



ACTIVITY REPORT - HIGHLIGHTS OF THIS QUARTER

SOUTH32-FUNDED EXPLORATION CONTINUES AT RIQUEZA, FIELD WORK BEGINS AT FREWENA

In Peru...

- South32-funded exploration continues this quarter at the flagship Riqueza Project (**Riqueza**)
 - Soil sampling and rock chip programs completed and integrated with existing datasets
 - Planning of induced polarisation geophysical survey underway
- Cerro Rayas mining concessions all fully granted (**Cerro Rayas**)

In Australia...

- MaCauley Creek Porphyry Project (**MaCauley Creek**)
 - Bonanza grade silver and strong copper, gold, lead, zinc and molybdenum in rockchips¹
 - Next exploration phases to include induced polarisation geophysical surveying and drill testing
- Frewena Group IOCG Projects (**Frewena Fable, Frewena East, Frewena Far East**)
 - Three new tenement applications submitted
 - Reconnaissance completed and planning of 2020 exploration program underway

PROJECT ACTIVITIES

Riqueza Inca-South32 Riqueza Project - Peru

Riqueza-related ASX announcements this quarter:

14-Oct-19	<i>Geochemical Soil Sampling Program Completed at Riqueza</i>
15-Oct-19	<i>Multiple Targets at Riqueza in Interim Soil Results</i>
2-Dec-19	<i>Final Soil Analysis & Further Copper Discoveries at Riqueza</i>
9-Dec-19	<i>Further Strong Copper, Silver and Zinc at Riqueza</i>

Geochemical grid soil program: Results of a project wide geochemical soil program, involving 1,286 samples, were received and interpreted during the quarter. Analysis successfully identified subtle soil geochemical expressions that may relate to hidden forms of large-scale mineralisation. Three areas were recognised that are believed to potentially indicate large-scale intermediate to high-sulphidation epithermal and/or skarn intrusive-related mineralising processes. These include:

- A limestone-hosted Ag-Pb-Zn±(Cu) area in the northeast part of Riqueza at **Yanacolipa**;
- A volcanics-hosted Au-Ag-Pb-Mo±(Cu) area in the central part of Riqueza at **Pampa Corral-Colina Roja**;
- A volcanics-hosted Cu-Zn-Ag±(Pb±Mo) area in the south-central part of Riqueza at **Cuncayoc Copper-Ajo Orjo**.

Soil sampling results were integrated with rock chip sampling (undertaken in conjunction with soil sampling; see below), geological mapping, and 3D modelling of airborne magnetic data to better constrain specific targets.

Rock chip sampling program: Assay results for a total of 95 rock chip samples were reported during the quarter. Sampling was undertaken in conjunction with the soil sample program and focussed on the Yanacolipa and Cuncayoc Copper-Ajo Orjo geochemical areas where outcropping mineralisation was observed.

Mineralisation consists of chalcopyrite, malachite, azurite, galena and smithsonite, and is typically associated with breccia bodies occurring in both areas. Peak values include **4.84% Cu, 1,214g/t Ag, 2.05% Pb** and **31.36% Zn**.

¹Ag = silver, Cu = copper, Au = gold, Pb = lead, Zn = zinc, Mo = molybdenum

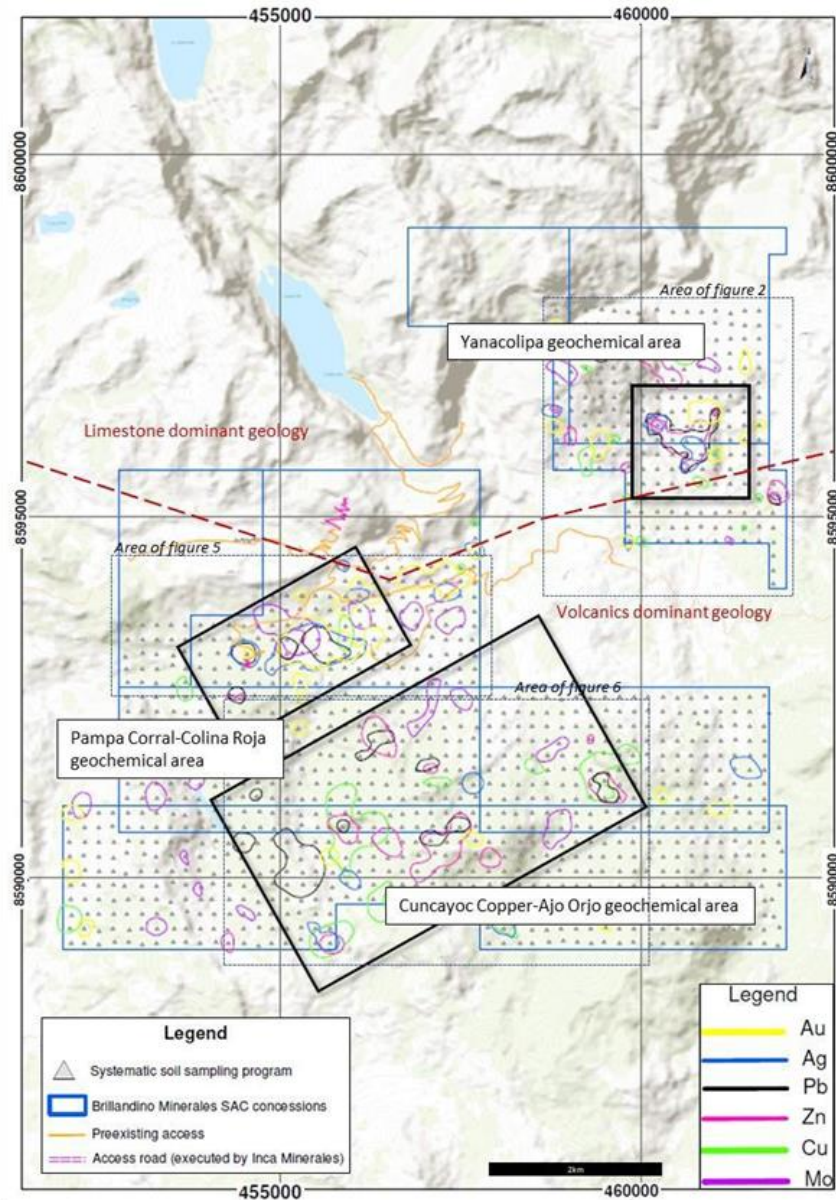


Figure 1 ABOVE: Soil geochemical anomaly map of the Riqueza Project area showing Cu, Au, Ag, Pb, Zn, Mo (as per legend). The three geochemical areas are indicated. Each coloured shape represents anomalous levels of that element.

Key Findings at Riqueza this quarter: The ongoing, systematic exploration being undertaken at Riqueza continues to deliver positive results as additional data is gathered and interpreted in parallel. A summary of key points for the three priority areas is shown below with findings reported during the current quarter in bold. Planning for a proposed induced polarisation geophysical surveying program is underway, as shown in Figure 2.

- **Yanacolipa hosts:**
 - Three priority 1 and one priority 2 airborne geophysical targets, including Pucamachay P-1, Chuge-1, Puymanpata P-1 and Yanacolipa P-2;
 - A large and unexplained 3D magnetic body extending from surface to >1.5km depth;
 - **A bulls-eye shaped Ag-Pb-Zn soil geochemical anomaly;**
 - **Andesitic sills, mineralised breccias and one andesitic porphyry dyke;**
 - **Zones of visible Cu (chalcopyrite, malachite, azurite) and Pb (galena) mineralisation with peak results of 2.40% Cu, 2.84ppm Ag, 2.06% Pb, 31.36% Zn and 34ppm Mo**



- **Pampa Corral-Colina Roja hosts:**
 - One P-2 and one P-3 airborne geophysical targets, including Pampa Corral P-2 and Uchpanga P-3;
 - Bonanza-grade Ag mineralisation (920g/t Ag) and strong Au, Pb and Zn mineralisation at the Uchpanga and Colina Roja Prospects in rockchip sampling;
 - **A bulls-eye shaped Au-Ag-Pb-Mo soil geochemical anomaly;**
 - Known monzodiorite and meta-gabbro intrusive stocks;
 - Known, though minor, Cu skarn (malachite, azurite) mineralisation (garnets in a marl adjacent to the monzodiorite).
- **Cuncayoc-Ajo Orjo hosts:**
 - Four P-1 and four P-2 airborne geophysical targets, including Ushpanga P-1, Cunayhuasi P-1, Cuncayoc East P-1, Chojepite P-1, Cuncayoc West P-2, Ajo Orjo W & E P-2's and Cachillusca P-2;
 - Bonanza-grade Ag mineralisation (911g/t Ag) and strong Cu mineralisation at the Cuncayoc Copper Prospect in rockchip sampling;
 - **Several 3D modelled unaccounted magnetic bodies at Cuncayoc Copper, Huasijaja and Ajo Orjo Prospects; the Huasijaja 3D magnetic body is ±200 million cubic metres in size;**
 - **Multiple known zones of mineralisation with peak rockchip values of 4.84% Cu, 1,214g/t Ag, 1.37% Pb, 2.02% Zn;**
 - And is flanked by the rhyolite dome at Alteration Ridge.

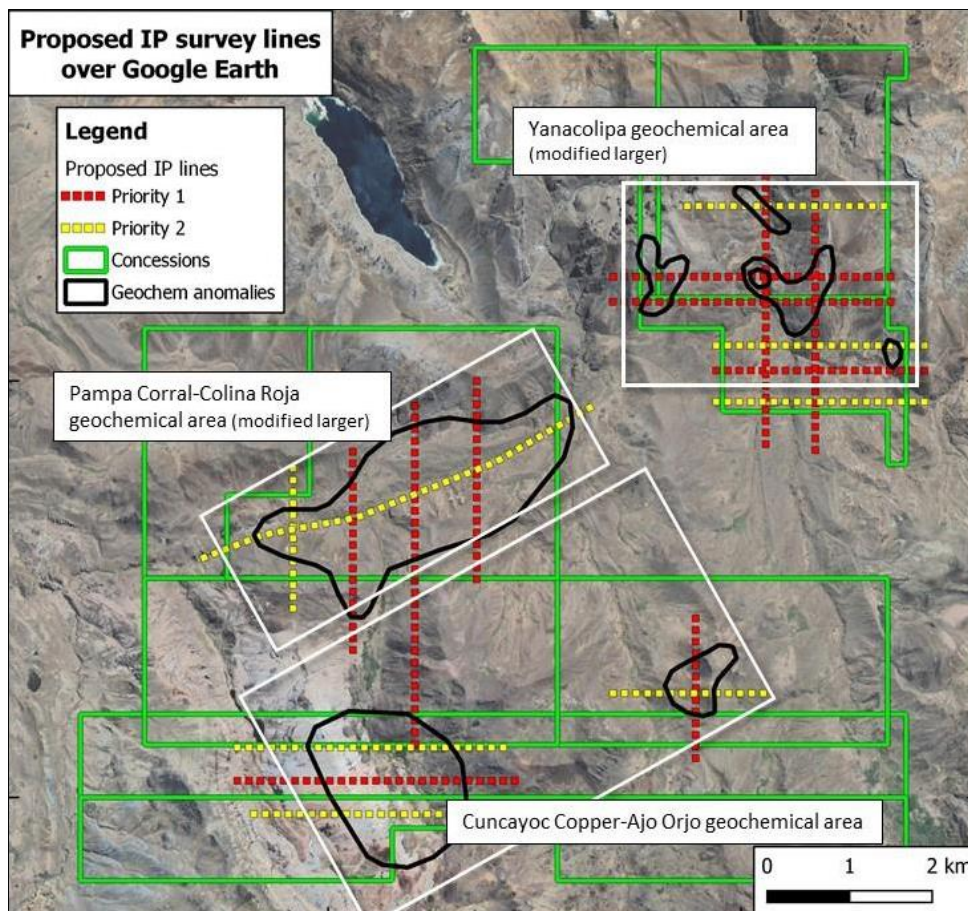


Figure 2 **ABOVE:** Proposed ground geophysical IP and Resistivity Survey for early 2020. Four large areas are targeted, the Cuncayoc geochemical area, the Pampa Corral-Colina Roja geochemical area and two targets within the Cuncayoc Copper-Ajo Orjo geochemical area, Cuncayoc Copper Prospect and the Ajo Orjo Prospect. Also indicated are the soil geochemical areas of Yanacolipa and Pampa Corral-Colina Roja have been enlarged in area in take in additional soil geochemical anomalies warranting IP coverage.



Cerro Rayas - Peru

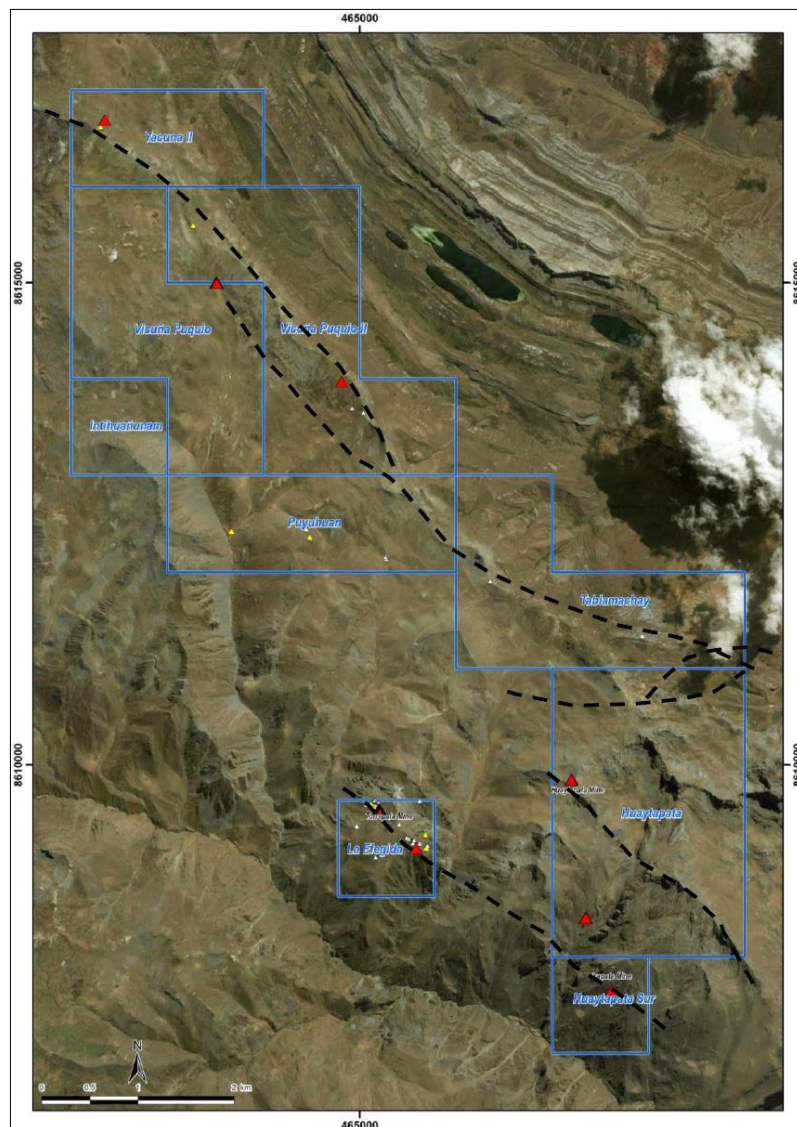
Cerro Rayas-related ASX announcements this quarter:

17-Dec-19 | *Cerro Rayas Project Update*

During the quarter, an update on the Cerro Rayas Project was provided following grant of the remaining eight concessions that comprise the Project. The original project comprised two concessions, La Elegida and La Elegida I totalling 400 hectares. In 2018 the Company expanded Cerro Rayas in three phases of applications, detailed in ASX announcements dated 12 February 2018, 27 August 2018 and 24 October 2018. Applications for a total of eight concessions were made: Vicuña Puquio, Vicuña Puquio II, Puyuhuan, Tablamachay, Huaytapata, Huaytapata Sur, Yacana II and Intihuañum. In 2019, La Elegida I was dropped from the project for commercial reasons. Cerro Rayas now has a total area of 2,700 hectares.

Inca did not commit significant funds to Cerro Rayas whilst the eight concessions were moving through the granting process. This allowed Inca to concentrate in delivering the South32 agreement for Riqueza and getting underway the Year-1 South32-funded program. The Company plans to resume exploration at Cerro Rayas in 2020 and, as a priority, to re-open talks for potential exploration partners.

Figure 3 **RIGHT**: Location plan of the Cerro Rayas concessions on a satellite image background. The red triangles show the location of mineralisation identified during reconnaissance rockchip and channel sampling.





Australian Projects

Australian project-related ASX announcements this quarter:

4-Nov-19	Gold with Silver and Copper at MaCauley Creek
28-Oct-19	New Projects in the East Tennant IOCG Province
15-Oct-19	1,165g/t Silver and 20.3% Copper at MaCauley Creek

MaCauley Creek Porphyry Project

At the end of the previous quarter, Inca conducted its first site visit to the MaCauley Creek Project to inspect past mine workings and prospects, largely located on EPM 27124, and to reconnoitre the newly identified Eckleburg West Prospect, located on EPM 27163. The aim of field work was to determine the style of mineralisation prevalent and to assess the area for additional mineralisation. Results of this work – including rockchip assays – were reported during the current quarter.

Reconnaissance at the past mine workings and prospects:

The Company announced bonanza grade Ag and strong Cu, Au, Pb, Zn and Mo results from a small 26 sample rockchip program (Table 1) that focussed on the historic mines and prospects. Peak results include:

- 20.3% Cu (Sample MC0023)
- 1,165g/t Ag (Sample MC0025)
- 0.26g/t Au (Sample MC0025)
- 420ppm Mo (Sample MC0007)
- 3.36% Zn (Sample MC0007)
- 24.7% Pb (Sample MC0001)

Visible mineralisation was identified and subsequently described, photographed and sampled at the Western Mine, the Silver-Prospecting Area, Copper Knob, Breccia Knob, Mt Long Mine and Windcan past mining locations and prospects (Figure 4). Mineralisation was also discovered at two new locations: approximately 500m north of the Silver-Prospecting Area (sample MC0019) and at the newly named Eckleburg West prospect in EPM 27163.

Representative material was collected *in situ* from the walls of old mine workings or mineralised outcrops, where possible, with float samples (i.e. not *in situ*) collected from waste dumps adjacent to old mines. The strong visible mineralisation of these samples returned assay results in line with expectations.

Ore-forming minerals include copper-bearing minerals (chalcopyrite, bornite, malachite, azurite and chrysocolla) and zinc and lead-bearing minerals (sphalerite, galena, respectively). Mineralisation that is exposed at workings and prospects occurs in various forms including: joint fractures/coatings, veins, veinlets, stockworks, disseminations and as massive accumulations, in all cases hosted in highly altered granites with different grainsizes. Mineralisation is accompanied with alteration minerals including chlorite, epidote, quartz, sericite, biotite and various clays.

Granite-hosted Cu±Au±Ag±Mo±(Pb-Zn) mineralisation at MaCauley Creek has now been confirmed in reconnaissance sampling over an area approximately 3kms in an east-west direction and 2.5kms in a north-south direction – open in all directions. Mineralisation occurs within the western limits of a much larger 13km x 7km regional magnetic structure (Figures 4 & 6) with the central and eastern portions of this structure having received minimal – if any – attention by past explorers.





The high degree of similarity of mineralisation, alteration, and host geology observed across the numerous mine workings, prospects and mineralised outcrops indicates a single unifying mineralising event. It is likely that several intrusive bodies, potentially porphyry related, occur beneath this area of enrichment.

Key Findings at MaCauley Creek this quarter: The Company’s field investigations to MaCauley Creek reported this quarter strengthens the porphyry potential of this exciting new project. Significant Cu-Ag-Au-Mo-Zn-Pb mineralisation hosted in altered granites has been identified across a strike length of 3km. The style of mineralisation is characteristic of a porphyry system. Multiple other “porphyry indicators” are already known at MaCauley Creek, *inter alia*, porphyry style alteration, porphyry dykes, telescoped granite intrusions, and porphyry-like geophysical anomalies.

Subsequent to quarter end, planning is underway for a trial IP geophysical survey at MaCauley Creek to be undertaken over the main historic mine sites. This will be the first survey of its type at MaCauley Creek and post surveying, the Company anticipates initial drill testing of the highest ranked targets.

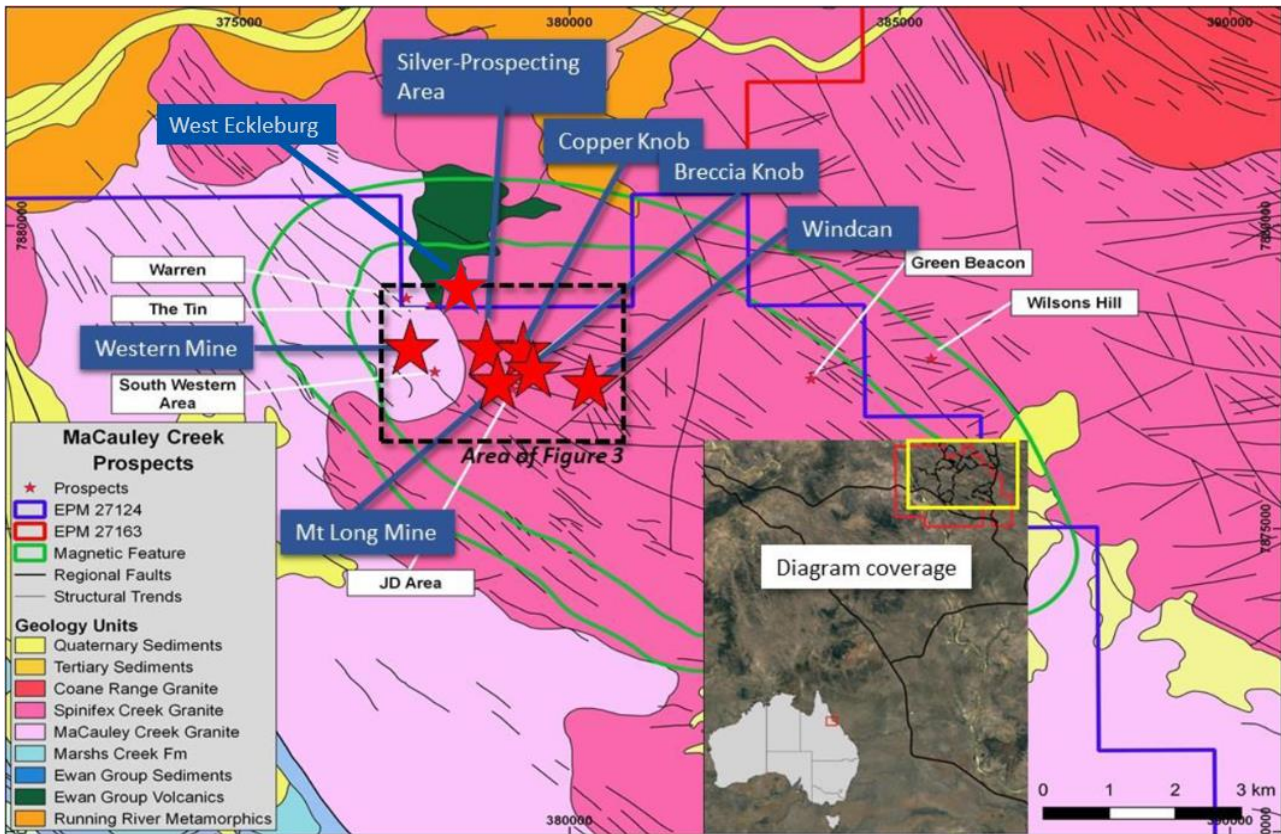


Figure 4 ABOVE: Project location and geology of EPM27124 (blue line) showing the dominant granitic terrain (various pink shaded areas). The six historic mines and prospects that were inspected are highlighted (dark blue call-out boxes) with other old mine workings identified (white call-out boxes). EPM27163 (red line) adjoins EPM27124 to the north and hosts the Eckleburg West prospect.



Sample_ID	Au AA23 ppm	Ag ME-ICP61 ppm	Ag OG62 ppm	Cu ME-ICP61 ppm	Cu OG62 %	Mo ME-ICP61 ppm	Pb ME-ICP61 ppm	Pb OG62 %	Pb OG62h %	Zn ME-ICP61 ppm	Zn OG62 %
MC0001	0.023	>100	659	>10000	9.27	119	>10000	>20.0	24.7	3710	-
MC0002	0.01	89.2	-	>10000	7.48	1	>10000	13.6	-	5080	-
MC0003	<0.005	68.7	-	2650	-	31	>10000	2.49	-	>10000	1.32
MC0004	0.01	>100	112	>10000	1.09	3	7790	-	-	3560	-
MC0005	0.009	>100	253	>10000	2.81	18	>10000	3.95	-	4450	-
MC0006	<0.005	>100	996	>10000	5.23	48	>10000	7.95	-	>10000	1.92
MC0007	0.019	>100	827	>10000	7.05	420	>10000	13.4	-	>10000	3.36
MC0008	<0.005	2.5	-	521	-	20	1020	-	-	1405	-
MC0009	0.016	>100	643	>10000	5.15	2	>10000	8.07	-	>10000	1.49
MC0010	0.005	26.4	-	1320	-	4	1840	-	-	1410	-
MC0011	0.005	>100	256	>10000	4.06	<1	>10000	10.35	-	2240	-
MC0012	0.017	>100	241	>10000	1.37	1	>10000	12.9	-	4610	-
MC0013	<0.005	7.3	-	711	-	3	2090	-	-	290	-
MC0014	<0.005	4.8	-	867	-	<1	2100	-	-	476	-
MC0015	<0.005	5.7	-	496	-	17	1520	-	-	1485	-
MC0016	<0.005	4.8	-	274	-	27	488	-	-	895	-
MC0017	<0.005	13.4	-	789	-	127	5280	-	-	2390	-
MC0018	<0.005	>100	116	6770	-	4	1825	-	-	334	-
MC0019	0.011	50.3	-	>10000	2.69	12	>10000	4.58	-	7100	-
MC0020	0.011	>100	439	8890	-	70	>10000	2.18	-	2110	-
MC0021	<0.005	15.3	-	781	-	1	2320	-	-	1160	-
MC0022	0.038	>100	246	>10000	1.73	6	8240	-	-	801	-
MC0023	0.024	>100	739	>10000	20.30	52	>10000	>20.0	22.6	>10000	1.24
MC0024	0.009	>100	361	>10000	3.10	40	>10000	13	-	>10000	1.01
MC0025	0.258	>100	1165	3480	-	9	>10000	1.36	-	1785	-
MC0026	0.126	>100	132	>10000	1.23	38	>10000	5.04	-	8240	-

Table 1 ABOVE: Assay results for rock chip samples on EPM27124. Refer to Figure 2 for sample locations.

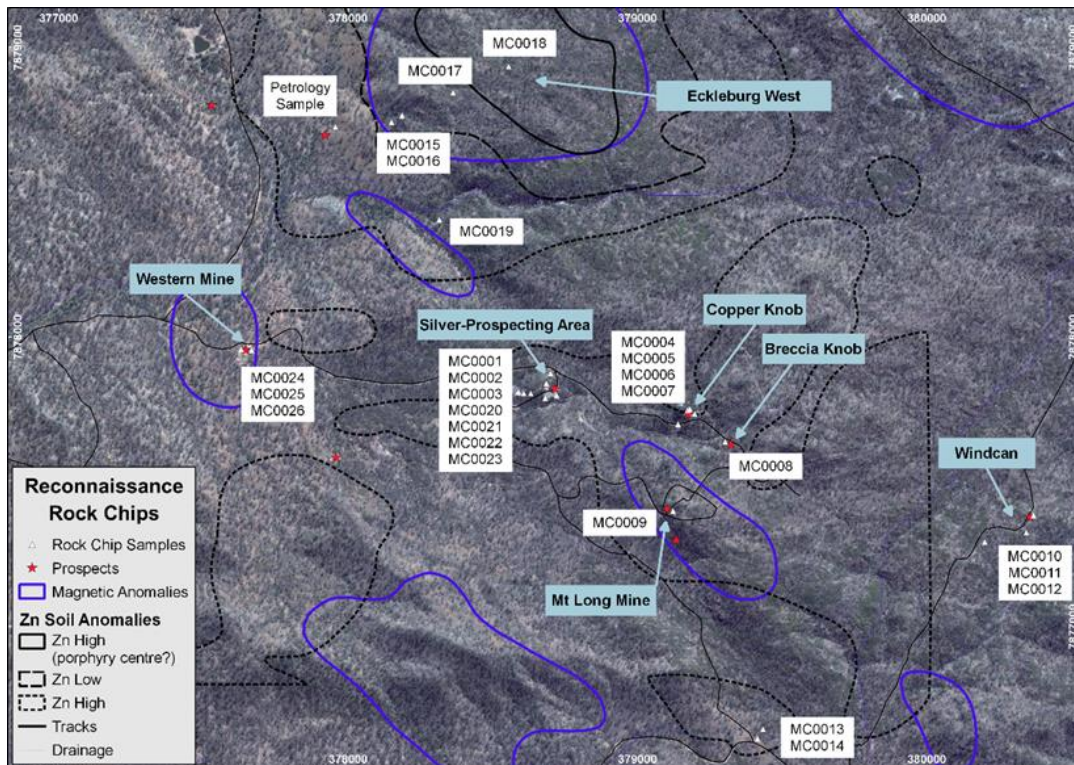


Figure 5 ABOVE: Location plan showing the rock chip sample locations of EPM2714 as presented in ASX announcement dated 19 September 2019

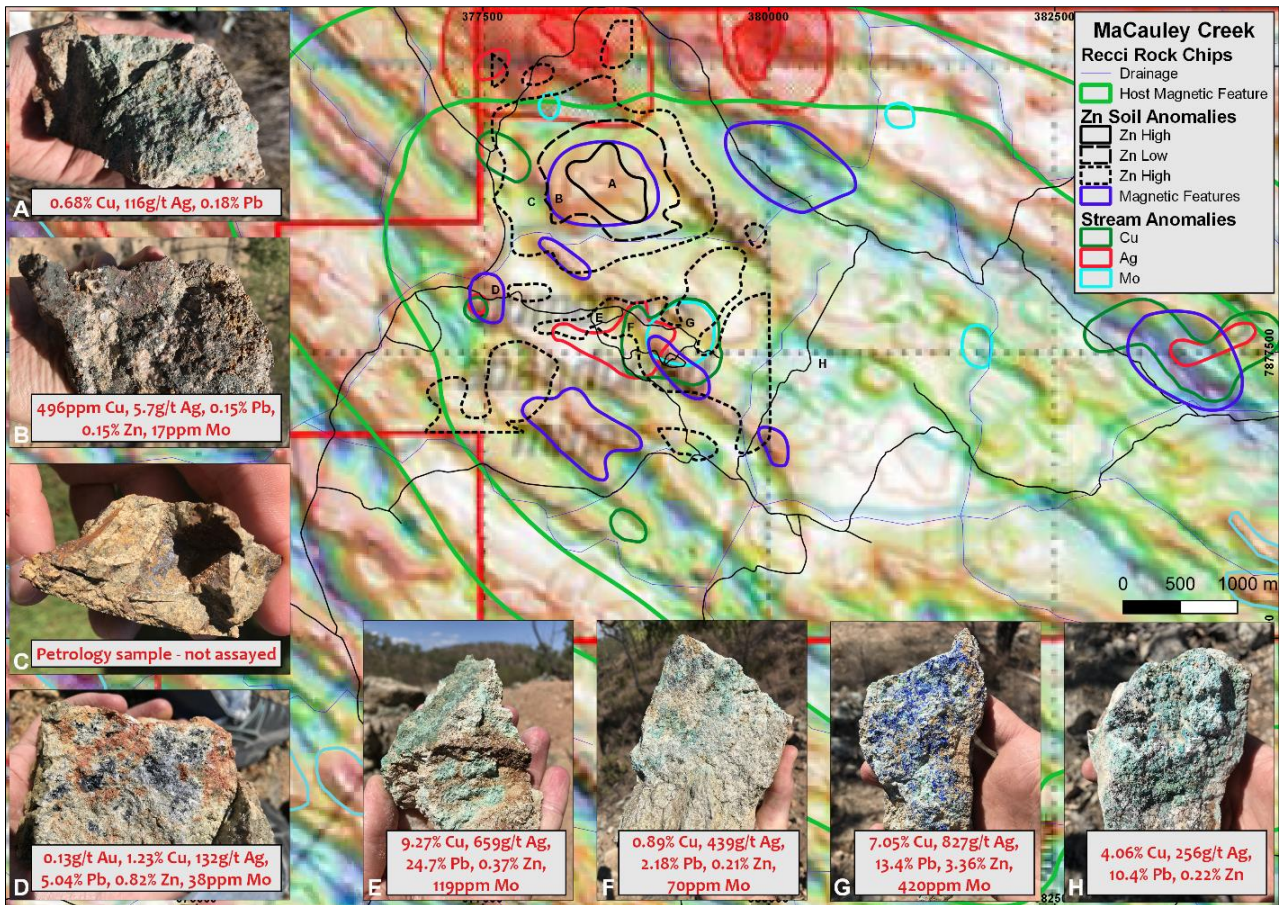


Figure 6 ABOVE: Location plan highlighting the Eckleburg West Prospect and the mine workings and prospects area. Geochemical anomalies are highlighted as per legend. Inserted are examples of rock chip samples with visible mineralisation. A (MCo018): Altered granite with disseminated coarse malachite and limonite coated vugs; B (MCo015): Highly altered granite composed of quartz-chlorite-sericite-kaolinite with limonite coated vugs; C (sample taken for petrographic studies): altered volcanics with disseminated pyrite and pyrite-Fe oxide veinlets; D (MCo026) Quartz-sericite granite-hosted lode with abundant coarse grained galena and bornite; E (MCo001): Quartz-kaolinite-sericite granite-hosted lode with abundant malachite; F (MCo020): Medium grained quartz-feldspar microgranite with galena, malachite, and lesser sphalerite; G (MCo007): Quartz-sericite-kaolinite granite-hosted lode with strong azurite and lesser malachite; H (MCo011): Altered microgranite with malachite, azurite, lesser galena, and trace sphalerite.

Frewena Group IOCG Projects

During the previous quarter, Inca continued to expand its Australian portfolio with the acquisition of the Frewena Fable IOCG Project (**Frewena Fable**) in the Northern Territory, complementing the Lorna May IOCG Project also in the Northern Territory. Frewena Fable hosts a walk-up target called the Tamborine Anomaly (**Tamborine**) which is 5km across and has compelling geophysical and ASTER signatures.

Tamborine has coincident conductivity zones, radiometric and ASTER interpretation anomalies, and forms a topographic high in otherwise flat terrain. Tamborine has the spatial and geophysical signature characteristic of other IOCG deposits in arid Australia. Of interest, Newcrest Mining has an exploration project located immediately adjacent to the north of Frewena Fable.

During the current quarter, Inca generated two additional projects as part of the Frewena Group: **Frewena East** (EL 32289) and **Frewena Far East** (EL 32293). At the same time, Frewena Fable was extended (EL 32287) given that the north west part of EL 31974 has a strong geophysical anomaly similar to the Tamborine target in the south



east. These projects were acquired through the execution of legally binding Memoranda of Understanding (MOU's) and through open ground tenement applications.

The Frewena Group Projects all fall within the East Tennant Province of the Northern Territory that has been the focus of several comprehensive completed and ongoing pre-competitive studies by GA and the NTGS in recent years, and is rapidly gaining attention as a priority IOCG mineral province. Studies include the world's largest airborne electromagnetic (AEM) survey covering much of the western parts of Queensland and the eastern parts of the Northern Territory (including the East Tennant area), as well as seismic, geochemical, and stratigraphic drilling programs specific to East Tennant. While these exploration initiatives were ongoing, the Northern Territory Government placed a moratorium on exploration licence applications pending survey results.

Preliminary findings were released at an industry update in September 2019 with notable conclusions highlighting IOCG prospectivity of the East Tennant region including: large-scale architecture, AusLAMP conductivity models, modelled iron-oxide alteration, modelled mineral potential, and accessible basement depths. The Company's exciting Frewena Group Projects all lie in within the IOCG priority area as shown in Figure 7. Critically, the GA and NTGS data also shows that the depth of cover in the Frewena Project areas is likely to be shallow, which will facilitate initial exploration activities.

During the quarter, initial reconnaissance was undertaken by the Company to inspect the Frewena Group with a total of 79 soil and termite mound samples and 27 rock chips collected for chemical analysis, with 4 representative rock chip samples also submitted for petrological study. The Company looks forward to reporting results once all are received and interpreted.

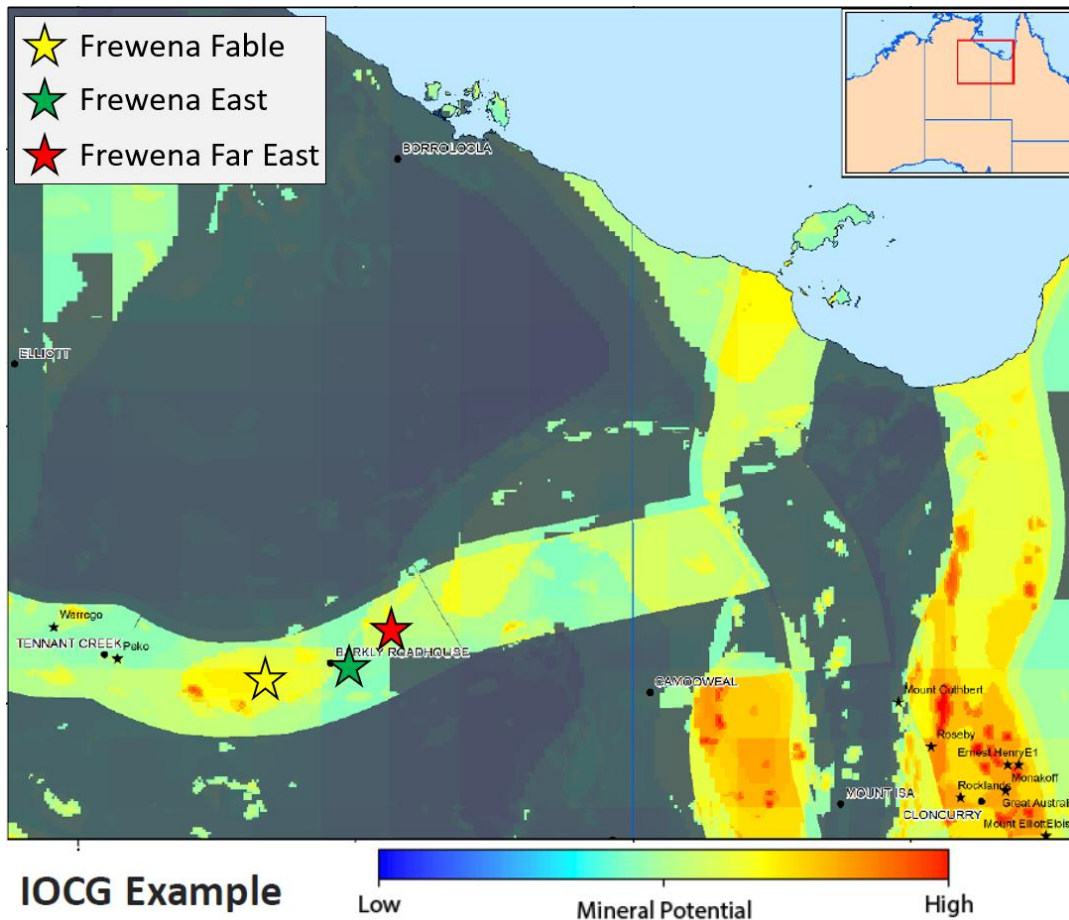


Figure 7 LEFT: Slide extract from GA and a NTGS presentation. IOCG mineral potential as modelled by GA and the NTGS. Inca's Frewena Group Projects are indicated.

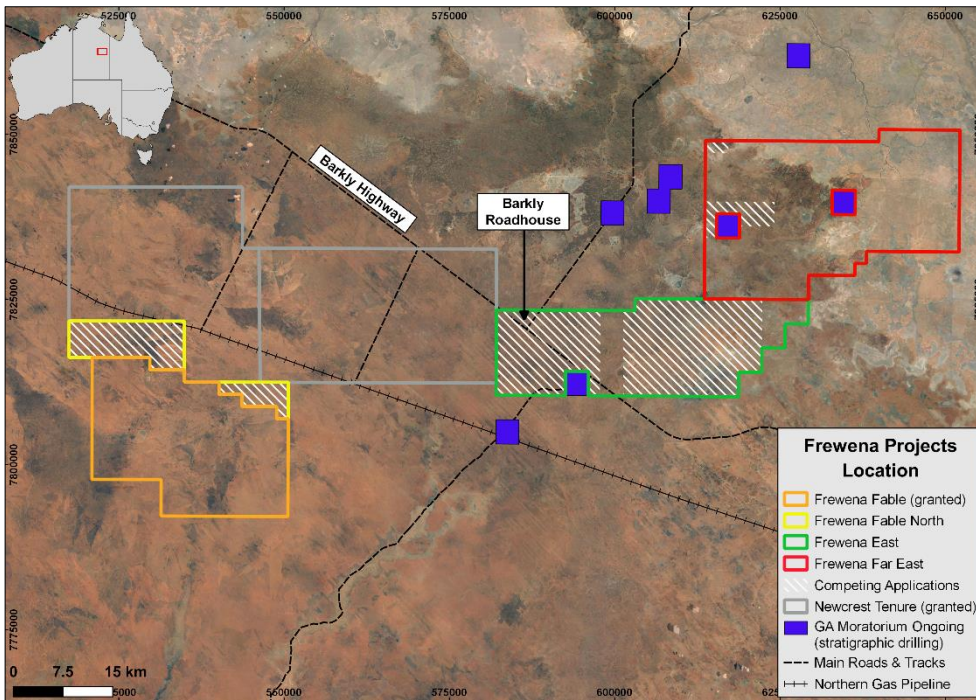


Figure 8 LEFT: Location plan of Inca's Frewena Group Projects in the East Tennant Region showing the granted Frewena Fable (orange), and applications including Frewena North (yellow), Frewena East (green), and Frewena Far East (red). White hatch represents competing applications (yet to be determined), and blue squares indicate locations of stratigraphic drilling to be undertaken by GA during 2020.

Next steps at the Frewena Group: While progression of the recent applications is ongoing, Inca plans to focus initial exploration on the granted Frewena Fable tenement and is currently assessing options that include soil sampling, geological mapping and rock chip sampling, geophysical surveying and drill testing. Appropriate government approvals are currently being sought to facilitate construction of access tracks to priority areas and the Company looks forward to a proactive year in the East Tennant region building on our first mover advantage.

CORPORATE

Annual General Meeting

The Annual General Meeting was held on 15 November and all resolutions were passed.

Competent Person's Statements

The information in this quarterly report that relates to previously reported exploration activities for the Riqueza and Cerro Rayas Projects located in Peru, the MaCauley Creek and Toolebuc Projects located in Queensland and the Lorna May and Frewena Projects located in the Northern Territory is based on information compiled by Mr Ross Brown BSc (Hons), MAusIMM, SEG, MAICD Managing Director, Inca Minerals Limited, who is a Member of the Australasian Institute of Mining and Metallurgy; and by Mr Rob Heaslop BSc (Hons), MAusIMM, Regional Exploration Manager, Inca Minerals Limited, who is a Member of the Australasian Institute of Mining and Metallurgy. Both 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 is a fulltime employee of Inca Minerals Limited, and Mr Heaslop is a consultant to Inca Minerals and consents to the report being issued in the form and context in which it appears.