



ACTIVITY REPORT - HIGHLIGHTS OF THIS QUARTER

SOUTH32-FUNDED EXPLORATION CONTINUES AT RIQUEZA WITH GROUND GEOPHYSICAL TARGETS GENERATED; INCA ALLOCATED MAJORITY OF ITS FREWENA REGIONAL PROJECT AREA AMIDST IOCG PEGGING RUSH IN THE NORTHERN TERRITORY

“Despite the broad effects of the coronavirus pandemic, work at Riqueza continued this quarter with excellent results from the Induced Polarisation survey, producing yet another layer of quality targets; whilst Inca’s Tier-1 IOCG aspirations for the Northern Territory are boosted with tenements comprising the Frewena Regional Project being allocated.” *Inca’s Managing Director Mr Ross Brown*

In Peru...

- South32-funded exploration continues this quarter at flagship Riqueza Project:
 - A 49.9 line-kilometre Induced Polarisation (IP) survey was completed.
 - Interim interpretations were completed (as a material post-Quarter event).

In Australia...

- Inca’s Iron Ore Copper Gold (IOCG)-porphyry portfolio strengthens:
 - The NT Government awards the majority of the area Inca sought in Exploration Licence applications at its Frewena Regional Project
 - Field work provides “proof of concept” for possible IOCG related mineralisation at the Frewena Far East Project.
 - Inca explains its IOCG Exploration Model for the Frewena Regional Project.
 - Company drops Toolebuc, a vanadium focused project in Queensland given its very early status and Inca’s focus on Tier 1 type IOCG and porphyry targets.

SUMMARY OF ACTIVITIES

Inca-South32 Riqueza Project - Peru

ASX announcements relating to the Riqueza Project this quarter:

- 17 February 2020 Riqueza Project February Update
- 07 April 2020 Interim Induced Polarisation Results at Riqueza (material post-quarter result)

IOCG-Porphyry Projects - Australia

ASX announcements relating to the Australian projects this quarter:

- 12 February 2020 NT Government Allocate Ground to Inca in Pegging Rush
- 20 February 2020 Inca Minerals East Tennant Exploration Model
- 24 February 2020 Frewena Field Trip Provides IOCG Proof of Concept

Corporate

ASX announcements relating to corporate and non-project activities this quarter:

- 19 March 2020 Covid-19 and Inca Minerals



PROJECT ACTIVITIES

Riqueza Inca-South32 Riqueza Project - Peru

Induced Polarisation Survey – Field Work Completed

Field-based data acquisition of the Induced Polarisation/Resistivity ground geophysical survey (**IP Survey**) was successfully completed this quarter. A total of 49.9 line-kilometres of IP data was generated in 16 lines over four specific target areas, within the Yanacolipa geochemical target area, Pampa Corral-Colina Roja geochemical target area and the Cuncayoc Copper-Ajo Orjo geochemical target area (Figure 1). The areas were first described in ASX announcement dated 2 December 2019 (Figure 2).

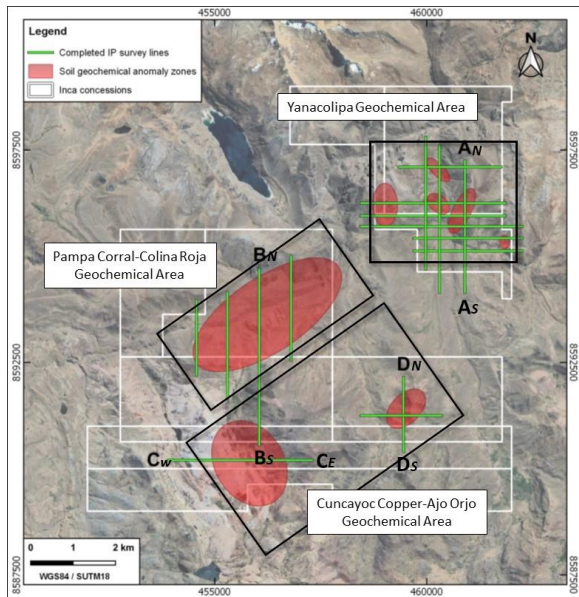
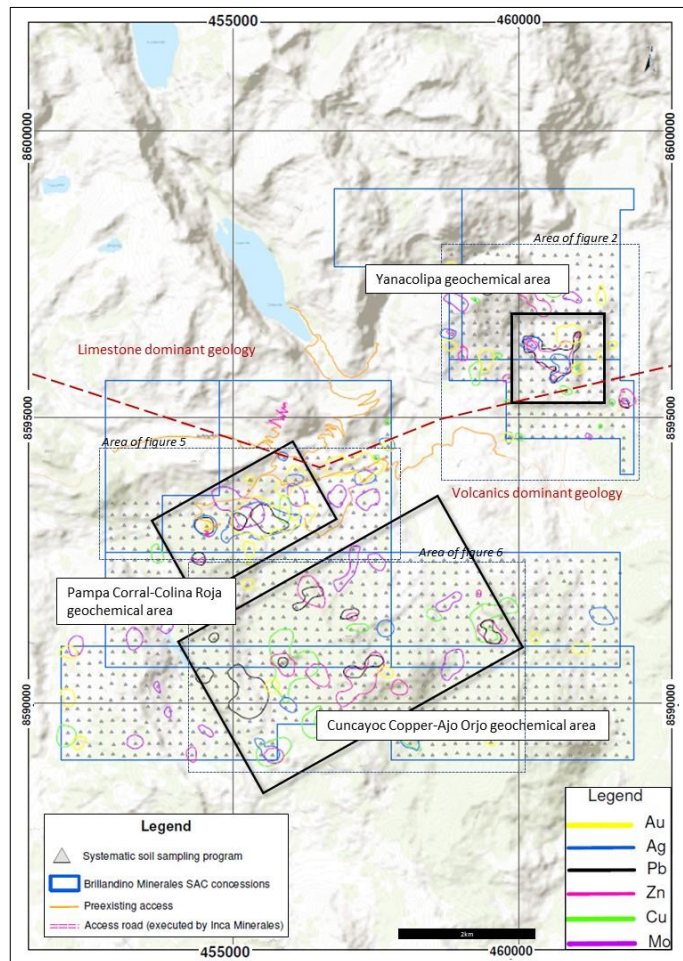


Figure 1 **ABOVE**: The IP coverage at Riqueza (green lines). The geochemical areas are also highlighted (red shaded areas). The locations of the IP profiles presented in this announcement are also shown and identified (e.g. BN-Bs).

Figure 2 **RIGHT**: Soil sampling geochemical anomaly map of the Riqueza Project area showing copper (Cu), gold (Au), silver (Ag), lead (Pb), zinc (Zn), and molybdenum (Mo) (as per legend). The three geochemical areas are indicated. Each coloured shape represents anomalous levels of that element. This diagram appeared in ASX announcement dated 2 December 2019



Induced Polarisation Survey – Interpretations Commenced

The interpretation of IP Survey data commenced this quarter and is expected to be completed by end-April to early May. Selected interim results were released as an illustration (and market update) of the nature of the interpretive work being carried out.

Four profiles were presented: A, B, C and D, with resistivity and chargeability results presented for each profile.

- Profile A (AN to As) represents a 3.2km long north-south line extending across part of the Yanacolipa geochemical target area (Figures 1 & 3).



- Profile B (BN to Bs) represents a 4.0km long north-south line extending across part of the Pampa Corral-Colina Roja geochemical target area and extending into the northern parts of the Cuncayoc Copper-Ajo Orjo geochemical target area (Figures 1 & 4).
- Profile C (CW to CE) represents a 3.4km long east-west line extending across the Cuncayoc Copper part of the Cuncayoc Copper-Ajo Orjo geochemical target area (Figures 1 & 5).
- Profile D (DN to Ds) represents a 2.2km long north-south line extending across the Ajo Orjo part of the Cuncayoc Copper-Ajo Orjo geochemical target area (Figures 1 & 6).

Profile A: Profile A represents a north-south orientated cross section of Line 460900E approximately 3,200m long. It contains data to a maximum depth of approximately 900m. Low amplitude pole-dipole IP (PDIP) chargeability anomalies (red anomaly at C) occur below the approximate position of soil geochemical anomaly zones having elevated Pb and Zn near the centre-northern part of the survey line. These chargeability anomaly zones are closely correlated with conductivity anomaly zones, which could reflect a greater concentration of conductive sulphide minerals and potential base metal mineralisation. An elevated chargeability response (large red anomaly at B) is also located in the southern part of the line at the contact between Jumasha Formation limestones and volcanic sediments (shown in the upper resistivity profile as a strong gradient (at A).

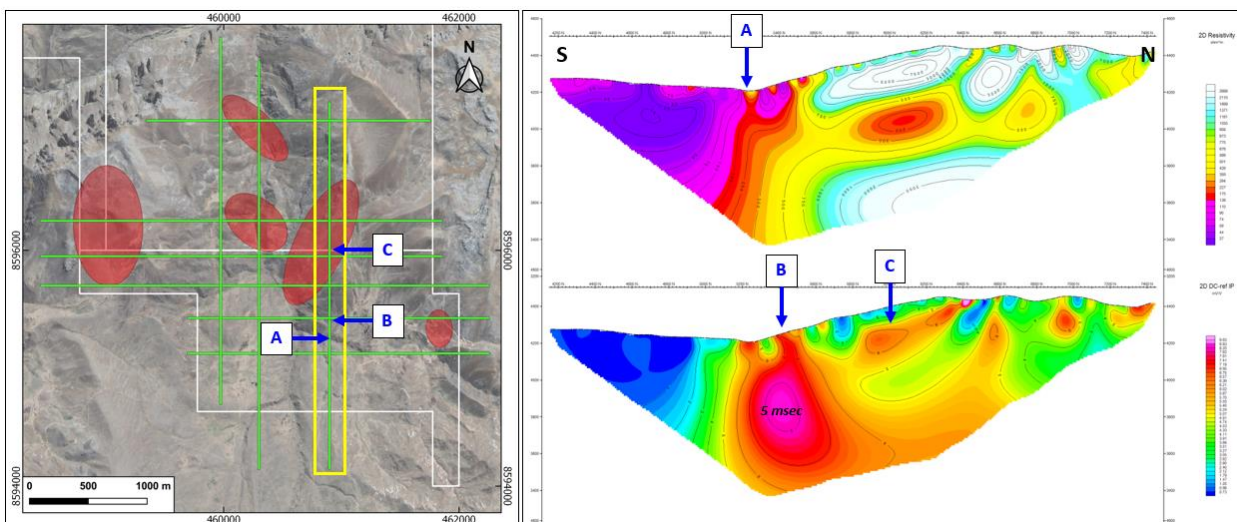


Figure 3 **ABOVE LEFT:** Line location. The red shapes represent geochemical anomalism; **ABOVE RIGHT:** Resistivity (upper profile) and PDIP (lower profile). The data extends to approximately 900m depth (at its deepest). Refer also to Appendix 2.

Profile B: Profile B represents a north-south orientated cross section of Line 456050E approximately 4,000m long. It contains data to a maximum depth of approximately 600m. A low to moderate amplitude PDIP chargeability anomaly zone occurs below the approximate location of the Pampa Corral prospect (red anomaly at B), which is closely correlated with a conductive anomaly zone, and located within a broad zone of mixed soil geochemical anomalism including Cu and Mo. A known intrusive stock occurs at this location. A similar chargeability anomaly is observed on the PDIP survey line directly to the west of this line (not presented in this announcement).

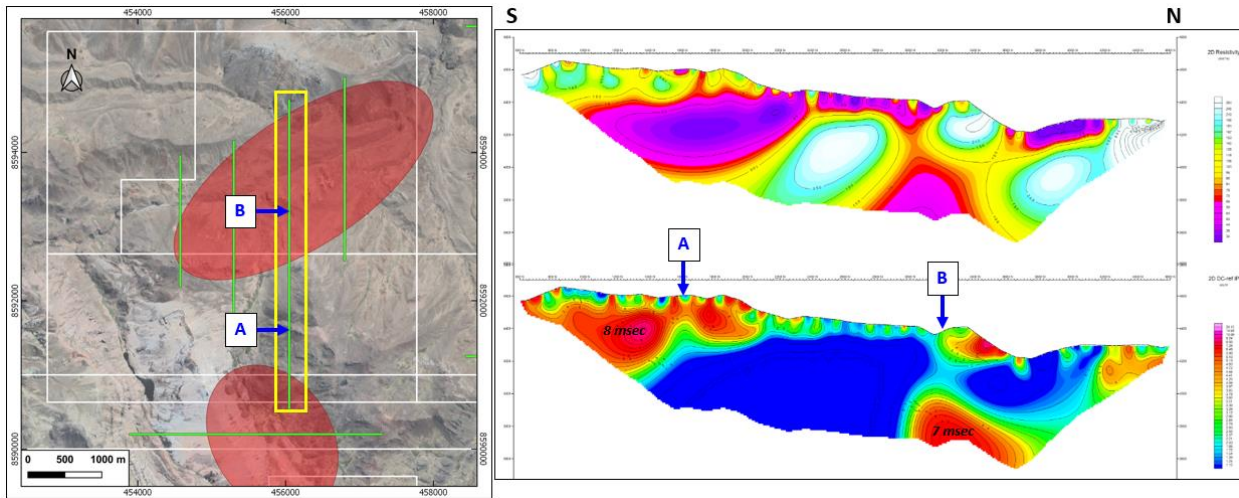


Figure 4 **ABOVE LEFT:** Line location. The red shapes represent geochemical anomalism; **ABOVE RIGHT:** Resistivity (upper profile) and PDIP (lower profile). The data extends to approximately 600m depth (at its deepest). Refer also to Appendix 2.

A large, low to moderate PDIP chargeability anomaly zone is also apparent on the profile. This anomaly occurs below the approximate location of the Cuncayoc Copper prospect (red anomaly at A). Lower amplitude PDIP chargeability anomalism is also noted at the northern extent of this survey line in the southern portion of the Humaspunco Prospect.

Profile C

Profile C represents an east-west orientated cross section of line 8590200N approximately 3,400m long. It contains data to a maximum depth of approximately 900m. As well as a low amplitude chargeability anomaly occurring at depth underneath Alteration Ridge (below the “blue peak”), a more interesting and higher amplitude chargeability anomaly is observed further to the east of the ridge (red anomaly at A) and this zone is more closely correlated with the soil geochemical anomaly zone. This particular anomaly coincides with the very large 3D-modelled Cuncayoc and Huasijaja magnetic features (Figure 5 INSERT).

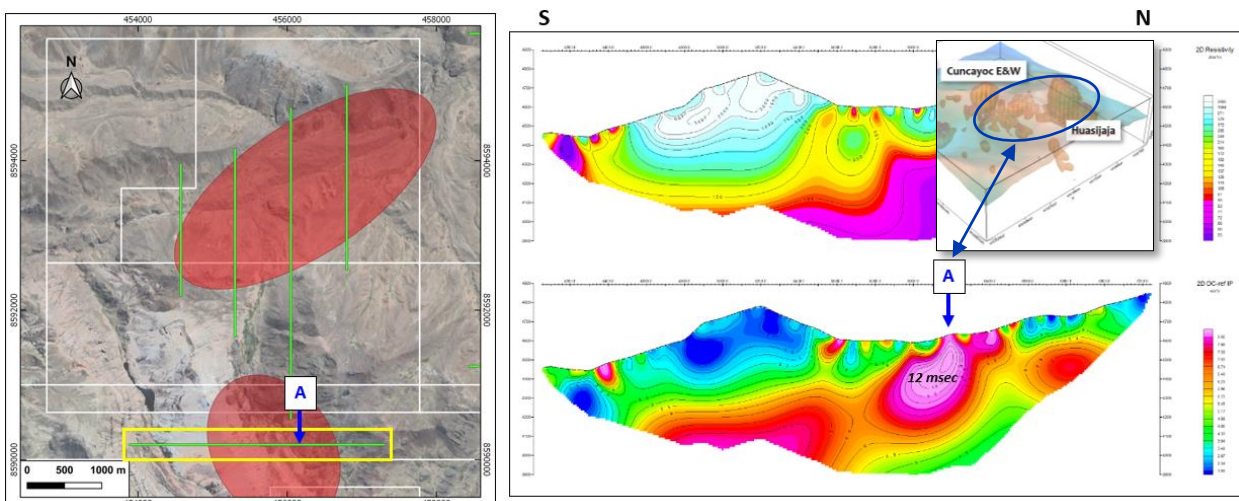


Figure 5 **ABOVE LEFT:** Line location. The red shapes represent geochemical anomalism; **ABOVE RIGHT:** Resistivity (upper profile) and PDIP (lower profile). The data extends to approximately 900m depth (at its deepest). **INSERT:** Partial cut and paste of a 3D magnetic model first appearing in ASX announcement 19 August 2019. Refer also to Appendix 2.



Profile D

Profile D represents a north-south orientated cross section of line 459450E approximately 2,200m long. It contains data to a maximum depth of approximately 900m.

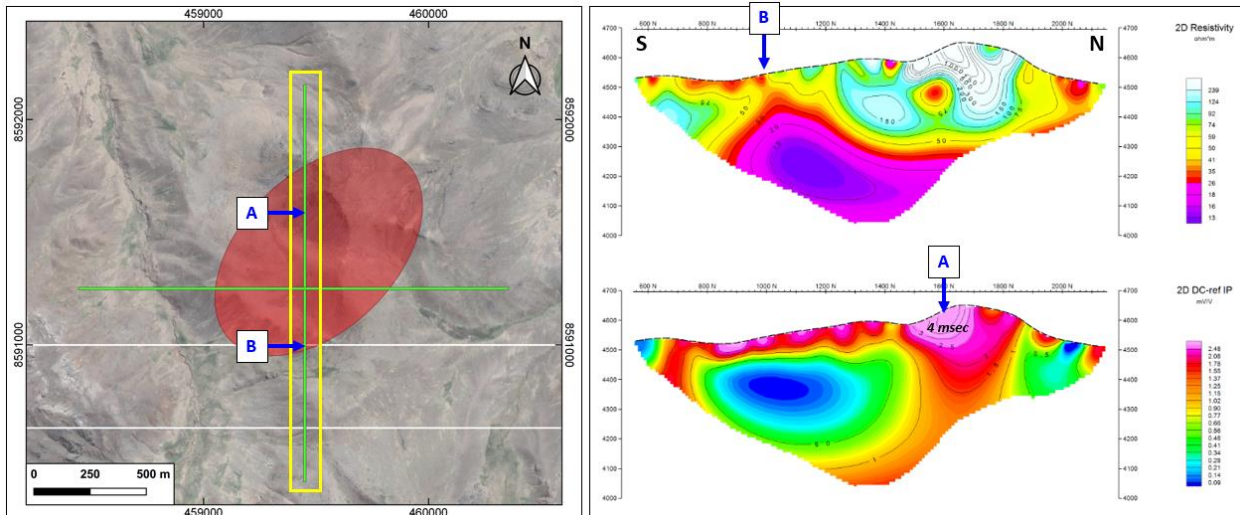


Figure 6 **ABOVE LEFT:** Line location. The red shapes represent geochemical anomalism; **ABOVE RIGHT:** Resistivity (upper profile) and PDIP (lower profile). The data extends to approximately 900m depth (at its deepest). Refer also to Appendix 2.

A very low amplitude PDIP chargeability anomaly occurs at Ajo Orjo (pink anomaly at A). This closely correlates to a soil geochemical Cu anomaly. The IP chargeability data along this PDIP survey line is compromised by very conductive sediments sitting to the sides of the hill, and therefore the weak anomalism observed near the top of the hill may be indicative a sulphide mineralised system at depth, which is not well resolved by this survey. A coincident resistivity low and IP chargeability anomaly (low) (pink anomaly at B) is also distinctive and correlates to geochemical anomalism.

The Next Quarter

The Covid-19 pandemic did not materially affect activities at Riqueza in the past quarter. Despite some Covid-19 pandemic-related restrictions potentially being lifted, there remains the potential of disruption to the June 2020 quarter activities at Riqueza. The potential is minimal on the basis that critical next steps at Riqueza are desktop based, not requiring field work.

Next steps at Riqueza include the completion of the interpretation of the IP survey data. It is being conducted by Resource Potentials, a specialist geophysics consultancy, that also completed the South32-funded airborne geophysics AMAGRAD survey.

The full integration of the Year-1 program data will also be completed in the June 2020 quarter. The purpose of the integration of data is to generate targets for possible drill testing. Data to be integrated includes:

- Airborne magnetics and radiometrics (a program conducted under the Inca-South32 Option Agreement)
- WorldView3 satellite data (high resolution digital terrain models and multispectral imagery)
- Geological data (structure, alteration, mineralisation) derived from mapping and sampling
- Various airborne magnetics 3D models
- Geochemical data derived from the extensive grid soil sampling program
- IP survey data.

Each one of these data sets have generated targets. The process will be to prioritise those for possible drill testing.



Frewena Regional¹. Project – The Northern Territory

NT Government Allocation of Ground

This quarter the Company received notice from the Northern Territory Department of Primary Industry and Resources (DPIR), that it has been allocated a significant proportion of its applied for tenure, which includes:

- EL 32287 (adding to the **Frewena Fable Project**): 100% success (44 subblocks applied and allocated)²
- EL 32289 (comprising the **Frewena East Project**): 15% success (176 subblocks applied with 26 subblocks allocated)
- EL 32293 (comprising the **Frewena Far East Project**): 99% success (242 subblocks applied with 240 subblocks allocated)

In the previous quarter, the Company submitted three applications in October 2019 that were lodged as part of a competitive process, following the lifting of a moratorium over the East Tennant area in early October 2019. Licence applications include: Frewena Fable North (EL 32287), Frewena East (EL 32289) and Frewena Far East (EL 32293) (Figures 7 & 8).

Figure 7 **RIGHT**: Exploration licence applications allocated to the Company lie close to Inca's granted Frewena Fable Project (orange outline) and two granted Newcrest tenements (grey outline). Several areas remain under moratorium where stratigraphic drilling will be undertaken by GA/NTGS.

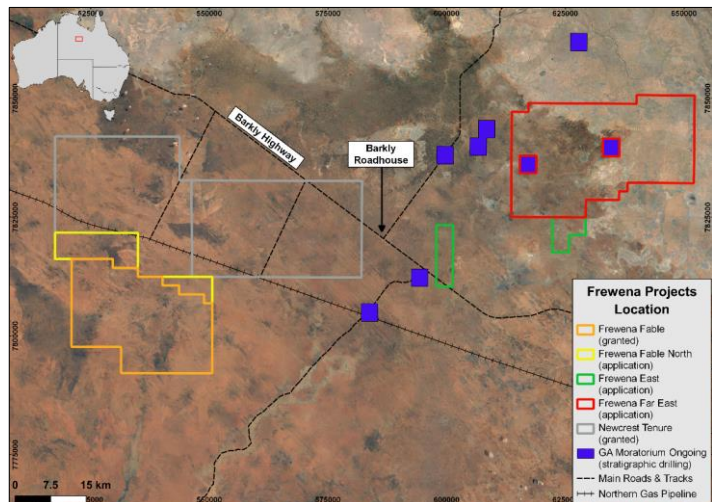
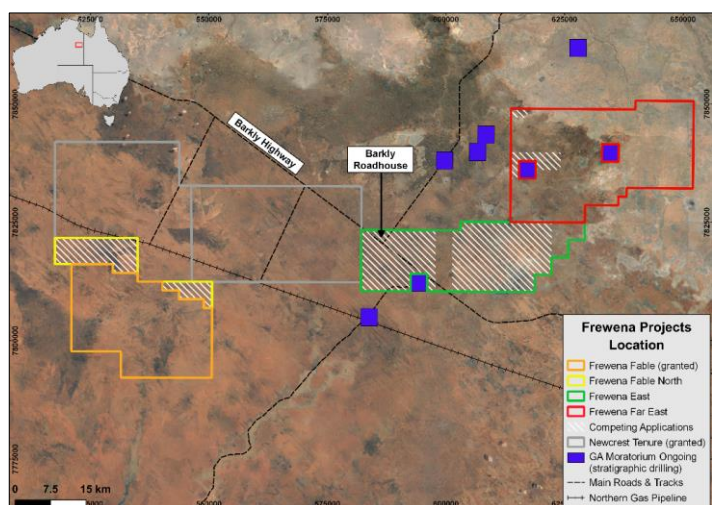


Figure 8 **RIGHT**: Exploration licence applications submitted by the Company. Areas where competing applications were submitted are shown by white hatch.



¹ Frewena Regional Project includes the Frewena Fable Project, the Frewena East Project and the Frewena Far East Project.

² The Frewena Fable Project comprises two tenements: Frewena Fable EL31974 (granted) and Frewena Fable North EL32287 (application).



Inca's significant footprint in the East Tennant region, represents a very important step forward in the pursuit of Tier-1 scale IOCG deposits. The Company is focussed on early-stage exploration opportunities with Tier-1 credentials within known and developing porphyry-IOCG provinces in Australia.

Frewena Regional Project Explanation of the Exploration Model

Frewena Fable and Frewena Far East form part of Inca's 1,551km² tenure holding in the emerging East Tennant region, in addition to the Frewena East Project as announced 13 February 2020. The projects consist of a granted exploration licence at Frewena Fable (EL 31974), and three exploration licence applications at Frewena Fable (EL 32287), Frewena East (EL 32289) and Frewena Far East (EL 32293), as shown in Figures 7 and 8.

Inca is applying an IOCG exploration model at its Frewena Regional Project in line with Geoscience Australia (GA) and the Northern Territory Geological Survey (NTGS) IOCG mineral potential modelling for the East Tennant region, as shown in Figure 9. IOCG deposits represent large scale hydrothermal systems that can host significant enrichment of various metals, including Cu, Au, Ag, uranium (U), Zn, Pb and Light Rare Earth Elements (LREEs), often associated with iron oxide breccia complexes. Figure 10 illustrates a schematic cross section of an IOCG deposit.

Figure 9 **RIGHT**: Slide extract from GA and the NTGS presentation. IOCG mineral potential as modelled by GA and the NTGS.

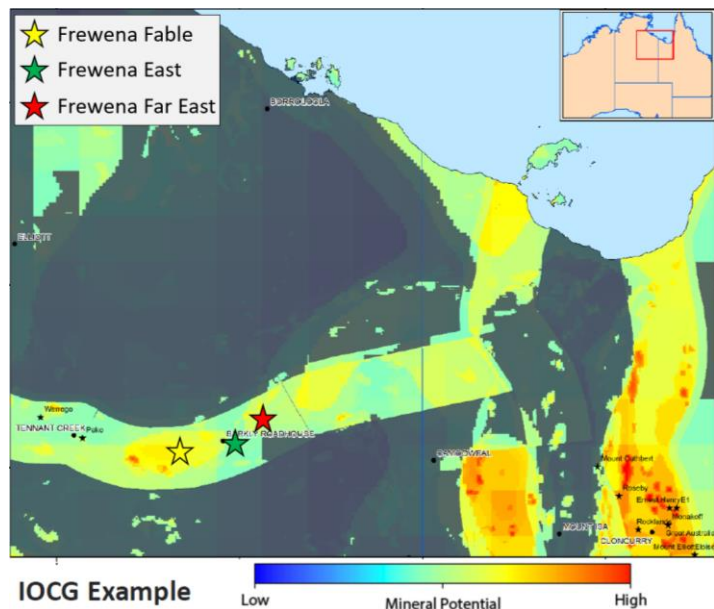
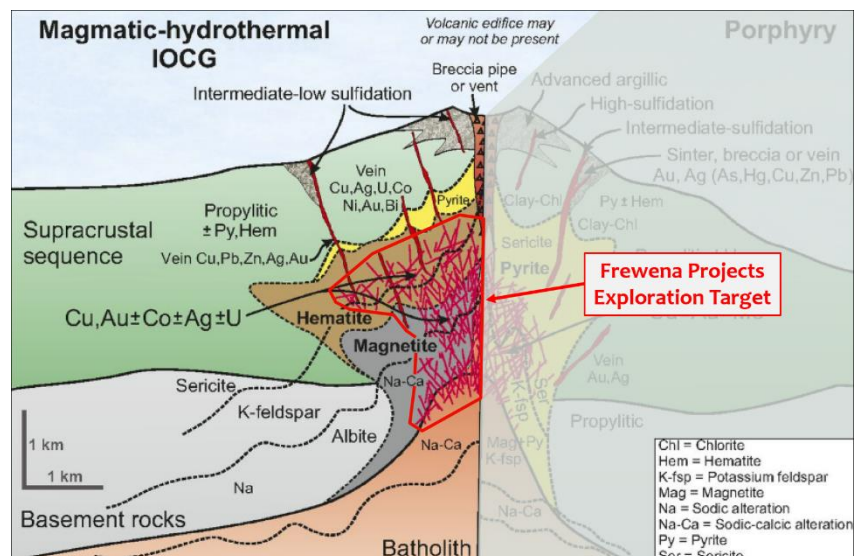


Figure 10 **RIGHT**: Schematic cross section of an IOCG deposit illustrating the Frewena regional exploration model.





Frewena Field Trip Summary

A brief reconnaissance program was undertaken late in the previous quarter for which assay result and final report were available in this quarter.

At Frewena Fable, a total of 19 soil samples were taken, largely from EL 32287. These samples are thought to be the first ever geochemical samples collected from the project area. A total of 60 soil and termite mound samples and 27 rock chips were collected from Frewena Far East.

At Frewena Far East, widespread brecciation, with a range of intensities and phases, was observed in highly altered rocks (what are thought to be hypabyssal felsic intrusive and volcanic rocks) within a broad area of limestone. Best exposures occur at the Eastern Prospect and the north east portion of the Western Prospect, and at both locations, brecciation intensity increased towards the centre of conceptual targets.

Good correlation is shown between assay results of soil/termite mound samples and rock chips. Whilst overall assay values are low, various economic metals (Au, Co, Cu, Mo, Ni, Pb, Zn) and other pathfinder elements occur at elevated levels. While additional sampling is required to determine background and anomalous values for respective elements, results from reconnaissance sampling indicate that the conceptual targets – and their brecciated, iron-flooded nature – coincide with subtle metal enrichment that warrants follow-up exploration. Of particular note are the elevated levels of metals (Co, Cr, Ni, Sc, V) that are commonly associated with mafic lithologies. This suggests that bimodal intrusive and volcanic rocks occur in the Frewena Far East area.

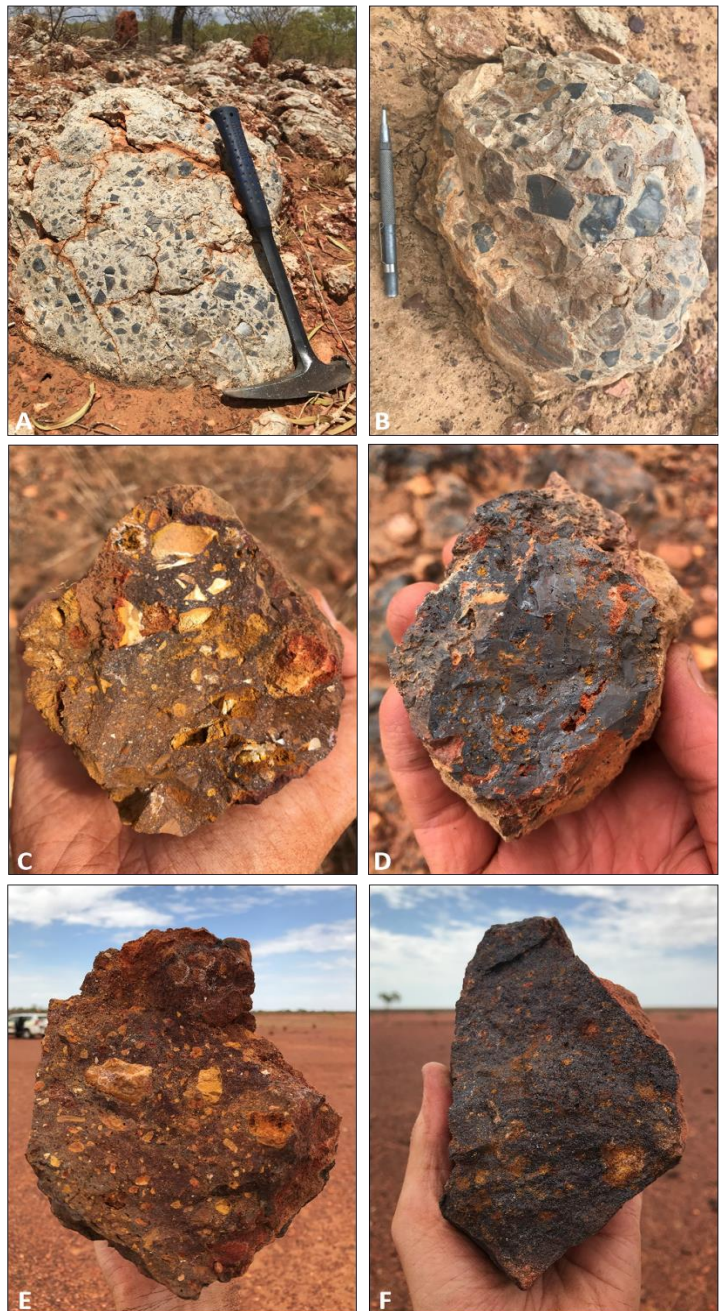


Figure 11 **RIGHT:** Examples of rock chips from Frewena Far East, including: a) Unsampled silica breccia; b) FFE0006 silica breccia with heterogeneous clasts; c) FFE0011 hematite-goethite-quartz breccia with 0.14% Zn and 148ppm Ni; d) FFE0014 massive vitreous goethite with 0.19% Zn; e) FFE0016 hematite-goethite rich matrix supported breccia with strong limonite overprint, and f) FFE0017 intense hematite-goethite overprinted breccia with pre-existing textures destroyed and reporting 78ppm Co, 89ppm Cu, 108ppm Ni and 483ppm Zn.



The Next Quarter

As with exploration in Peru, Covid-19 has an effect on exploration in terms of travel. With successful reconnaissance confirming the Company's IOCG Exploration Model, Inca is currently reviewing options for how best to advance the Frewena Projects in 2020. Approval is being sought to construct access tracks to priority areas at Frewena Fable to facilitate soil sampling and geological mapping during the coming field season. Additionally, opportunities to undertake airborne magnetic-radiometric surveying are being investigated for both Frewena Fable and Frewena Far East. These next steps are not materially affected by Covid-19 restrictions and work continues to identify the optimum technique and program for undertaking this important work.

The Company plans to fast track exploration throughout 2020, with the ultimate intention of attracting potential partners to these assets, as quickly as possible.

Toolebuc Vanadium Project

During the quarter the company decided not to renew tenement EPM27072 – a single tenement comprising the Toolebuc Project. This was primarily due to the project's very early status and that it does not fit the company's strategy of focusing exploration on potential Tier 1 type projects.

CORPORATE ACTIVITIES

Cash Management and Covid-19 Related News

By virtue of the exploration status of our projects, and because of our corporate organisational structure, the Covid-19 pandemic has a very limited effect on Inca. We have activated a Covid-19 Management Plan and Travel Plan across Inca's operations and management. The IP survey interpretations are desk-top based. Our several tenement applications in Australia will continue to be processed by the relevant government departments. There are no exploration cancellations. Our cash-burn rate has over the years been reduced by implementing strict budget controls and by seeking partnerships with major mining companies. Indeed, the implementation of our Covid-19 Management Plan and Travel Plan will only help in conserving the company's cash during the expected period of disruption. 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.

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.
