

Inca Minerals Limited

ACN 128 512 907

Half Year Financial Report

For the half year ended 31 December 2022



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CORPORATE PARTICULARS

Directors	Mr Adam Taylor (Non-executive Chairman) Dr Jonathan West Mr Gareth Lloyd
Company Secretary	Malcolm Smartt Emma Curnow
Registered Office	Suite 1, 16 Nicholson Road SUBIACO, WA, 6008, AUSTRALIA
Corporate Office	Suite 1, 16 Nicholson Road SUBIACO, WA, 6008, AUSTRALIA
Share Registry	Advanced Share Registry Ltd 110 Stirling Highway PERTH, WA, 6009, AUSTRALIA
Auditor	Stantons Level 2, 40 Kings Park Road, WEST PERTH, WA, 6005, AUSTRALIA

DIRECTORS' REPORT

The Directors present their report on Inca Minerals Limited (**Inca** or **Company**) for the half year ended 31 December 2022.

Directors

The names of Directors who held office during or since the end of the half year are:

Mr Adam Taylor
Dr Jonathan West
Mr Gareth Lloyd
Mr Ross Brown (resigned 5 July 2022)

Directors were in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations and Exploration Activities

The loss attributable to members of Inca Minerals Limited for the half year ended 31 December 2022 (**report period**) was \$605,527 (2021: loss \$566,395). No dividends were paid or declared payable during or since the report period.

During the half year ended 31 December 2022, the Company completed several important programs, including but not limited to, the maiden Australian drilling program at Frewena East and Frewena East on the Barkly Tableland in the Northern Territory as well as several geophysical surveys (GAIP, VTEM) at the Jean Elson project in the east Arunta region of the Northern Territory.

The Frewena drilling program was completed early in the reporting period and subsequently work involving core logging, cutting and sampling was completed in late 2022, together with an internal review of the geology, alteration and available assay results, from all the Frewena drill core. The conclusions of the review are unambiguous. Inca has identified several "zones" below Mount Lamb (Frewena Far East tenement) that are indicative of a mineralised hydrothermal system(s).

The geochemical signatures of the various sections of core sampled and assayed, which contain halos of gold, silver, copper, lead and zinc, in association with magnetite and haematite alteration, are unequivocal—they are indicative of an Iron Oxide Copper Gold (**IOCG**) system(s) being present at Mount Lamb.

The mineralised hydrothermal system identified at Mount Lamb bears strong resemblance to the classic IOCG model, including zonation of haematite, magnetite, and sodic alteration, enrichment of Au-Ag-Cu-Fe and associated metals Bi-Mo-As, together with significant veining, brecciation, and faulting of Proterozoic host lithologies. Pleasingly, the scale of magnetic and gravity anomalies at Mount Lamb compares favourably to known IOCG systems elsewhere in the Northern Territory, Queensland, and South Australia.

Inca continues to collate and review all recent exploration results for the Frewena project with a view to determining future exploration priorities. The potential for discovery of significant mineralisation is considered high, however the "buried" nature of the various identified targets means that the exploration needed to find a mineralised body will be both expensive and complex. Accordingly, the company remains focused on securing a joint venture with a party that has the technical and financial capacity to fast track this exploration.

Across the southern and eastern half of the Frewena Group Project (Frewena East and Frewena Frontier tenements), the Company received the results of the NT government co-funded airborne geophysics magnetic and radiometric (AMAGRAD) survey. The 29,385 line-kilometre survey was co-funded by the Northern Territory Department of Primary Industry and Resources (NTPIR) for one hundred thousand dollars (\$100,000) under its Geophysics and Drilling Collaborations Program. The AMAGRAD data identified a number of compelling targets for future exploration, most notably for phosphate mineralisation. In fact,

the highlight of the half year was the review of past exploration which has indicated the occurrence of significant amounts of phosphate mineralisation on Inca ground. The Company investigated the potential of a JORC-compliant phosphate Exploration Target being present at Frewena and reported on this subsequent to this reporting period.

Inca received an independent report outlining additional Tier-1 and Tier-2 scale targets at its 100%-owned Jean Elson Project in the Northern Territory at the start of this reporting period. In addition to the two known mineralised targets at the Camel Creek (Ningaloo) Prospect and the Mt Cornish South Prospect, six new high-priority targets have been identified. Following this finding, the company undertook further geophysical surveys at Jean Elson. A GAIP and VTEM geophysical survey was completed at Jean Elson. Also, a co-funded survey, was undertaken at the end of the report period, with the data is still being reviewed with the ultimate objective of delineating drill targets.

During this period, Inca also expanded the Jean Elson Project area through the application of a 216 block (679km²) Exploration Licence (EL). The new EL 33214 extends immediately west and north-west from the original project area, with the Jean Elson Project now covering some 2,142km² making Inca one of the largest tenure holders in the region.

A brief mapping and sampling program was completed at Jean Elson in November, including parts of the new tenement EL 33214, with a number of new mineral occurrences found and 44 rock chip samples collected for assay. Assay results, which were positive, were released to the market after the end of the reporting period.

Multiple possible new prospect areas in the new (western most) Exploration License (ELA33214) and a possible new prospect area southeast of Camel Creek were also investigated.

At the Company's MaCauley Creek project in Queensland, a brief mapping and sampling program was completed in the December quarter. Areas of the northern EPM (EPM27163) were targeted. A geological field trip report and assay results from the 71 rock chip samples collected is pending.

An AMAGRAD survey that was previously commenced at MaCauley Creek was completed in the December quarter with AMAGRAD interpretations pending.

In Peru, at Riqueza, additional ground was acquired towards the south, following the identification of bonanza grade silver and percentage level copper mineralisation in mapping and sampling. Now referred to as Riqueza South, two key mining concessions (**concessions**) that form a central part of the Company's highly prospective Riqueza South Project were granted in late 2022. The Occorccocho II and Ccarhua II concessions were granted after a prolonged approval process which followed Inca's award of mining concession closed bids (competing against Anglo American). The protracted granting phase following the award was entirely procedural. Anglo American, that was also awarded concessions in the immediate area, has no claim over the Occorccocho II and Ccarhua II concessions.

Occorccocho II and Ccarhua II are located immediately south of Riqueza (the Uchpanga III concession is the southern-most that makes up Riqueza). They occupy a central and strategic position along the well-established northwest-southeast trending epithermal-porphyry-skarn Chonta-Fault mineralised corridor. The twin copper-gold epithermal and copper-gold porphyry Huancullo deposits occur immediately adjacent to Inca's granted Ccarhua I concession.

Huancullo and other prospects in the vicinity along the Chonta system, are currently being explored by Anglo American and First Quantum. Interestingly, BHP, that once owned the Kenita copper-molybdenum prospect immediately northwest of Riqueza, is set to now expand its exploration effort in Peru.

The phosphate occurrences at Frewena East were independently assessed in terms of qualifying as a JORC-compliant, clause 17, Exploration Target.. The full criteria involved in the calculation of the Exploration Targets (past data descriptions, parameters and calculations, in accordance with the JORC Code 2012 Edition, clause 17) were provided in the ASX January release on 23 January 2023 where an exploration target range for the three areas reviewed was determined. The Company is not aware of any new information or data

that may materially affects the information included in the relevant market announcement being this half yearly report.

Proceedings on Behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

However, the Company is currently in dispute with Bullseye Mining Limited regarding Bullseye's obligations under the Dingo Range Nickel Rights Agreement (3 February 2016) (NRA) and the Company's rights under the NRA. The NRA applies to E37/1124, E53/1377, E53/1352, E53/1380 and E53/1407, including any mining tenement(s) applied for or granted in lieu of, renewal, extension or substitution of any of the above-mentioned tenements. At the date of this report, the dispute is on-going but it has not reached a decision to proceed with Court.

Events Subsequent to Reporting Date

On 3 January 2023, the Company issued 529,058 fully paid ordinary shares at \$0.02953 per share as part of the Director's salary sacrifice of their fees.

Other than as disclosed in this report, there have been no further material items, transactions or events subsequent to 31 December 2022 which, although they do not relate to conditions existing at that date, have not been dealt with in this report and which would cause reliance on the information shown in this report to be misleading.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 5, and forms part of the Directors' Report for the half year ended 31 December 2022.

Signed in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to be 'AT', is shown within a light blue rectangular box.

Adam Taylor

Dated at Perth this 8th day of March 2023.

AUDITOR'S INDEPENDENCE DECLARATION



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8 March 2023

Board of Directors
Inca Minerals Limited
Suite 1, 16 Nicholson Road
SUBIACO WA 6008

Dear Sirs

RE: INCA MINERALS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Inca Minerals Limited.

As Audit Director for the review of the financial statements of Inca Minerals Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Eliya Mwale
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half year ended 31 December 2022

	Note	31 December 2022 \$	31 December 2021 \$
Government grants received		90,909	181,818
Interest received		13,570	411
Total income		104,479	182,229
Exploration and evaluation expenditure written off	4	-	-
Directors' fees		(80,250)	(68,964)
Salaries and wages		(64,989)	(31,573)
Administrative expenses		(302,445)	(81,400)
Professional fees		(85,472)	(170,033)
Listing and share registry expenses		(65,538)	(84,543)
Environmental rehabilitation		(12,318)	-
Depreciation and amortisation		(52,419)	(9,187)
Foreign exchange gains/(losses)		(8,180)	34,909
Provision for impairment related to Peruvian Value Added Tax		(38,395)	(337,833)
Profit / (Loss) before income tax		(605,527)	(566,395)
Income tax expense		-	-
PROFIT / (LOSS) FOR THE PERIOD		(605,527)	(566,395)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
Items that will not be reclassified subsequently to profit or loss			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		61,728	57,600
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD		(543,799)	(508,795)
Profit / (Loss) attributable to:			
- Members of Inca Minerals Limited		(605,527)	(566,395)
Total Comprehensive Profit / (Loss) attributable to			
- Members of Inca Minerals Limited		(543,799)	(508,795)
LOSS PER SHARE			
Basic and diluted profit / (loss) per share (cents per share)		(0.13)	(0.12)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
Assets			
Current Assets			
Cash and cash equivalents		1,480,255	4,920,053
Trade and other receivables	2	252,064	250,867
Right-of-use asset		7,078	-
Total Current Assets		1,739,397	5,170,920
Non-Current Assets			
Plant and equipment	3	872,584	942,321
Exploration and evaluation expenditure	4	11,246,019	8,940,720
Right-of-use asset		-	14,156
Total Non-Current Assets		12,118,603	9,897,197
Total Assets		13,858,000	15,068,117
Liabilities			
Current Liabilities			
Lease liability		7,208	14,237
Trade and other payables		267,487	928,740
Provisions		82,949	139,664
Total Current Liabilities		357,644	1,082,641
Non-Current Liabilities		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		357,644	1,082,641
Net Assets		13,500,356	13,985,476
Equity			
Contributed equity	5	59,644,280	59,585,601
Accumulated losses		(45,618,812)	(45,152,001)
Foreign currency translation reserve		(705,400)	(767,128)
Share option reserve		180,288	319,004
Total Equity		13,500,356	13,985,476

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2022

	Contributed Equity	Accumulated Losses	Foreign Currency Translation Reserve	Share Option Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2021	53,671,191	(33,293,502)	(1,185,475)	319,004	19,511,218
Loss attributable to members of the Company	-	(566,395)	-	-	(566,395)
Other comprehensive income for the period	-	-	57,600	-	57,600
Total comprehensive income/(loss) for the period	-	(566,395)	57,600	-	(508,795)
Shares issued	5,860,736	-	-	-	5,860,736
Cost of share issue	(15,619)	-	-	-	(15,619)
Issue of Share Options	-	-	-	-	-
Balance at 31 December 2021	59,516,308	(33,859,897)	(1,127,875)	319,004	24,847,540
Balance at 1 July 2022	59,585,601	(45,152,001)	(767,128)	319,004	13,985,476
Loss attributable to members of the Company	-	(605,527)	-	-	(605,527)
Other comprehensive income for the period	-	-	61,728	-	61,728
Total comprehensive income/(loss) for the period	-	(605,527)	61,728	-	(543,799)
Shares issued	58,679	-	-	-	58,679
Cost of share issue	-	-	-	-	-
Expiry of Share Options	-	138,716	-	(138,716)	-
Balance at 31 December 2022	59,644,280	(45,618,812)	(705,400)	180,288	13,500,356

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2022

	31 December 2022 \$	31 December 2021 \$
Cash flows from Operating Activities		
Payments to suppliers and employees	(1,185,670)	(1,086,656)
Interest received	6,382	411
Government grants received	-	45,455
Net cash (used in) operating activities	<u>(1,179,288)</u>	<u>(1,040,790)</u>
Cash flows from Investing Activities		
Payments for exploration and evaluation expenditures	(2,305,299)	(3,744,590)
Payments for property, plant and equipment	-	(558,834)
Net cash (used in) investing activities	<u>(2,305,299)</u>	<u>(4,303,424)</u>
Cash flows from Financing Activities		
Proceeds from share issue	-	5,575,359
Costs of share issue	-	(15,619)
Repayment of lease liability	(7,029)	(7,978)
Net cash (used in)/provided by financing activities	<u>(7,029)</u>	<u>5,551,762</u>
Net (decrease)/increase in cash held	(3,491,616)	207,548
Effect of exchange rate changes on cash and cash equivalents	51,818	(24,655)
Cash and cash equivalents at the beginning of the half year	<u>4,920,053</u>	<u>9,264,004</u>
Cash and cash equivalents at the end of the half year	<u>1,480,255</u>	<u>9,446,897</u>

The accompanying notes form an integral part of these financial statements.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**For the half year ended 31 December 2022****1. Basis of Preparation**

These general purpose interim financial statements for the half year reporting period ended 31 December 2022 (**report period**) have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company and its controlled entities (**Group** or **Consolidated Group**) are a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements for the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the report period within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the report period.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

a) New and Revised Accounting Requirements Applicable to the Current Half year Reporting Period

Standards and Interpretations applicable to 31 December 2022

The Group has adapted all of the new or amended Accounting Standards and Interpretation issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Adoption of the new and revised accounting standards does not have any material impact on the disclosures and/or amounts reported in these financial statements.

Any new or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

b) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Inca Minerals Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 10.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**For the half year ended 31 December 2022****(c) Going Concern**

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the half year ended 31 December 2022, the Group incurred a loss of \$605,527 and had net cash outflow of \$3,491,616.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The ability of the Company to raise capital by the issue of additional shares under the *Corporations Act 2001*; and
- The ability to curtail administration and operational cash out flows as required and;
- The possibility of the sale of any property, plant and equipment that the Group holds.

Should the Group be unable to continue as a going concern, it may be required to monetise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the consolidated financial statements.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

2. Trade and Other Receivables

	Consolidated	
	31 December	30 June
	2022	2022
	\$	\$
Other receivables	219,973	235,533
Prepayments	32,091	15,334
	<u>252,064</u>	<u>250,867</u>

None of the receivables are past due or impaired.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2022

Note 3: Plant and Equipment

	Plant and Equipment	IT equipment	Motor Vehicles	Land	Buildings	Total
Balance at 1 July 2021	254,684	729	-	-	-	255,413
Additions / (disposals) and writeoffs	138,272	15,065	76,684	195,000	338,159	763,180
Depreciation writeback on disposals*	(64,390)	(1,579)	(5,734)	-	(4,569)	(76,272)
Balance at 30 June 2022	328,566	14,215	70,950	195,000	333,590	942,321
At cost	544,534	39,091	76,684	195,000	338,159	1,193,468
Accumulated depreciation	(215,968)	(24,876)	(5,734)	-	(4,569)	(251,147)
Balance at 30 June 2022	328,566	14,215	70,950	195,000	333,590	942,321
Balance at 1 July 2022	328,566	14,215	70,950	195,000	333,590	942,321
Additions / (disposals) and writeoffs	(24,396)	-	-	-	-	(24,396)
Depreciation writeback on disposals*	(28,909)	(2,506)	(9,664)	-	(4,262)	(45,341)
Balance at 31 December 2022	275,261	11,709	61,286	195,000	329,328	872,584
At cost	530,006	39,091	76,684	195,000	338,159	1,178,940
Accumulated depreciation	(254,745)	(27,382)	(15,398)	-	(8,831)	(306,356)
Balance at 31 December 2022	275,261	11,709	61,286	195,000	329,328	872,584

* Inclusive of depreciation capitalised to exploration and evaluation expenditure.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2022

4. Exploration and Evaluation Expenditure

	Consolidated	
	31 December	30 June
	2022	2022
	\$	\$
At cost		
Balance at beginning of the period	8,940,720	10,721,723
Expenditure incurred (including foreign exchange rate movements)	2,305,299	8,223,027
Expenditure written off	-	(10,004,030)
Balance at end of the period	<u>11,246,019</u>	<u>8,940,720</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

5. Contributed equity

	31 December	30 June
	2022	2022
	\$	\$
Ordinary shares		
Issued and fully paid	<u>59,644,280</u>	<u>59,585,601</u>

	No. of Shares	31 December
		2022
		\$
Movement in fully paid ordinary shares:		
At 1 July 2022	481,559,927	59,585,601
5 July 2022 at \$0.1037	334,812	34,720
1 October 2022 at \$0.056	168,098	9,375
25 November 2022 at \$0.056	261,478	14,584
Less: costs associated with issue of shares	-	-
At 31 December 2022	<u>482,324,315</u>	<u>59,644,280</u>

6. Segment Information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company operates in the segments of mineral exploration within Peru and Australia. In the reporting period, the Company operated in mineral exploration in Peru and Australia.

The Company is domiciled in Australia. All revenue from external parties is generated from Australia only. Segment revenues are allocated based on the country in which the party is located. All the assets are located in Peru and Australia. Segment assets are allocated to countries based on where the assets are located.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2022

Note 6: Segment information (continued)

Reportable segments:	Australia	Peru	Consolidated
	\$	\$	\$
Segment revenue			
December 2022	104,479	-	104,479
December 2021	182,229	-	182,229
Segment result			
December 2022	(339,303)	(266,224)	(605,527)
December 2021	(212,637)	(353,758)	(566,395)
Segment assets			
December 2022	9,889,501	3,968,499	13,858,000
June 2022	11,523,656	3,544,460	15,068,117
Segment liabilities			
December 2022	(328,673)	(28,971)	(357,644)
June 2022	(1,005,056)	(77,585)	(1,082,641)
Depreciation and amortisation expense			
December 2022	(31,417)	(21,002)	(52,419)
December 2021	(7,998)	(1,189)	(9,187)

7. Events Subsequent to Reporting Date

On 3 January 2023, the Company issued 529,058 fully paid ordinary shares at \$0.02953 per share as part of the Director's salary sacrifice of their fees.

Other than as disclosed in this report, there have been no further material items, transactions or events subsequent to 31 December 2022 which, although they do not relate to conditions existing at that date, have not been dealt with in this report and which would cause reliance on the information shown in this report to be misleading.

8. Contingent Liabilities

There are no contingent liabilities at the reporting date.

9. Dividends

No dividends were paid or declared payable during or since the half year.

10. Expenditure Commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets in which it has an interest. These commitments are optional and only required if the Company wishes to maintain its rights of earn-in or rights of tenure. Outstanding exploration commitments for not later than one year and for between one and five years are as follows:

	Consolidated 31 December 2022 \$	Consolidated 30 June 2022 \$
Not later than one year	1,138,700	1,277,377
Between one and five years	4,114,800	7,880,510
	5,253,500	9,157,887

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2022

Note 10: Expenditure Commitments (continued)

As at 31 December 2022 and 30 June 2022, the commitments pertaining to the Group's Riquezza project in Peru have not been included in the above balances because the Group terminated the agreement pertaining to this project on 16 May 2022.

In addition to exploration expenditure commitments the Group has certain operating commitments pertaining to non-cancellable operating leases and other non-cancellable agreements contracted for but not recognised in the financial statements:

	Consolidated 31 December 2022 \$	Consolidated 30 June 2022 \$
Not later than one year	39,642	43,950
Between one and five years	-	-
	<hr/> 39,642	<hr/> 43,950

11. Controlled Entities

	Country of Incorporation	Percentage Controlled (%)	
		31 December 2022	30 June 2022
Subsidiaries of Inca Minerals Limited:			
Urcaguay Pty Ltd	Australia	100	100
Inca Minerales S.A.C.	Peru	100	100
Brillandino Minerales S.A.C.	Peru	100	100
Hydra Minerals Ltd	Australia	100	100
Dingo Minerals Pty Ltd	Australia	100	100

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134 Interim Financial Reporting; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read 'AT', is placed over a light blue rectangular background.

Adam Taylor
Chairman

Dated at Perth this 8th day of March 2023.

INDEPENDENT AUDITOR'S REVIEW REPORT



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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
INCA MINERAL LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Inca Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Inca Minerals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Inca Minerals Limited's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 8 March 2023.

Material Uncertainty Related to Going Concern

Without modifying our review conclusion expressed above, attention is drawn to the following matter:

As referred to in Note 1(c) to the financial statements, the financial statements have been prepared on the going concern basis. At 31 December 2022 the Group had cash and cash equivalents totalling \$1,480,255, had net cash outflows from operating, investing and financing activities of \$3,491,616 and incurred a loss before tax for the period of \$605,527. The Group's ability to continue operations is dependent upon the Company's ability to raise capital through issue of additional shares, curtailing administration and operational cashflows and/or the sale of any property, plant, and equipment that the Group holds. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.



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INDEPENDENT AUDITOR'S REVIEW REPORT

***Responsibility of the Directors for the Financial Report***

The directors of Inca Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Eliya Mwale

Eliya Mwale
Director

West Perth, Western Australia
8 March 2023