

**INCA MINERALS LIMITED**  
**ACN 128 512 907**

**PROSPECTUS**

**FOR**

**A non-renounceable pro rata entitlement issue of up to 262,028,816 New Shares at \$0.005 per New Share, on the basis of 1 New Share for every 10 Shares held by Shareholders at the Record Date, to raise up to \$1,310,144, and the issue of up to 262,028,816 New Options on the basis of 1 free attaching New Option for every New Share subscribed for and received under the Prospectus (Entitlement Offer)**

**ENTITLEMENT OFFER IS CURRENTLY EXPECTED TO CLOSE AT 5:00PM (WST) ON 24 AUGUST 2018**

**VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.**

**PLEASE READ THE INSTRUCTIONS IN THIS PROSPECTUS AND ON THE ACCOMPANYING ENTITLEMENT AND ACCEPTANCE FORM REGARDING THE ACCEPTANCE OF YOUR ENTITLEMENT UNDER THE ENTITLEMENT OFFER.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

**AN INVESTMENT IN SECURITIES OFFERED UNDER THIS PROSPECTUS SHOULD BE CONSIDERED SPECULATIVE IN NATURE.**

# MANAGING DIRECTOR'S LETTER

2 August 2018

Dear Fellow Shareholder,

On behalf of the Board I am pleased to present Inca Minerals Limited's (**Inca or Company**) Prospectus and invite you to participate in a non-renounceable pro-rata issue of Securities on the basis that, for every 10 Inca Shares held at the Record Date, you have the right to subscribe for 1 New Share at an issue price of \$0.005 per New Share and also receive 1 free attaching New Option (exercisable at \$0.012 each on or before 7 August 2020) for each New Share subscribed for and received under this Prospectus.

This is the very first occasion that Inca has offered options and the free attaching New Options will comprise a new class of listed security subject to satisfying the ASX's Official Quotation requirements.

The issue price under the Entitlement Offer is an attractive opportunity for Shareholders to increase their Shareholding on favourable pricing terms, particularly considering that each New Share will be issued together with a free attaching New Option. Further, Shareholders wishing to apply for more than their Entitlement may do so simply by participating in the Shortfall Offer outlined in their Entitlement and Acceptance Form.

## Use of Funds Raised – Two Zinc-Focussed Projects with Big Aspirations

You will have noticed in our recent announcements that South32 [ASX: S32], a globally diversified metals and mining company, funded a geophysics survey over our entire Greater Riqueza Project area (**Riqueza**). In return for that funding, South32 has the option to enter negotiations to acquire a majority interest in Riqueza. If as Inca expects, final results of the geophysics survey become available in late August 2018, South32 has 30 business days to indicate if they wish to exercise that option.

The South32 option agreement is an exciting development for Inca and it has been extremely pleasing to recently announce that interim results from the geophysics survey have generated 40+ targets with some 21 of these being indicative of porphyry and skarn style mineralisation.

Understandably the Board is extremely positive about these results - porphyry and associated skarn deposits form some of the largest economic metal concentrations in the world. Examples are presented in the table below. However, we need not look world-wide to find them, many occur in the Miocene mineral belt of central Peru, within which Riqueza squarely sits.

| SIGNIFICANT PORPHYRY – SKARN DEPOSITS / MINES IN PERU |                                |
|---|--------------------------------|
| Toromocho   | 2,150Mt @ 0.5% Cu              |
| Las Bambas  | 1,710Mt @ 0.5% Cu, 0.018% Mo   |
| Antapacay   | 1,032Mt @ 0.49% Cu, 0.12g/t Au |
| Antamina  | 822Mt @ 0.93% Cu, 0.66% Zn     |
| Coroccohuayco   | 324Mt @ 0.93% Cu               |

Recent announcements have also confirmed highly encouraging zinc (Zn), silver (Ag) and lead (Pb) grades at Riqueza and particularly at and near the Rastrillo Deposit, at Humaspunco. Whilst the geophysics survey was being flown, our geologists scrambled into a new mine working revealing a

strongly mineralised manto horizon, among the strongest and best developed so far discovered. True thickness manto grades include: 2.30m at 13.08% Zn, 254.4g/t Ag, 9.82% Pb; 1.55m at 8.07% Zn, 161.9g/t Ag, 4.72% Pb; and 1.57m at 7.02% Zn, 181.4g/t Ag, 3.63% Pb. This manto has since been extrapolated across drill holes RDDH-013 and RDDH-014, where it has similar strong grades. It is open ended towards Rastrillo to the south and to Rastrillo North to the north.

The manto results are just the latest in a series of channel sample results that have led to the identification of the Rastrillo carbonate replacement Zn-Ag-Pb deposit. Comprising a concentration of veins, stockworks, breccias and mantos, the Company is keenly aware that Rastrillo has the potential to develop into a small polymetallic resource.

On the back of persistent strong grades, and with width and tonnage potential growing, the Company is now considering metallurgical work at Rastrillo and results from Riqueza allude to an exciting dual-focus trajectory. There is a genetic link between the monster-sized porphyry-skarn deposits and the smaller-sized carbonate replacements deposits of the central Miocene Mineral Belt that imposes a spatial relationship between them as well. Whilst the exploration and development of porphyries and skarns is often in the realm of the major miners, the BHP's, the Anglo American's (who are both neighbours at Riqueza) and of course South32 who funded the geophysics at Riqueza, the juxtaposed smaller Zn-Ag-Pb replacements deposits, like that at Humaspunco and Cerro Rayas fit comfortably in the remit of a company such as Inca.

Inca's second Peru based project, Cerro Rayas, less than 15km away, has been expanding as more and more new and high-grade mineralisation is uncovered. Earmarked for increased exploration, the future focus at Cerro Rayas will be target generation and drilling. The eight new concession applications have greatly increased the size and prospectivity of this project and, scheduled to be granted soon, the new concessions host numerous mine workings with visible Zn-Ag-Pb mineralisation.

So defines the dual aspirations of Inca, the dual objectives of exploration to be conducted at our projects. It is in the context that the Company intends using funds raised under the Entitlement Offer - to conduct exploration at both Riqueza and Cerro Rayas, with remaining funds to provide the Company with additional working capital.

Please read this investment opportunity and Prospectus carefully. An investment in the Company contains specific risks that you should consider before deciding to invest. If you are unsure, or require further information, you should obtain the appropriate professional advice.

The Board looks forward to reporting strong exploration results from both Cerro Rayas and Riqueza in the near future and looks forward to your continued support.

Yours sincerely



Ross Brown  
**Managing Director**

# IMPORTANT INFORMATION

## General

This Prospectus is dated and was lodged with ASIC on 2 August 2018. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation by ASX of the New Securities offered under this Prospectus.

A copy of this Prospectus is available for inspection at the Australian registered office of the Company at Suite 1, 16 Nicholson Road, Subiaco, Western Australia during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Sections 6.1 and 6.12). Eligible Shareholders can obtain a copy of this Prospectus during the period of the Entitlement Offer on the Company's website.

No person or entity is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

## Application Forms

The Application Forms accompanying this Prospectus are important. An application for New Securities under the Offers can only be submitted on an Application Form. If acceptance is by BPAY® there is no need to return an original Application Form. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement. Please refer to instructions in Section 3 regarding the acceptance of your Entitlement and completion of the Entitlement and Acceptance Form.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offers detailed in this Prospectus.

## Foreign Investors

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia, New Zealand and Germany. The distribution of this Prospectus in jurisdictions outside Australia, New Zealand and Germany may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

## Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

## Exposure Period

No exposure period applies to the Offers.

## **Speculative Investment**

An investment in the Securities offered under this Prospectus should be considered speculative. Refer to Section 4 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for Securities offered under this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that the New Securities offered under this Prospectus will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the Securities in the future.

## **Forward-looking Statements**

This Prospectus contains forward-looking statements which may be identified by words such as "believes", "estimates", "expects", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 4. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

## **Competent Person Statement and Consent**

Information in this Prospectus that relates to the exploration results for both the Greater Riqueza Project and the Cerro Rayas Project 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. He has sufficient experience, which is relevant to the exploration results, 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 full-time employee of Inca Minerals Limited and has consented to the inclusion of the statements in this Prospectus based on their information in the form and context in which it appears and has not, before the lodgement of this Prospectus with ASIC, withdrawn his consent.

**Website**

No document or information included on the Company's website is incorporated by reference into this Prospectus.

**Diagrams**

Any diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

**Currency**

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

**Rounding**

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

**Time**

All references to time in this Prospectus are references to Australian Western Standard Time (**WST**), unless otherwise stated.

**Glossary**

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 8.

# CORPORATE DIRECTORY

## Directors

Mr Ross Brown: Managing Director  
Mr Justin Walawski: Director & Company Secretary  
Mr Gareth Lloyd: Director

## Lawyers

DLA Piper Australia  
Level 31, 152 – 158 St. Georges Terrace  
Perth WA 6000

## Inca Minerals Limited Registered Office

Suite 1, 16 Nicholson Road  
Subiaco WA 6008  
Tel: +61 8 6145 0300  
Fax: +61 8 6145 0301  
Email: [info@incaminerals.com.au](mailto:info@incaminerals.com.au)  
Website: [www.incaminerals.com.au](http://www.incaminerals.com.au)  
ASX Code: ICG

## Auditor\*

Stantons International  
Level 2, 1 Walker Avenue  
West Perth WA 6005

## Share Registry

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands WA 6009  
PO Box 1156  
Nedlands WA 6909  
Tel: +61 8 9389 8033  
Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

\* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

## INDICATIVE TIMETABLE

| Event   | Date                     |
|---|--------------------------|
| ASX Announcement of Rights Issue and Appendix 3B                            | Thursday, 2 August 2018  |
| Lodgement of Prospectus with ASIC and provision of a copy to ASX            | Thursday 2 August 2018   |
| Company sends letter to Foreign Shareholders                                | Monday 6 August 2018     |
| Company sends letter to Eligible Shareholders                               | Monday 6 August 2018     |
| "Ex" Date   | Tuesday 7 August 2018    |
| Record Date (at 5.00pm WST)   | Wednesday 8 August 2018  |
| Prospectus despatched to Eligible Shareholders                              | Friday 10 August 2018    |
| Opening Date  | Friday 10 August 2018    |
| Closing Date (at 5.00pm WST)  | Friday 24 August 2018    |
| Notify ASX of any Shortfall   | Wednesday 29 August 2018 |
| Anticipated issue date of New Securities                                    | Friday 31 August 2018    |
| Anticipated date for despatch of holding statements                         | Friday 31 August 2018    |
| Deferred settlement trading ends  | Friday 31 August 2018    |
| Anticipated date for commencement of trading of New Securities <sup>1</sup> | Monday 3 September 2018  |

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares and New Options. The Directors also reserve the right not to proceed with the whole or part of the Offers at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest.

<sup>1</sup> Note: Trading of the New Options will be subject to ASX Official Quotation

## TABLE OF CONTENTS

|    |  |    |
|----|--|----|
| 1. | Details of the Offers .....                    | 10 |
| 2. | Effect of the Offers .....                     | 18 |
| 3. | Action Required by Shareholders.....           | 20 |
| 4. | Risk Factors.....                              | 23 |
| 5. | Rights and Terms attaching to Securities ..... | 31 |
| 6. | Additional Information.....                    | 36 |
| 7. | Authorisation .....                            | 43 |
| 8. | Glossary .....                                 | 44 |

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# 1. Details of the Offers

## 1.1 The Entitlement Offer

The Entitlement Offer is a non-renounceable pro rata entitlement issue of 1 New Share for every 10 Shares held by Shareholders on the Record Date at an issue price of \$0.005 per New Share and each Eligible Shareholder will also be entitled to receive 1 free attaching New Option for every New Share subscribed for and received under the Prospectus (**Entitlement Offer**). The exercise price of the New Options is \$0.012 and the expiry date is 7 August 2020. The full terms of the New Options are set out in Section 5.

Under this Prospectus, Eligible Shareholders on the Record Date are eligible to participate in the Entitlement Offer.

Based on the capital structure of the Company at the date of this Prospectus, up to approximately 262,028,816 New Shares and 262,028,816 New Options will be offered pursuant to the Entitlement Offer. The Entitlement Offer may raise up to approximately \$1,310,144 (before associated costs).

Where the determination of the Entitlement of any Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share. Refer to Section 5.1 for a summary of the rights attaching to New Shares. Refer to Section 5.2 for the terms and conditions attaching to New Options. Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer which is a separate offer under this Prospectus (**Shortfall Offer**).

## 1.2 Reasons for the Offers and Funding Allocation

The purpose of the Entitlement Offer and the Shortfall Offer (**Offers**) is to raise up to approximately \$1,310,144 (before associated costs).

Funds raised under the Offers will allow the Company to conduct exploration at the Company's Cerro Rayas and Greater Riqueza projects in Peru and provide the Company with additional working capital. Funds raised under the Offers are proposed to be expended as follows (assuming full subscription of the Offers):

| Description of Cash Outflows                   | (A\$)              |
|--|--------------------|
| Riqueza and Cerro Rayas Exploration Programmes | 820,149            |
| Associated Costs of the Offers                 | 59,995             |
| Working Capital                                | 430,000            |
| <b>Total Funds Raised Under the Offers</b>     | <b>\$1,310,144</b> |

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, \$US/\$A exchange rates, the development of new opportunities, the results obtained from the staged approach to exploration, appraisal and development activities and other factors (including the risk factors outlined in Section 4).

In addition to the above listed associated costs of the Offers the Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid Applications lodged and accepted by the Company (further information is provided in Section 6.8). Payment will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

If less than \$1,310,144 (before associated costs) is raised pursuant to the Offers, the Company will firstly pay the associated costs of the Offers and then scale back funds available for exploration activities and working capital.

On 1 August 2018, the Company placed 27,500,000 Shares to Acuity Capital Pty Ltd (ACN 160 054 811) (**Acuity Shares**). Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
  - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

This Prospectus also complies with section 708A(11) of the Corporations Act to remove any trading restrictions that may have attached to the Acuity Shares so that the holders of the Acuity Shares may sell those Acuity Share within the twelve months following their issue, without the issue of a prospectus.

Accordingly, the purpose of this Prospectus is to:

- (d) make the Offers;
- (e) ensure that the on-sale of the Acuity Shares and New Shares does not breach section 707(3) of the Corporations Act; and
- (f) ensure that the on-sale of the underlying securities to be issued upon exercise of the New Options is in accordance with ASIC Class Order 2016/80.

### **1.3 Minimum Subscription**

There is no minimum subscription for the Offers.

### **1.4 Opening and Closing Dates**

The Company will accept Entitlement and Acceptance Forms in respect to the Entitlement Offer from Eligible Shareholders from the Opening Date until 5:00pm (WST) on the Closing Date or

such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

## **1.5 Shortfall Offer**

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer under this Prospectus.

Under this Prospectus, the Company offers to issue Shortfall Shares to an investor at the same price of \$0.005 per New Share as that offered under the Entitlement Offer and issue 1 free attaching Shortfall Option for every Shortfall Share subscribed for and received under this Prospectus. The Shortfall Shares and Shortfall Options (**Shortfall Securities**) will have the same rights as the New Securities as detailed in Section 5.

Eligible Shareholders may apply for Shortfall Securities by completing the relevant section of their Entitlement and Acceptance Form (refer to Section 3.4 for further details).

Other investors may also apply for Shortfall Securities by completing the Shortfall Application Form upon invitation from the Company.

Shortfall Securities may be allocated to any Eligible Shareholder or to other investors who apply for Shortfall Securities under the Shortfall Offer, at the absolute discretion of the Directors.

Shortfall Securities will not be issued to any Applicant if, in the view of the Directors, to do so would increase that Applicant's voting power in the Company above 19.9% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

An Application for Shortfall Securities accompanied by payment of the Application Monies does not guarantee the allotment of any Shortfall Securities. The Shortfall Securities will be allocated within three months after the Closing Date.

In relation to the Shortfall Offer, the Company reserves the right to issue to an Applicant a lesser number of Shortfall Securities than the number applied for, reject an Application or not proceed with the issuing of the Shortfall Securities. If the number of Shortfall Securities issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

## **1.6 Underwriting**

The Offers are not underwritten.

## **1.7 Entitlements Trading**

The Entitlement Offer is non-renounceable which means that Eligible Shareholders who do not exercise all or some of their Entitlements may not then otherwise sell, transfer or dispose of their remaining Entitlements to any other party. If an Eligible Shareholder does not take up their Entitlements to New Shares on or before the Closing Date then the Entitlement Offer to that Eligible Shareholder will lapse and their shareholding will be diluted with no compensating benefits. New Shares which are not subscribed for by Eligible Shareholders will become Shortfall Shares.

## **1.8 Risks of the Offers**

As with any securities investment, there are risks associated with investing in the Company. However, having regard to the matters detailed in Section 1.2 and the risk applicable to the Company and its business detailed in Section 4, Eligible Shareholders should be aware that an investment for the Securities offered under this Prospectus should be considered speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, including the specific risks associated with an investment in the Company (detailed in Section 4), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

## **1.9 Application Forms and BPAY® Payments**

Acceptance of a completed Application Form, or alternatively, a BPAY® payment, by the Company creates a legally binding contract between the Applicant and the Company for the number of New Securities accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of the New Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

## **1.10 Issue and Despatch**

New Securities under the Entitlement Offer are expected to be issued, and security holder statements despatched, on or before the date in the Indicative Timetable. Shortfall Securities may be issued within three months after the Closing Date.

It is an Applicant's responsibility to determine their allocation before trading in New Securities. Applicants who sell New Securities before receiving their holding statements do so at their own risk.

## **1.11 Application Monies Held on Trust**

All Application Monies will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Securities are issued. All Application Monies will be returned (without interest) if the New Securities are not issued.

## **1.12 ASX Quotation**

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the New Securities offered pursuant to this Prospectus.

If the ASX does not grant Official Quotation of the New Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), no New Shares will be issued or allotted under the Offers and the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

If the ASX grants Official Quotation of the New Shares but does not grant Official Quotation of the New Options within three months after the date of this Prospectus (or such period as the ASX allows), the New Options will be issued as unquoted Options in accordance with their terms.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company, the New Shares or the New Options offered pursuant to this Prospectus.

### **1.13 Effect on Control**

The Company has not appointed a nominee in respect of the Entitlements of Foreign Shareholders pursuant to section 615 of the Corporations Act. Accordingly, the exemption to the 20% takeovers threshold under item 10 of section 611 of the Corporations Act is not available to Shareholders taking up their Entitlement under the Entitlement Offer.

No New Securities will be issued to any Shareholder or Applicant pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Shareholder's or Applicant's voting power in the Company above 19.9% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

The Offers are not expected to give rise to control implications for the Company albeit that the effect of the Offers on the voting power in the Company, for the purposes of the Corporations Act, is dependent upon the number of New Securities taken up.

### **1.14 Withdrawal**

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the provisions of the Corporations Act.

### **1.15 CHES**

The Company participates in the Clearing House Electronic Subregister System, known as CHES. ASX Settlement, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHES, Applicants will not receive a certificate but will receive a statement of their holding of Securities. If you are broker sponsored, ASX Settlement will send you a CHES statement.

The CHES statement will set out the number of Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities.

If you are registered on the Issuer Sponsored subregister, your statement will be despatched by Advanced Share Registry Services and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHES statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

## 1.16 Foreign Shareholders

The Entitlement Offer is not being extended to any Shareholders whose registered address is outside Australia, Germany or New Zealand. The Company is of the view that it is unreasonable to make the Entitlement Offer to Shareholders outside Australia, Germany and New Zealand, having regard to:

- (a) the number of those Shareholders;
- (b) the number and value of Shares to be offered to those persons; and
- (c) the cost of complying with overseas legal requirements.

The Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer other than for Shareholders in Australia, Germany and New Zealand. The Company is not required to make offers under the Prospectus to Shareholders other than in Australia, Germany and New Zealand. Where the Prospectus has been despatched to Shareholders domiciled outside Australia, Germany or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the offer contemplated by the Prospectus, the Prospectus is provided for information purposes only. Shareholders resident in Australia, Germany and New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

### **Germany**

Information in this Prospectus has been prepared on the basis that all offers of entitlements and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in Germany, from the requirement to produce a prospectus for offers of securities.

An offer to the public of Securities of the Company has not been made, and may not be made, in Germany except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Germany:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID");
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID;

- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company or any underwriter for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of securities shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

### ***New Zealand***

The Entitlement Offer to existing New Zealand resident shareholders of the Company is not a regulated offer for the purposes of the Financial Markets Conduct Act 2013 and is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## **1.17 Taxation Implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Securities under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. Shareholders should consult their own professional advisers to obtain advice in relation to the taxation laws, regulations and the implications to their personal circumstances.

## **1.18 Major Activities and Financial Information**

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2017 is in the Annual Report lodged with the ASX on 25 October 2017 and available on the Company's website at [www.incaminerals.com.au](http://www.incaminerals.com.au).

A summary of activities relating to the Company for the half year ended 31 December 2017 is in the half yearly financial report, lodged with ASX on 15 March 2018 and available on the Company's website at [www.incaminerals.com.au](http://www.incaminerals.com.au). The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report with ASX on 25 October 2017, are detailed in Section 6.1.

Copies of these documents are available free of charge from the Company or the Company's website: [www.incaminerals.com.au](http://www.incaminerals.com.au). Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offers.

## **1.19 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company. By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this privacy disclosure statement and may disclose

it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities. If you do not provide the information required on Application Form, the Company may not accept or process your Application. An Applicant may gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## **1.20 Enquiries Concerning Prospectus**

Enquiries relating to this Prospectus should be directed in the first instance to the Company's share registry, Advanced Share Registry Services, by email on: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au) or otherwise to the Company's Managing Director or Company Secretary by email on: [info@incaminerals.com.au](mailto:info@incaminerals.com.au).

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## 2. Effect of the Offers

### 2.1 Capital Structure on completion of the Offers

On the basis that the Company completes the Offers on the terms in this Prospectus, and assuming the Entitlement Offer is fully subscribed, the Company's capital structure will be as follows:

|   | Number of<br>Issued Shares | Number of<br>Issued Options |
|---|----------------------------|-----------------------------|
| Balance as at the date of this Prospectus | 2,620,288,159              | 0                           |
| Entitlement Offer                         | 262,028,816                | 262,028,816                 |
| <b>TOTAL</b>                              | <b>2,882,316,975</b>       | <b>262,028,816</b>          |

### 2.2 Pro-Forma Statement of Financial Position

Set out on the following pages are the Company's Consolidated Statement of Financial Position as at 30 June 2018 (unaudited) and 26 July 2018 (unaudited) and the Company's Pro-Forma Consolidated Statement of Financial Position as at 26 July 2018 (unaudited) (**Statements**).

The Statements are presented in abbreviated form. They do not include all the disclosures that are present in annual financial reports as required by Australian Accounting Standards. The significant accounting policies that underpin the Statements are the same policies as those outlined in the Company's audited Financial Report for the Half-Year Ended 31 December 2017 and the Company's audited Annual Financial Report for the Year Ended 30 June 2017.

The Pro-Forma Statement of Financial Position as at 26 July 2018 (unaudited) has been prepared on the assumption that the Entitlement Offer is fully subscribed and raises \$1,310,144 (before associated costs) and that estimated associated costs of \$59,995 have been expensed against issued capital.

**UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION AS AT 26 July 2018 (pro-forma assumes Entitlement Offer is fully subscribed)**

|  | Note | Unaudited<br>30 June<br>2018<br>\$ | Unaudited<br>26 July<br>2018<br>\$ | Pro-forma<br>Adjustment<br>\$ | Unaudited Pro-<br>Forma<br>26 July 2018<br>\$ |
|--|------|------------------------------------|------------------------------------|-------------------------------|---|
| <b>Assets</b>                          |      |                                    |                                    |                               |   |
| <b>Current Assets</b>                  |      |                                    |                                    |                               |   |
| Cash and cash equivalents              | 1    | 789,315                            | 313,819                            | 1,250,149                     | 1,563,968                                     |
| Trade and other receivables            |      | 19,620                             | 19,620                             | -                             | 19,620  |
| <b>Total Current Assets</b>            |      | <b>808,935</b>                     | <b>333,439</b>                     | <b>1,250,149</b>              | <b>1,583,588</b>                              |
| <b>Non-Current Assets</b>              |      |                                    |                                    |                               |   |
| Plant and equipment                    |      | 205,687                            | 205,687                            | -                             | 205,687                                       |
| Exploration and evaluation expenditure |      | 5,299,222                          | 5,657,312                          | -                             | 5,657,312                                     |
| <b>Total Non-Current Assets</b>        |      | <b>5,504,909</b>                   | <b>5,862,999</b>                   | <b>-</b>                      | <b>5,862,999</b>                              |
| <b>Total Assets</b>                    |      | <b>6,313,844</b>                   | <b>6,196,438</b>                   | <b>1,250,149</b>              | <b>7,446,587</b>                              |
| <b>Liabilities</b>                     |      |                                    |                                    |                               |   |
| <b>Current Liabilities</b>             |      |                                    |                                    |                               |   |
| Trade and other payables               |      | 272,984                            | 272,984                            | -                             | 272,984                                       |
| Provisions                             |      | 85,472                             | 85,472                             | -                             | 85,472  |
| <b>Total Current Liabilities</b>       |      | <b>365,366</b>                     | <b>358,456</b>                     | <b>-</b>                      | <b>358,456</b>                                |
| <b>Total Liabilities</b>               |      | <b>365,366</b>                     | <b>358,456</b>                     | <b>-</b>                      | <b>358,456</b>                                |
| <b>Net Assets</b>                      |      | <b>5,948,478</b>                   | <b>5,837,982</b>                   | <b>1,250,149</b>              | <b>7,088,131</b>                              |
| <b>Equity</b>                          |      |                                    |                                    |                               |   |
| Contributed equity                     | 1    | 37,265,506                         | 37,235,506                         | 1,250,149                     | 38,485,735                                    |
| Accumulated losses                     |      | (31,204,104)                       | (31,284,600)                       | -                             | (31,284,600)                                  |
| Foreign currency translation reserve   |      | (112,924)                          | (112,924)                          | -                             | (112,924)                                     |
| <b>Total Equity</b>                    |      | <b>5,948,478</b>                   | <b>5,837,982</b>                   | <b>1,250,149</b>              | <b>7,088,131</b>                              |

Note:

- Gross proceeds of \$1,310,144 received via the issue of 262,028,816 fully paid ordinary shares at \$0.005 per share pursuant to the Entitlement Offer. Cash and contributed equity is offset by estimated associated cash costs of \$59,995 incurred on the Entitlement Offer.

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## **3. Action required by Shareholders**

### **3.1 Eligible Shareholders**

Your entitlement to participate in the Entitlement Offer will be determined on the Record Date. The number of New Securities to which Eligible Shareholders are entitled is shown on the accompanying Entitlement and Acceptance Form and it is this form that Eligible Shareholders should use. If you do not take up your Entitlement, then your percentage holding in the Company will be diluted without any compensating benefits. If you are an Eligible Shareholder then you should carefully read this Prospectus in its entirety and consider the risks associated with an investment in the Company (refer to Section 4) in light of your personal circumstances. If you are an Eligible Shareholder you may either:

- (a) take up all of your Entitlement in accordance with this Prospectus (see Section 3.3);
- (b) take up all of your Entitlement and, in addition, apply for Shortfall Shares in excess of your Entitlement by applying for Shortfall Shares in accordance with this Prospectus (see Section 3.4);
- (c) take up part or none of your Entitlement in accordance with this Prospectus and allow the balance of your Entitlement to lapse (see Section 3.5).

### **3.2 Non-Eligible Shareholders – Foreign Shareholders**

If you are a Foreign Shareholder, you may not take up any of, or do anything in relation to, your Entitlement. As outlined in Section 1.16 the Offers are not extended, and New Securities will not be issued, to Shareholders with a registered address outside Australia, Germany or New Zealand. Where the Prospectus has been despatched to Shareholders domiciled outside Australia, Germany or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the offer contemplated by the Prospectus, the Prospectus is provided for information purposes only. Shareholders resident in Australia, Germany or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will be taken as a representation that there has been no breach of those regulations.

### **3.3 Acceptance of all of your Entitlement**

If you wish to accept all of your Entitlement, then applications for Securities under this Prospectus must be made on the Entitlement and Acceptance Form in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the personalised Entitlement and Acceptance Form in accordance with the instructions detailed on the form and return the completed form, together with the Application Monies (in full), in accordance with Section 3.6 to the Share Registry so that it is received at the following address by no later than 5:00pm (WST) on the Closing Date:

Advanced Share Registry Services  
PO Box 1156  
Nedlands WA 6909  
Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

### **3.4 Acceptance of all of your Entitlement and applying for Shortfall Securities**

If you wish to accept all of your Entitlement and, in addition, apply for Shortfall Securities in excess of your Entitlement, the applications for Shortfall Securities must be made by completing the relevant sections on the Entitlement and Acceptance Form, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the personalised Entitlement and Acceptance Form in accordance with the instructions detailed on the form and return the completed form, together with the Application Monies (in full), in accordance with Section 3.6, to the Share Registry so that it is received at the following address by no later than 5:00pm (WST) on the Closing Date:

Advanced Share Registry Services  
PO Box 1156  
Nedlands WA 6909  
Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

### **3.5 Taking up part or none of your Entitlement and allowing the balance to lapse**

If you wish to take up only part of your Entitlement, complete the personalised Entitlement and Acceptance Form in accordance with the instructions detailed on the form, including the number of Shares you wish to accept and the Application Monies (calculated at \$0.005 per New Share accepted) and return the completed Entitlement and Acceptance Form together with the Application Monies (in full) in accordance with Section 3.6 to the Share Registry so that it is received at the following address by no later than 5:00pm (WST) on the Closing Date:

Advanced Share Registry Services  
PO Box 1156  
Nedlands WA 6909  
Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

If you do not wish to take up any of your Entitlement, then you are not obliged to take any action, the Offer lapses, and you will not receive any compensating benefit.

### **3.6 Payment**

The offer price of New Shares and the Shortfall Shares under the Offers is \$0.005 per New Share and \$0.005 per Shortfall Share. No additional consideration is required for New Options or Shortfall Options to be issued under this Prospectus.

For all Eligible Shareholders, payments must be received by 5:00pm (WST) on the Closing Date.

For Eligible Shareholders, if you wish to pay via BPAY®, you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your Entitlement upon receipt of the BPAY® payment by the Company.

If paying via BPAY®, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of Eligible Shareholders to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Application Form and you will not need to return the Application Form.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

Where an Eligible Shareholder is paying by other than by BPAY®, a completed Entitlement and Acceptance Form must be accompanied by a cheque, drawn in Australian dollars, made payable to "Inca Minerals Limited" and crossed "Not Negotiable".

### **3.7 Brokerage**

No brokerage or stamp duty is payable by Shareholders who apply for New Securities.

### **3.8 Enquiries concerning your Entitlement**

If you have any queries concerning your Entitlement, please contact the Company's Managing Director or Company Secretary by email: [info@incaminerals.com.au](mailto:info@incaminerals.com.au).

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## 4. Risk factors

The Securities offered under this Prospectus are considered highly speculative and carry no guarantee with respect to the payment of dividends or returns of capital. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consult their professional advisers and consider the risks factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities pursuant to this Prospectus.

The following list of risk factors ought not to be taken as exhaustive of all the risks faced by the Company or by Shareholders. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be managed and mitigated by planning and the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company or the Directors and cannot be mitigated.

### 4.1 Company Specific Risk

#### (a) General

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the future operating and financial performance of the Company. These risks can impact on the value of an investment in the securities of the Company. The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

#### (b) Additional Requirements for Capital

Since its inception the Company's principal activity has been and remains the exploration for commercially exploitable mineral deposits and the Company does not as yet generate revenue from its principal activity. Accordingly, the Company requires continual equity or debt funding to meet existing and future expenditure requirements and there is no guarantee the Company will secure sufficient funding to implement its exploration intentions as outlined in the Prospectus. Should the Company require additional funding there can be no assurance that additional funding will be available on acceptable terms, or at all. An inability to obtain additional funding, if required, would have a material adverse effect on the Company's business, financial condition and performance and the Company's ability to continue as a going concern.

#### (c) Permit Risk

The Company's main exploration projects are located in Peru. While not all exploration activities on the Company's projects require permits, some exploration activities involving drilling cannot be conducted without the requisite government permits. There is a risk of delay or that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures or time delays. There is also a risk that the necessary land acquisitions, permits, certificates, consents, authorisations and agreements required to implement future exploration, project development, or mining of the Company's projects may not be obtained under conditions or within time frames that make such plans economic.

(d) **Operating Risk**

The operations of the Company may be affected by various factors not within its control. Funds raised under the Offers are intended to be used to conduct exploration programs at the Company's Cerro Rayas Project and Greater Riqueza Project in Peru and as additional working capital where warranted. The operations of the Company may be affected by failure to locate or identify commercially viable mineral deposits, unanticipated metallurgical problems which may affect eventual extraction costs, possible seismic activity, operational and technical difficulties encountered in drilling and exploration, operating and maintaining plant and equipment, mechanical failure, industrial and environmental accidents, labour shortages, industrial and environmental disputes, obtaining government approvals, adverse weather conditions, fire, explosions, rock falls, unusual or unexpected rock formations, and unexpected shortages or increases in the costs of consumables, spare parts, plant, equipment or labour. The Company's projects are located within Peru's Andes mountain range and there is a risk that heavy snow fall or rain may adversely impact the Company's exploration activities. These risks and hazards could also result in damage to or destruction of property, plant and equipment, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. The Company may become subject to liability for accidents, pollution or other hazards against which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, or in amounts which exceed policy limits.

No assurances can be given that the Company will achieve commercial viability through exploration success and exploitation of its projects and, until the Company is able to realise value from its projects, it is likely to incur ongoing operational losses.

(e) **Social Licence Risk**

Engagement with and approval from traditional communities with surface rights and interests in the Cerro Rayas Project and the Greater Riqueza Project is an important requirement for continued operations in Peru. If local communities become dissatisfied or feel their rights are being abrogated, this can cause delays to permitting, operations or indeed cessation of a project.

(f) **Project Access Risk**

The Cerro Rayas Project and the Greater Riqueza Project are accessed by a national arterial highway, sealed roads and gravel tracks in Peru. Seismic activity or extreme weather may result in closure of the highway, roads or tracks thereby delaying access to these projects.

(g) **Sovereign Risk**

The Company cannot guarantee that the government in Peru will remain stable or supportive of the mining and resources sector and existing ownership structures. Accordingly, the Company cannot guarantee ongoing access, surety of title and tenure of its Peruvian based assets. Outcomes in Peruvian courts may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiary in Peru.

(h) **Government Policies and Legislation**

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia or Peru that affect mineral exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project, projects or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's exploration and operating activities.

(i) **Commodity Price and Exchange Rate Risk**

The Company's Cerro Rayas Project and Greater Riqueza Project are prospective, *inter alia*, for zinc, silver, lead, copper and gold. The market price of these commodities fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major metal producing centres as well as macroeconomic conditions such as inflation and interest rates. Fluctuations in commodity prices may impact on the commercial attractiveness or viability of the Company's projects.

Furthermore, the international prices of most commodities are denominated in United States dollars and the Company's cost base will be in a combination of Australian dollars, United States dollars and Peruvian sol. Consequently, changes in these exchange rates may impact on the expenditure of the Company and the Company's purchasing capacity. The exchange rate is affected by numerous factors beyond the control of the Company, including interest rates, inflation and the general economic outlook.

(j) **Environmental Risk**

The Company's projects are subject to Peruvian and Australian laws and regulations concerning the environment. The Company's activities are expected to have some impact on the environment, particularly if advanced exploration or mine development were to occur in the future. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Company may, in future, require additional approval from authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals may prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws and regulations would materially increase the Company's costs of doing business or affect its operations in any area. If the Company's projects prove to be large scale projects, the resulting development of such a large-scale project could require a substantial environmental footprint that may demand operating restrictions that could act to make the project uneconomic.

(k) **No Profit to Date**

The Company has incurred losses since its inception. It is therefore not possible to evaluate its prospects based on past performance. Since the Company intends to continue investing in its exploration programs the Directors anticipate making further losses in the foreseeable future. While Directors have confidence in the future potential of the Company, there can be no certainty that the Company will achieve or sustain profitability or positive cash flow from its operating activities.

(l) **Inca-South32 Option Agreement**

In April 2018 the Company and South32 Group Operations Pty Ltd (**South32**) executed an agreement through which South32 has now acquired the option to enter into negotiations with the Company to acquire a majority interest in the Company's Greater Riqueza project (**Option**) through an earn-in agreement (**EIA**). There is no guarantee that South32 will exercise the Option and there is no guarantee that, if South32 does exercise the Option, negotiations successfully result in an EIA being executed.

## 4.2 Industry Risk

(a) **Mining and Exploration Risk**

The business of mineral exploration, development and production is subject to risk by its nature. The success of the business depends, *inter alia*, on successful exploration and/or acquisition of reserves, securing and maintaining title to concessions and tenements, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining are speculative undertakings which may be hampered by force majeure circumstances, land claims and unforeseen mining problems. Increased costs, lower output or high operating costs may all contribute to make a project less profitable than expected at the time of the development decision. There is no assurance that the Company's attempts to exploit its exploration activities will be successful.

The Company's exploration activities to date are not advanced to a stage where reliable reserve or resource estimates can be made. Reserve and resource estimates, if made in the future, are judgments based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Ore estimation is an interpretive process based on available data and interpretations and, thus, estimations may prove inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop reserves. Further, reserves are valued based on future costs and future prices and, consequently, the actual reserves and resources may differ from those estimated, which may result in either a positive or negative effect.

No assurance can be given that commercial tonnages, grades or recovery will be achieved or realised. Commodity price fluctuations, increased production costs, or reduced recovery rates, may render possible reserves containing relatively lower grades uneconomic and may result in a restatement of such reserves. Moreover, short-

term operating factors relating to possible reserves, such as sequential development of ore bodies and processing of new or different ore types or grades, may cause mining operations to be unprofitable in any particular accounting period.

There is a risk that unforeseen geological and geotechnical difficulties may be encountered if and when developing and mining reserves. In this event, a loss of revenue may be caused due to the lower than expected production and/or higher than anticipated operation and maintenance costs and/or on-going unplanned capital expenditure in order to meet production targets.

(b) **Title**

The Company's mining exploration activities are dependent on the grant, or as the case may be, the maintenance of appropriate licenses, which may be withdrawn or made subject to limitations. The granting of license, maintaining of license or obtaining renewals, often depends on the Company being successful in obtaining required statutory approvals for its proposed activities and that the licenses, concessions, tenements, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(c) **Results of Studies**

Subject to the results of future exploration and testing programs, the Company may progressively undertake a number of studies in respect to the Company's current or new projects. These studies may include scoping, pre-feasibility and bankable feasibility studies.

These studies will be completed within certain parameters designed to determine the economic feasibility of the Company's current or new projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's current or new projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Company's current or new projects, there can be no guarantee that the current or new projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study once production commences including but not limited to operation costs, mineral recoveries and commodity prices. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(d) **Metallurgy**

Metal or mineral recoveries are dependent upon the metallurgical process, and by its nature processing contains elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal or concentrate;
- (ii) developing an economic process route to produce a metal or concentrate;  
and

- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

No assurance can be given that any particular level of recovery from mineral resources or reserves will in fact be realised or that a mineral resource will ever qualify as commercially viable which can be legally and economically exploited.

(e) **Economic and Government Risks**

Economic and legislative changes in either Australia or Peru may affect the future viability of the Company. The future viability of the Company is also dependent on a number of other factors affecting the performance of all industries, not just the exploration and mining industries. These factors include, but are not limited to:

- (i) General economic conditions in Australia, Peru and their respective major trading partners.
- (ii) Changes in government policies, taxation and other laws.
- (iii) The strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the commodities (resources) sector.
- (iv) Movement in, or outlook on, interest rates and inflation rates.
- (v) Natural disasters, social upheaval or war in Australia, Peru and other countries.

Industry profitability can be affected by changes in government within Peru, Australia and other jurisdictions, which are outside the control of the Company. The Company's activities are subject to extensive laws and regulations controlling not only the exploration for and mining of minerals, but also the possible effects of such activities upon the environment and interests of native and/or indigenous peoples. Permits from regulatory authorities are required for many aspects of mine operation and reclamation. There is no assurance that permits will be obtained when sought or that unfavourable conditions will not be imposed. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in development of the Company's tenements, the extent of which cannot be predicted.

(f) **Reliance on Key Personnel**

The responsibility of overseeing the day to day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their involvement with the Company.

(g) **Competition**

The industry in which the Company is involved is subject to domestic and global competition. While the Company undertakes all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the

activities of competitors and these activities may positively or negatively affect the operating and financial performance of the Company's projects and business.

(h) **Insurance**

Insurance of all risks associated with exploration is not always available and, where it is available, the cost may be high. The Company will have insurance in place considered appropriate for the Company's needs.

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as extreme weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, buildings, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability, particularly if the Company seeks to acquire new projects which are located in other jurisdictions or involve a new commodity.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

### **4.3 General Risk**

(a) **Securities investments**

There are risks associated with any securities investment. The prices at which the Securities trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Securities regardless of the Company's operational performance.

(b) **Share Market Conditions**

Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. Share market conditions are affected by many factors including but not limited to the following:

(i) General economic outlook.

- (ii) Interest rates and inflation rates.
- (iii) Currency fluctuations.
- (iv) Mineral price fluctuations.
- (v) Changes in investor sentiment toward particular market sectors.
- (vi) The demand for, and supply of, capital.
- (vii) Terrorism or other hostilities.
- (viii) Other factors beyond the control of the Company.

The market price of the Company's Securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company, or any return on an investment in the Company.

(c) **Economic Risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, Peru or any other country in which the Company operates, interest rates, exchange rates and the rate of inflation.

(d) **Competition**

The Company will compete with other companies, including other mineral exploration and mining companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and produce other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

#### **4.4 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the Securities offered under the Prospectus.

The Securities offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

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## **5. Rights attaching to Securities**

### **5.1 Rights attaching to New Shares**

The following is a summary of the more significant rights and liabilities attaching to New Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution which is available online or at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

#### **(c) Payment of Dividend**

Subject to the Corporations Act, the Constitution and the rights of any persons entitled to shares with special rights to dividend, the Directors may determine that a dividend is payable, fix the amount and the time for payment of the dividend and authorise the payment or crediting of the dividend by the Company to, or at the direction of, each Shareholder entitled to that dividend. No dividend shall carry interest as against the Company.

#### **(d) Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The

liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other Securities in respect of which there is any liability.

(e) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to the Constitution and to any restrictions attached to a Share, a Shareholder may transfer any of the Shareholder's Shares by:

- (i) a proper ASTC transfer;
- (ii) a written transfer in any usual form or in any other form approved by the Directors; or
- (iii) any other electronic system established or recognised by the Listing Rules.

(f) **Future increase in capital**

The allotment and issue of any Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of Shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(g) **Variation of rights**

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Changes to Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(i) **Meetings and Notices**

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations and the Listing Rules.

(j) **Dividend Policy**

The Company does not intend to declare or pay any dividends in the foreseeable future. Any future determination as to payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

## 5.2 Terms and Conditions of the New Options

A summary of the rights attaching to the New Options is detailed below. The summary is qualified by the full terms and conditions of the Constitution (a full copy of the Constitution is available from the Company's website) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of holders of New Options. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. A holder of New Options should seek legal advice to obtain a definitive assessment of rights and liabilities which attach to the New Options in any specific circumstances.

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option before the Expiry Date.

(b) **Quotation of New Options**

The Company will apply to the ASX for Official Quotation of the New Options. Subject to the quotation requirements being met, the New Options will be quoted.

(c) **Exercise Price**

The amount payable on exercise of each New Option will be \$0.012 (**Exercise Price**).

(d) **Expiry Date**

The New Options will expire at 5.00pm on 7 August 2020 (WST) (**Expiry Date**). Any New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

New Options may be exercised at any time prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The New Options may be exercised by notice in writing to the Company (**Exercise Notice**) and payment of the Exercise Price, in Australian currency, for each New Option being exercised. A minimum of 10,000 New Options must be exercised at any time. Where a Shareholder holds less than 10,000 New Options then they must exercise their entire holding of New Options.

(g) **Exercise Date**

Any Exercise Notice received by the Company will be deemed effective on and from the later of: (i) the date of receipt of the Exercise Notice and (ii) the date of Company's receipt of the Exercise Price, for each New Option being exercised, in cleared funds (**Exercise Date**).

(h) **Timing of Issue of Shares on Exercise**

Within 15 Business Days after a New Option is validly exercised the Company will:

- (i) allot and issue that number of Shares pursuant to the exercise of the New Options; and
- (ii) if admitted to the official list of the ASX at the time, apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the New Options.

(i) **Shares Issued on Exercise**

Shares issued pursuant to the exercise of the New Options will rank equally with the then issued Shares of the Company.

(j) **Quotation of Shares on Exercise**

If admitted to the official list of the ASX at the time, the Company will apply for Official Quotation of the Shares issued pursuant to the exercise of the New Options.

(k) **Participation in New Issues**

There are no participation rights or entitlements inherent in the New Options and the holder will not be entitled to participate in new issues of capital to Shareholders during the currency of the New Options without exercising the New Options.

(l) **Reconstruction of Capital**

If at any time the issued share capital of the Company is reconstructed, all rights of a New Option holder will be varied to comply with the Corporations Act and the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) **New Options Transferable**

The New Options are transferable.

(n) **Change In Exercise Price**

A New Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(o) **Adjustments for Rights Issues**

If the Company makes a pro rate issue of Shares to existing Shareholders, there will be no adjustment to the Exercise Price of a New Option.

(p) **Adjustment for Bonus Issue of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than in satisfaction of dividends or by way of dividend reinvestment):

- (i) The number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the New Option holder would have received if the New Option holder had exercised the New Option before the record date for the bonus issue; and
- (ii) there will be no adjustment to the Exercise Price of a New Option.

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## 6. Additional Information

### 6.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares that will be issued pursuant to this Prospectus, and the Shares that will be issued on exercise of the New Options offered under this Prospectus, will be in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under s. 713 of the Corporations Act apply. That provision allows the issue of a concise prospectus in relation to an offer of securities, or options to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the Offers on the Company and the rights and liabilities attaching to the New Securities offered. It is not necessary to include general information in relation to all the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and made such enquires as are reasonable, the Company believes that it has complied with the general and specific ASX requirements, as applicable, from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the closing date of the Offers:
  - (i) the annual report of the Company for the financial year ended 30 June 2017 being the most recent annual report of the Company lodged with the ASIC before the issue of this Prospectus; and

- (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours. The Company has lodged the following announcements with ASX since the lodgement of its Annual Report on 25 October 2017:

| <b>Date</b>      | <b>Description of Announcement</b>                  |
|------------------|---|
| 25 October 2017  | Inca Appendix 4G                                    |
| 27 October 2017  | Inca to Undertake \$3.45 Million Rights Issue       |
| 27 October 2017  | Inca Minerals Limited Prospectus                    |
| 27 October 2017  | Appendix 3B   |
| 27 October 2017  | Inca Investor Presentation                          |
| 30 October 2017  | Inca Activities Report – September 2017 Quarter     |
| 1 November 2017  | Letters to Eligible and Ineligible Shareholders     |
| 7 November 2017  | Trading Halt  |
| 8 November 2017  | Inca Rights Issue – Entitlement & Acceptance Forms  |
| 9 November 2017  | Company Release to Address Market Rumours           |
| 20 November 2017 | Significant Zn-Ag-Pb Discovery at Greater Riqueza   |
| 21 November 2017 | Trading Halt  |
| 21 November 2017 | Inca Share Placement                                |
| 23 November 2017 | Extension to Inca Rights Issue Offer Period         |
| 23 November 2017 | Inca Placement and Appendix 3B                      |
| 29 November 2017 | 7.4% Zinc in New Manto at Riqueza                   |
| 30 November 2017 | 2017 Annual General Meeting Results                 |
| 6 December 2017  | 20.77% Zinc in Southern Manto                       |
| 8 December 2017  | Successful Inca Capital Raising                     |
| 11 December 2017 | 18.23% Zinc at Callancocha Mine Site                |
| 12 December 2017 | Appendix 3B – Inca Rights Issue                     |
| 12 December 2017 | Appendix 3Y Change of Director's Interest           |
| 12 December 2017 | Strong Mineralisation in Riqueza Vein Mine          |
| 22 December 2017 | Controlled Placement Agreement and Cleansing Notice |
| 2 January 2018   | Correction to Appendix 3B Lodged 22 December 2017   |

| <b>Date</b>      | <b>Description of Announcement</b>                          |
|------------------|---|
| 15 January 2018  | 15.45% Zinc in Veins at Callancocha – Riqueza               |
| 31 January 2018  | December 2017 Quarterly Activities Report                   |
| 31 January 2018  | Appendix 5B - December 2017 Quarter                         |
| 8 February 2018  | Update on New Exploration Regulations for Peru Explorers    |
| 12 February 2018 | 33.91% Zinc & New Concessions Re-Rate Cerro Rayas           |
| 22 February 2018 | Multiple 10% Zinc in New Rastrillo Deposit – Riqueza        |
| 2 March 2018     | Placement of Shortfall Shares                               |
| 2 March 2018     | Listing Rule 3.10.5, Sec. 708A Corp. Act and Appendix 3B    |
| 12 March 2018    | Update on Peru's New Exploration Permit Regulations         |
| 15 March 2018    | Financial Report for the Half Year Ended 31 December 2017   |
| 22 March 2018    | Inca Establishes Technical Advisory Panel                   |
| 4 April 2018     | Trading Halt  |
| 5 April 2018     | Inca Signs Exclusive Earn-In Option with South 32           |
| 16 April 2018    | Share Placement, Appendix 3B and Cleansing Notice           |
| 17 April 2018    | Peru's New Exploration Regulations Now in Force             |
| 24 April 2018    | Change in Substantial Holding                               |
| 30 April 2018    | Appendix 5B – March 2018 Quarter                            |
| 30 April 2018    | March 2018 Quarterly Activities Report                      |
| 14 May 2018      | Strong Grades Increase Rastrillo Potential – Riqueza        |
| 18 May 2018      | Update on Geophysics Survey Commences                       |
| 29 May 2018      | Greater Riqueza Geophysics Survey Commences                 |
| 6 June 2018      | 2.2 Metre Mineralised Manto near Rastrillo                  |
| 22 June 2018     | Greater Riqueza Geophysics Survey Completed                 |
| 4 July 2018      | 23 Targets in Interim Geophysics Results at Greater Riqueza |
| 19 July 2018     | Company Update – Greater Riqueza Project                    |
| 20 July 2018     | Trading Halt  |
| 23 July 2018     | 20.98% Zinc in Manto near Rastrillo                         |
| 26 July 2018     | June 2018 Quarterly Activities Report                       |
| 30 July 2018     | More Than 40 Geophysics Targets at Greater Riqueza          |
| 31 July 2018     | Appendix 5B - June 2018 Quarter                             |
| 31 July 2018     | Trading Halt  |

## 6.2 Interests of Directors

Except as disclosed in this Prospectus, no Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director of the Company for services which he or she (or entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers.

## 6.3 Directors' Interests

As at the date of this Prospectus, the relevant interests of the Directors and their associated entities in the Securities are as follows:

| Director        | Shares held at Record Date | Entitlement to New Shares under Entitlement Offer | Entitlement to New Options under Entitlement Offer |
|-----------------|----------------------------|---|--|
| Ross Brown      | 31,411,762                 | 3,141,176   | 3,141,176  |
| Justin Walawski | 3,060,002                  | 306,000   | 306,000  |
| Gareth Lloyd    | -                          | -   | -  |

As at the date of the Prospectus, each Director intends to take up some or all of his Entitlement, subject to each Director's financial position prior to the Closing Date.

## 6.4 Directors' Remuneration

The total remuneration, including superannuation, of existing Directors for the past two financial years are as follows:

| Director           | 2017 Financial Year | 2018 Financial Year |
|--------------------|---------------------|---------------------|
| Mr Ross Brown      | \$243,512           | \$266,454           |
| Mr Justin Walawski | \$233,550           | \$252,142           |
| Mr Gareth Lloyd    | \$54,750            | \$54,750            |
| TOTAL              | \$531,812           | \$573,346           |

## 6.5 Interests of Other Persons

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) do not hold, have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offers, except as disclosed in this Prospectus and as follows:

- (a) DLA Piper Australia has acted as the Australian lawyers to the Company for the Offers. In respect of this work the Company will pay DLA Piper Australia approximately \$13,500 (exclusive of GST). During the two years before the date of this Prospectus, DLA Piper Australia was paid \$55,252 (exclusive of GST) for provision of legal and other services to the Company; and
- (b) Advanced Share Registry Services conducts the Company's share registry functions and will provide administrative services in respect to the proposed Share applications pursuant to this Prospectus. Advanced Share Registry Services will be paid for these services on standard industry terms and conditions.

## 6.6 Related Party Transactions

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

## 6.7 Market Price of Shares

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC were:

|          |                        |
|----------|------------------------|
| Highest: | \$0.006 (4 July 2018)  |
| Lowest:  | \$0.004 (25 July 2018) |

The latest available market sale price of the Shares prior to the date of lodgement of this Prospectus with ASIC was \$0.005 per Share on 31 July 2018.

## 6.8 Associated Costs of the Offers

Assuming the Offers are fully subscribed, the associated costs of the Offers payable by the Company (exclusive of GST) are listed below.

|                                   | <b>Costs of Offers</b>    |
|-----------------------------------|---------------------------|
| ASIC lodgement fee                | 3,206.00                  |
| ASX quotation fees                | 17,809.00                 |
| Legal expenses                    | 13,500.00                 |
| Printing, mail and other expenses | 25,480.00                 |
| <b>Total</b>                      | <b><u>\$59,995.00</u></b> |

The Company also reserves the right to pay a commission of up to 6% (exclusive of GST) of all amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company. In the event a 6% commission was payable upon all subscriptions and assuming a 100% subscription rate then the associated costs of the Offers (exclusive of GST) payable by the Company would be as follows:

|                                   | <b>Costs of Offers</b>     |
|-----------------------------------|----------------------------|
| Maximum Broker commission @ 6%    | 78,609.00                  |
| ASIC lodgement fee                | 3,206.00                   |
| ASX quotation fees                | 17,809.00                  |
| Legal expenses                    | 13,500.00                  |
| Printing, mail and other expenses | 25,480.00                  |
| <b>Total</b>                      | <b><u>\$138,604.00</u></b> |

Payment of any broker commission is subject to the Company's receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

## 6.9 Taxation Implications

The acquisition and disposal of New Securities will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the New Securities.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

## 6.10 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

## 6.11 Consents

Each of the following parties:

| Name                             | Role           |
|----------------------------------|----------------|
| DLA Piper Australia              | Lawyers        |
| Advanced Share Registry Services | Share Registry |

- (a) has given the consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC;
- (b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers;
- (c) makes no, and purports to have made no, statement in this Prospectus or on which a statement in this Prospectus is based except as set out in this Section; and

- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

None of the parties referred to in this Section 6.11 authorised or caused the issue of this Prospectus or the making of the Offers.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

## **6.12 Documents Available for Inspection**

The following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus; and
- (b) the Constitution.

## **6.13 Information Excluded from Continuous Disclosure Notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

## **6.14 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities offered under this Prospectus.

## **6.15 Electronic Prospectus**

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of New Shares in response to an electronic Application Form, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send to you, free of charge to you, either a hard copy or a further electronic copy of this Prospectus, the Application Form or both.

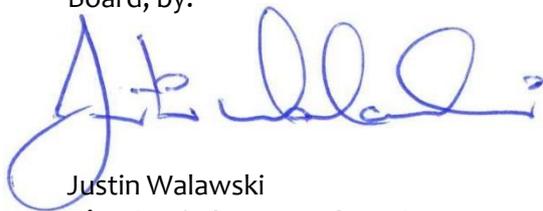
The Company reserves the right not to accept an Application Form from an Applicant if it has reason to believe that when that Applicant was given access to the electronic Application Form, it was not provided together with an electronic copy of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be held by the Company on trust and returned (without interest) to the Applicant as soon as practicable.

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## 7. Authorisation

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:



Justin Walawski  
**Director & Company Secretary**

Dated: 2 August 2018

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## 8. Glossary

In this Prospectus, unless the context otherwise requires:

**Annual Report** means the annual report lodged by the Company with ASIC in respect to the year ended 30 June 2017 and includes the corporate directory, review of activities, shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2017, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2017.

**Applicant** means a person who submits an Entitlement and Acceptance Form or Shortfall Application Form.

**Application** means a valid application for New Shares and New Options under the Entitlement Offer made through an Entitlement and Acceptance Form; or Shortfall Shares and Shortfall Options under the Shortfall Offer made through a Shortfall Application Form.

**Application Form** means an Entitlement and Acceptance Form or a Shortfall Application Form (as applicable).

**Application Monies** means application monies for the New Shares received by the Company from an Applicant.

**ASIC** means the Australian Securities & Investments Commission.

**ASTC** means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

**ASX** means ASX Limited ABN 98 008 624 691 and where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors.

**Business Day** means Monday to Friday inclusive, excluding public holidays and any other day that ASX declares is not a business day.

**Cerro Rayas** means the Company's Cerro Rayas project located approximately 210km south east of Lima, Peru.

**CHESS** means ASX Clearing House Electronic Subregistry System.

**Closing Date** means the date referred to in the Indicative Timetable.

**Company** or **Inca** means Inca Minerals Limited ACN 128 512 907.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company at the date of this Prospectus.

**Eligible Shareholder** means a person who:

- (a) is a Shareholder at 5:00pm (WST) on the Record Date; and
- (b) has a registered address in Australia, Germany or New Zealand as recorded with the Share Registry as at the Record Date.

**Entitlement** means a Shareholder's entitlement to subscribe for New Securities under the Entitlement Offer.

**Entitlement Offer** has the meaning given to that term in Section 1.1.

**Entitlement and Acceptance Form** means the entitlement and acceptance form accompanying this Prospectus, that sets out the entitlement of an Eligible Shareholder to subscribe for Securities pursuant to the Entitlement Offer.

**Foreign Shareholder** means any Shareholder who is not an Eligible Shareholder.

**Greater Riqueza Project** or **Riqueza** means the Company's Greater Riqueza project located approximately 200km south east of Lima, Peru.

**Group** means the Company and each of its subsidiaries.

**Indicative Timetable** means the indicative timetable on page 8 of this Prospectus.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**JORC Code** means the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, which is available at [www.jorc.org](http://www.jorc.org).

**Listing Rules** means the official listing rules of ASX.

**Offers** means the Entitlement Offer and Shortfall Offer.

**Official Quotation** means quotation of Securities on the official list of ASX.

**Opening Date** means the date referred to in the Indicative Timetable.

**New Share** means a Share offered pursuant to this Prospectus.

**New Option** means an option offered pursuant to this Prospectus.

**New Securities** means any securities including New Shares, New Options, Shortfall Shares and Shortfall Options issued or granted by the Company pursuant to this Prospectus.

**Prospectus** means this prospectus dated 2 August 2018.

**Record Date** means the date referred to in the Indicative Timetable.

**Riqueza Project** or **Riqueza** means the Company's Greater Riqueza project located approximately 200km south east of Lima, Peru.

**Section** means a section of this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Advanced Share Registry Services.

**Shareholder** means a registered holder of Shares.

**Shortfall Application Form** means the application form accompanying this Prospectus, to be used for the purposes of applying for Shortfall Securities.

**Shortfall Offer** has the meaning given to that term in Section 1.5.

**Shortfall Options** means the New Options not applied for under the Entitlement Offer before the Closing Date.

**Shortfall Shares** means the New Shares not applied for under the Entitlement Offer before the Closing Date.

**Shortfall Securities** has the meaning given to that term in Section 1.5.

**Statements** has the meaning given to that term in Section 2.2.

**Voting Power** has the meaning given in section 610 of the Corporations Act.

**VWAP** means, in relation to the Company's Shares for a particular period, the volume weighted average price of trading in Shares on the ASX market over that particular period.

**WST** means Western Standard Time, being the time in Perth, Western Australia.