company's Frewena Fable and Frewena Far East Projects in the East Tennant Mineral province.

The GDC program is part of the Northern Territory (NT) Government's \$26 million "Resourcing the Territory" initiative and is aimed at increasing exploration in Greenfield areas of the NT. Co-funding is available for up to half of the eligible direct program costs capped at \$125,000 per diamond drilling project; and \$100,000 per reverse-circulation drilling or geophysical acquisition projects. Assessment of the application focusses on the technical merits of the project and its capacity to broaden geological knowledge and promote innovative exploration techniques, particularly in greenfield areas of the NT.

The awarding of the GDC grant to Inca validates the utility of the proposed AMAGRAD survey in terms of exploration development of the NT and, by extension, the opportunity to uncover new mineral deposits. Frewena Fable and Frewena Far East are located within the recently recognised East Tennant IOCG region. It goes without saying both the NT Government and Inca would be pleased with the possible discovery of an IOCG deposit within the Company's project areas.

<sup>1</sup> The English translation of *Ficha Técnica Ambiental* is [Technical Environmental Datasheet](#).

<sup>2</sup> The English translation of *Declaración de Impacto Ambiental* is [Environmental Impact Declaration](#).

<sup>3</sup> **All time frames are subject to change related, but not limited to Government response times and/or COVID-19 related matters. Time frame estimates are based on knowledge at the time of the estimates.**

<sup>4</sup> Frewena Regional Project includes the Frewena Fable Project, the Frewena East Project and the Frewena Far East Project.



Interest in IOCG's has increased in Australia in recent times. The main drivers are IOCG discoveries in South Australia (including Oak Dam) and the results of work such as that by NTGS in opening up the East Tennant area. More recently, interest is heightened as a result of the potential gold payload of IOCG deposits. The Olympic Dam Mine, an IOCG deposit, contains 95 million ounces of gold. An interesting comparison is the Superpit gold deposit in Kalgoorlie that, in its long history, has produced an estimated 58 million ounces of gold. Major companies like Rio Tinto and Anglo American are participants in the NT-QLD-focussed IOCG effort. Inca is well placed among these.

The AMAGRAD survey covers two areas totalling 1,182km<sup>2</sup> with line spacing of 50m (Figure 4). A total of 13,227 line-kilometres are planned for Frewena Fable and total of 12,661 line-kilometres are planned for Frewena Far East, for a survey total of 25,888 line-kilometres. The purpose of the AMAGRAD survey is to detect geophysical responses characteristic of mineralised hydrothermal systems, including, but not limited to, IOCG deposits.

The East Tennant IOCG region has risen into prominence as an exploration destination (resulting in a "pegging rush") in response to very positive results of GA/NTGS-funded seismic, magnetotelluric, and airborne electromagnetic geophysical surveys. These regional studies resulted in the recognition of the East Tennant Ridge and with subsequent modelling, the recognition of the East Tennant IOCG region. The company's exploration tenements lie within the area that is rated as highly prospective for IOCG deposits.

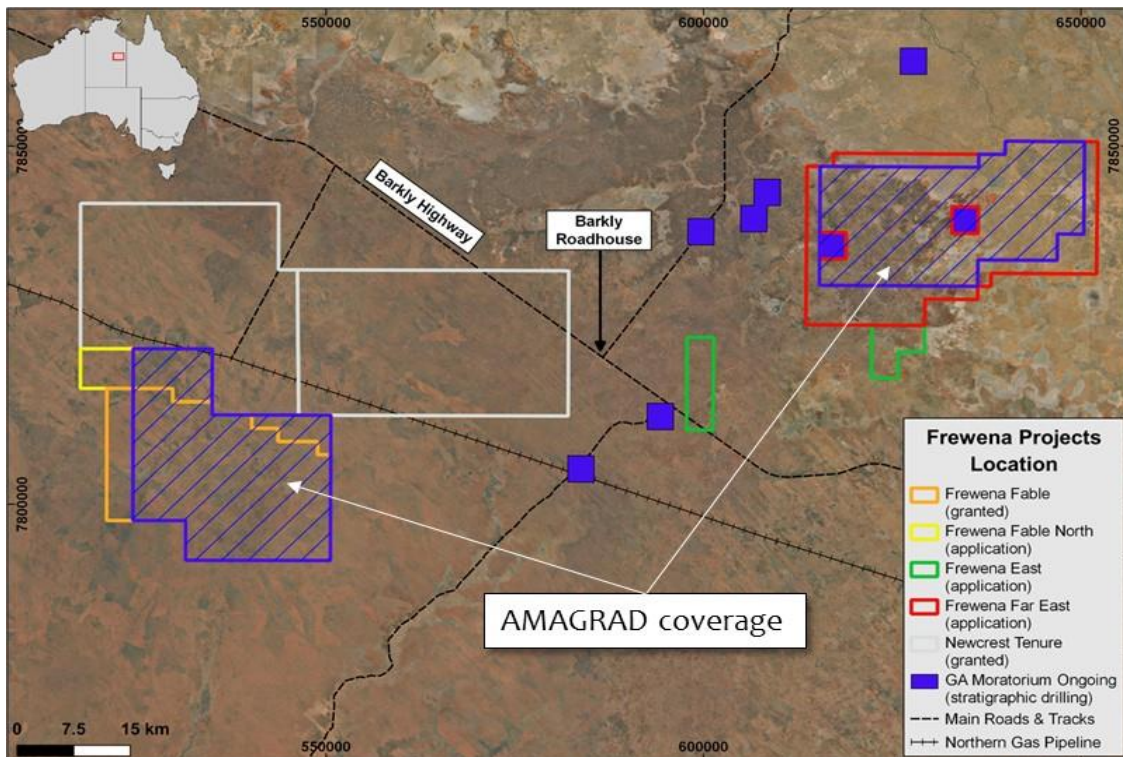


Figure 4 ABOVE: Location plan showing the AMAGRAD survey coverage across the Frewena Fable and Frewena Far East Projects.

### Next Quarter at Frewena

The Company has recently executed an agreement with a service provider to conduct the AMAGRAD survey that will be recipient of the NTG's co-funding grant. It is expected that the survey will commence in the December 2020 quarter, with results to follow in the March 2021 quarter.

This survey, if it identifies a number of strong targets, will clearly advance the prospectivity of the project areas and will elevate the attractiveness of the project for Inca to advance itself, or bring in an earn-in/joint venture or funding partner to progress further exploration. It is the intention to commence land-based exploration and in particular drilling in the shortest lead-time possible.



## CORPORATE

### Covid-19 Related News

With the possible exception of the withdrawal of Inca's funding partner at Riqueza, the COVID-19 pandemic has had a very limited direct impact on Inca to date, with no exploration activities materially affected. In March 2020 Inca activated its COVID-19 Management and Travel Plan across Inca's operations and management. The COVID-19 pandemic is by no means at an end. Nevertheless, the temporary ban on field exploration activities in Peru has been lifted and the field-based aspects of the drill permitting process are underway.

### Consolidation

The Company issued a Notice of Meeting *inter alia* for a 20:1 consolidation as a material post-quarter activity. It is felt that the consolidation will unlock share price discovery ahead of anticipated sustained exploration activities and newsflow. A General Meeting for shareholder approval of the consolidation (and other resolutions) is set for 25 August 2020.

### Cash Management and Director Fees

The Company's administrative and exploration expenditure has over the years been reduced by implementing strict budget controls and by seeking partnerships with major mining companies. This quarter however, Inca's funding partner withdrew from Riqueza. The very positive effect of the return of 100% of the project to Inca with multiple tier-1 drill targets is to some small extent off-set by the need to self-fund. Administrative costs continue to be carefully monitored and reduced where appropriate.

Directors and senior management of the company have also elected to increase their salary sacrifice to take shares *in lieu* of cash, thus further conserving the company's cash position.

Shareholders approved the issue of shares *in lieu* of part payment for Director's Fees on 31 May 2019. This approval was for a 12-month period and expired on 31 May 2020. Given shareholders endorsement of the principle of directors taking salary sacrifice, in part to show commitment to shareholders and faith in the company's prospects, a new approval will be sought at the 2020 AGM, to continue with salary sacrificing for the maximum period of 3 years.

If the consolidation of shares is approved (refer above), at the shareholder meeting, the appropriate shares for the quarter ended 30 June 2020 will need to be issued at post-consolidation and will be based on the 90-day Value Weighted Average Price (VWAP) to 30 June 2020, which was \$0.001 and which is equivalent to post consolidation of 2 cents.

In October when relevant shares are issued, it is advised that the shares for the 30 June quarter will all be issued at 2 cents and the 30 September quarter shares will be issued at a mix of pre and post consolidation 90-day VWAP prices.





**Board/Management and Corporate Structure Overview**

**Directors:**

- Mr Ross Brown (Managing Director)
- Mr Gareth Lloyd (NED)
- Dr Jonathan West (NED)

**Company Secretary**

- Mr Mal Smartt

**Capital Structure: (at 31 Mar 20)<sup>5</sup>**

- 4,078,233,094 shares on issue
- Options – Exp 7 Aug 20 - 408,662,207
- Options – Exp 31 Oct 22 - 716,058,395
- Market Capitalisation (24 June) \$8.16 million
- Cash at bank at 30 June 2020: Please refer to Appendix 5B for June 2020

**Shareholder Information:**

- 2,535 shareholders with Top 20 holding 33.8%

**Tenement Schedule**

Location		Project	Tenement Name	Code/Number	Status	Interest at Start of Quarter	Interest at End of Quarter	
Country	State							
Peru		Riqueza	Santa Rita	010045501	Granted	Earning 100%	Earning 100%	
			Rita Maria	010171016	Granted	100%	100%	
			Picuy	010171116	Granted	100%	100%	
			Uchpanga	010170916	Granted	100%	100%	
			Antacocha I	010249916	Granted	100%	100%	
			Antacocha II	010249716	Granted	100%	100%	
			Maihuasi	010249816	Granted	100%	100%	
			Uchpanga II	010251716	Granted	100%	100%	
			Uchpanga III	010251616	Granted	100%	100%	
		Cerro Rayas	La Elegida I	590004010	Granted	100%	100%	
			Vicuña Puquio	010337217	Granted	100%	100%	
			Vicuña Puquio II	010045618	Granted	100%	100%	
			Puyuhuan	010336917	Granted	100%	100%	
			Tablamachay	010045718	Granted	100%	100%	
			Huaytapata	010337017	Granted	100%	100%	
			Huaytapata Sur	010221018	Granted	100%	100%	
			Intihuanuñan	010221418	Granted	100%	100%	
			Yacuna II	010221318	Granted	100%	100%	
Australia	Queensland	MaCauley Creek	N/A	EPM27124	Granted	Earning 90%	Earning 90%	
			N/A	EPM27163	Granted	Earning 90%	Earning 90%	
	Northern Territory	Lorna May	Lorna May	EL31974	Application	Earning 95%	Earning 95%	
			Frewena Fable	Frewena Fable	EL32107	Granted	Earning 90%	Earning 90%
				Frewena Fable North	EL32287	Application	Earning 90%	Earning 90%
			Frewena East	Frewena East	EL32289	Application	Earning 90%	Earning 90%
			Frewena Far	Frewena Far East	EL32293	Application	Earning 90%	Earning 90%
East Timor		Manatuto	N/A	N/A	Application	100%	100%	
		Ossu	N/A	N/A	Application	100%	100%	
		Paatal	N/A	N/A	Application	100%	100%	

**Competent Person's Statements**

The information in this quarterly report that relates to previously reported exploration activities for the Riqueza Project located in Peru, and the Frewena Regional Project, in located in the northern Territory is based on information compiled by Mr Ross Brown BSc (Hons), MAusIMM, SEG, MAICD Managing Director, Inca Minerals Limited and Mr Robert Heaslop BSc (Hons), consultant Regional Exploration Manager, Inca Minerals Limited. Mr Brown and Mr Heslop have 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 and Mr Heaslop consent to the report being issued in the form and context in which it appears.

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<sup>5</sup> Pre-consolidation data.