



INCA MINERALS LTD

INCA MINERALS LIMITED [ASX: ICG]

ACN: 128 512 907

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that a General Meeting of Inca Minerals Limited's (**Inca** or **Company**) Shareholders will be held at 11.00am 15 November 2019 (WST) at Level 2, 1 Walker Avenue, West Perth, Western Australia, 6005 (**Meeting**).

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

The Directors have determined that, pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the persons eligible to vote at this Meeting are registered Shareholders of the Company as at 11.00am 14 November 2019 (WST).

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form which accompany and form part of this Notice of Meeting should be read in entirety.

This Notice of Meeting and the Explanatory Statement and Proxy Form which accompany and form part of this Notice should be read in entirety.

Shareholders wishing to discuss the matters within this Notice of Meeting should contact:

Mr Ross Brown, Managing Director:
Mr Mal Smartt, Company Secretary:

rbrown@incamineral.com.au
msmartt@incaminerals.com.au

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VOTING AT THIS GENERAL MEETING

Your Vote is Important: The business of this General Meeting affects your shareholding and your vote is important.

Shareholders in doubt as to how they should vote should seek advice from their professional advisers prior to voting.

Voting In Person: To vote in person, attend the General Meeting at the following time, date and place:

Time: 11.00am

Date: 15 November 2019 (WST)

Place: Level 2, 1 Walker Avenue,
West Perth
Western Australia 6005

Voting by Proxy: To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company, by no later than 11.00am 13 November 2019 (WST):

By Post: PO Box 38 WEST PERTH WA 6872

By Email: info@incaminerals.com.au

Proxy forms received after 11.00am 13 November 2019 (WST) will be invalid.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

Voting restrictions apply to Resolution 1 under the Corporations Act.

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel (**KMP**), details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member, whether as a shareholder or as a Key Management Personnel's proxy.

However, a vote may be cast on this Resolution by the above persons if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the KMP details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
 - (i) the appointment as a proxy is in writing and specifies how the proxy is to vote on this Resolution; or
 - (ii) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - A. does not specify the way the proxy is to vote on the resolution; and
 - B. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DR J WEST

To consider and, if thought fit, to pass, with or without amendment, the following ordinary resolution:

“That Dr Jonathan West, having retired in accordance with Clause 10.8 of the Constitution of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company.”

3. RESOLUTION 3 – ISSUE OF SHARES TO DR J WEST

To consider and, if thought fit, pass the following ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 8,700,000 shares to Dr West to reimburse him for expenditure on the Frewena project ”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Dr West or any associate of Dr West. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, pass the following special resolution:

"That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes in favour of this special resolution for or on behalf of any person who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION OF 14,925,000 INCA SHARES TO AQUITY

To consider and, if thought fit, pass the following ordinary resolution:

" That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 14,925,000 Inca Shares at an average \$0.0040 per share to Acuity Capital Investment Management Pty Ltd, details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes in favour of this ordinary resolution by or on behalf of Acuity Capital Investment or any associate of Acuity Capital Investment. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – RATIFICATION OF 40,000,000 INCA SHARES

To consider and, if thought fit, pass the following ordinary resolution:

" That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 40,000,000 Inca Shares at an average \$0.00382 per share to Acuity Capital Investment Management Pty Ltd, details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes in favour of this ordinary resolution by or on behalf of Acuity Capital Investment or any associate of Acuity Capital Investment. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – RATIFICATION OF 46,640,000 INCA SHARES AND OPTIONS

To consider and, if thought fit, pass the following ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 46,640,000 Inca Shares each with a free attaching option at \$0.005 per share, details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes in favour of this ordinary resolution by or on behalf of any person who participated in the issue. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – RATIFICATION OF 2,500,000 INCA SHARES

To consider and, if thought fit, pass the following ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,500,000 Inca Shares at \$0.004 per share, details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes in favour of this special resolution by or on behalf of M/s Lorena Zuazo, however, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – RATIFICATION OF 8,750,000 INCA SHARES AND OPTIONS

To consider and, if thought fit, pass the following ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,750,000 Inca Shares each with a free attaching option at \$0.005 per share, details of which are set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes in favour of this ordinary resolution by or on behalf of any person who participated in the issue and a person who might obtain a benefit, however, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – SELECTIVE SHARE BUY-BACK

To consider and, if thought fit, pass the following special resolution:

"That for the purposes of Section 257D(1) of the Corporations Act 2001 (Cth) and for all other purposes approval is given for the Company to conduct a buy-back of 110,000,000 Shares held by Acuity Capital Investment Management Pty Ltd on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on the Resolution by Acuity Capital Investment Management Pty Ltd or any of its associates. However, the Company needs not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Explanatory Notes

If you wish to appoint a member of the Key Management Personnel (which includes each of the directors and the Chair) as your proxy, please read the voting exclusion above and in the proxy form carefully. Shareholders are encouraged to direct their proxies how to vote.

How the Chair will vote available proxies- The Chair of the Meeting intends to vote all available proxies in favour of all of the resolutions set out in the Notice. The proxy form expressly authorises the Chair to exercise undirected proxies in favour of remuneration related resolutions (Resolution 1).

Default to the Chair – Any directed proxies that are not voted on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote proxies as directed.

DATED: 4 OCTOBER 2019
BY ORDER OF THE BOARD

MALCOLM SMARTT
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11.00am (WST) on 9 November 2019 at Level 2, 1 Walker Avenue, West Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company's audited financial statements for the financial year ended 30 June 2019, together with the report of the auditor thereon will be tabled at the Meeting, and shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report.

Representatives from the Company's auditors, Stantons International, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

The Annual Report is available on the Company's website at www.incaminerals.com.au for you to download or read online. Alternatively, you can obtain a hard copy by contacting the Company.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for any executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

2.2 Voting Consequences

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive Annual General Meetings, Shareholders will have the opportunity to remove the whole Board, except the Managing Director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second Annual General Meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2018 Annual General Meeting. If the Remuneration Report receives a Strike at this meeting, Shareholders should be aware that if a second Strike is received at the 2020 annual general meeting, this may result in the re-election of the Board.

Resolution 1 is an ordinary resolution

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR

In accordance with the requirements of the Company's Constitution, ASX Listing Rules and the Corporations Act, any person who has been appointed by a casual vacancy (other than the Managing Director) may only hold office until the conclusion of the next annual general meeting of the Company and, being eligible, may offer themselves for re-election.

Dr West retires under this provision and, being eligible, offers himself for re-election.

Dr West is by profession a geologist and has worked across a variety of resource and energy development and management areas, in both the private and public sector for over 40 years with extensive senior executive management experience and considerable experience with shareholder/stakeholder engagement.

Dr West presently has an interest in 17 million ordinary shares in the Company. He can be considered an independent Director and the Board supports his re-election as a director.

4. RESOLUTION 3 – ISSUE OF SHARES TO DR J WEST

The Company has agreed, subject to Shareholder approval, to allot and issue Shares (Related Party Shares) to Dr Jonathan West as reimbursement of expenditure on the Frewena Project that now belongs to the Company.

For a public company or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Dr Jonathan West is a Related Party of the Company by virtue of being a Director. The issue and allotment of the Related Party Shares to a Related Party requires the Company to obtain Shareholder approval because the issue of the Related Party Shares constitutes giving a financial benefit to Related Parties.

In addition, ASX Listing Rule 10.14 also requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

Whilst the exception set out in section 211 of the Corporations Act may apply as the Company believes the proposed issue of the Related Party Shares constitutes reasonable remuneration, the Directors consider it prudent to seek Shareholder approval for the issue of Related Party Shares to the Related Party for the purpose of section 208 of the Corporations Act.

4.1 Chapter 2E of the Corporations Act and ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Related Party Shares to the Related Parties:

- (a) by virtue of being a Company's Director, the Related Party is Dr Jonathan West;
- (b) the number of Related Party Shares to be issued to Dr West (or his nominee) will be determined by dividing the amount expended (and verified as \$26,133) by an issue price no less than the volume weighted average price of Shares sold on ASX in the 30 days prior to approval date of this resolution.
- (c) a voting exclusion statement is included in the Notice in relation to this Resolution.
- (d) the Related Party Shares issued to Dr West will be fully paid ordinary shares in the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) no loan has been provided to Dr West in relation to the issue of the Related Party Shares.
- (f) the Related Party Shares will be issued to Dr West no later than 90 days after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (g) based on a deemed issue price of \$0.003 per Share, the indicative total number of Related Party Shares to be issued to Dr West will be a maximum of 8,700,000 Shares. (The calculation for this is the justified expenditure of \$26,133 divided by .003). This would increase the number of Shares on issue from 3,134,350,366 to 3,140,050,366 (assuming no other Shares are issued and no Options are exercised) with the effect of diluting shareholdings of existing shareholders by an aggregate of 0.12% (Dilution). The volume weighted average price of Shares at the time of issue may be lower than the above deemed issue price resulting in additional Shares being issued.
- (h) The trading history of the Shares on the ASX in the 12 months before the date of this Notice is:

Share Price Date

Highest \$0.005 2 October 2018

Lowest \$0.003 6 September 2019

Closing (25 Sep 2019) \$0.004

4.2 Shareholder Approval and Director Recommendations

Shareholder approval to issue Related Party Shares to Dr West is sought under ASX Listing Rule 10.14. Accordingly, and subject to such shareholder approval, the subsequent issue of any Related Party Shares will not be included in the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

With respect to Resolution 4 (pertaining to the issue of Related Party Shares to Dr Jonathan West) Mr Ross Brown and Mr Gareth Lloyd recommend shareholders vote in favour of the Resolution for the following reasons:

- (a) the issuing of Related Party Shares to the Related Parties further aligns the interests of the Related Parties with the interests of Shareholders;
- (b) the issue of Related Party Shares is a cost effective and reasonable form of non-cash remuneration which may allow the Company to invest a greater proportion of its cash on core operational activities relative to had it relied entirely on the use of cash to remunerate the Related Parties;
- (c) there are no apparent significant opportunity costs to, or benefits foregone by the Company in issuing Related Party Shares in lieu of cash-based remuneration and on the terms proposed, to the Related Parties.

With respect to Resolution 3 (pertaining to the issue of Related Party Shares to Dr Jonathan West) Mr Ross Brown and Mr Gareth Lloyd recommend shareholders vote in favour of the Resolution for the reasons listed at (a), (b) and (c) directly above.

The Board is not aware of any other information that would reasonably be needed or required by a Shareholder in relation to, and to allow them to make a decision in the best interests of the Company about Resolution 4.

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 General

ASX Listing Rule 7.1A provides that "Eligible Entities" (as defined below) may seek Shareholder approval to issue "Equity Securities" (as defined below) up to 10% of its issued share capital through placements over a 12 month period after the Meeting ('10% Placement Facility'). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

5.2 Conditions of Approval

Approval under Listing Rule 7.1A is subject to the following:

- (a) shareholder approval by way of a special resolution at an Annual General Meeting; and
- (b) the company qualifying as an eligible entity. The company is an eligible entity if the company is outside the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

Inca Minerals Limited is an Eligible Entity as defined above.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The effect of Resolution 2 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Capacity Period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 2 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

5.3 Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company. As at the date of this Notice the Company has one class of quoted equity securities, being its ordinary shares. The class of Equity Securities which is the subject of Resolution 3 relates only to ordinary shares.

5.4 Minimum Issue Price

The minimum price at which the Equity Securities may be issued for the purposes of Listing Rule 7.1A.3 is 75% of the volume weighted average price for Equity Securities in that particular class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- 5.4.1 the date on which the price at which the Equity Securities are to be issued is agreed; or
- 5.4.2 if the Equity Securities are not issued within five (5) Trading Days of the date in paragraph (a), the date on which the Shares are issued.

5.5 Date of issue (10% Placement Capacity Period)

The date by which the Equity Securities may be issued pursuant to Listing Rule 7.1A.1 is the earlier of:

- 5.5.1 12 months after the date of this Meeting; and
- 5.5.2 the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid).

5.6 Risks associated with the Issue

The possible risks associated with an issue of Securities under Listing Rule 7.1A.2 may include:

- the market price for Equity Securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

Listing Rule 7.3A.2 requires the Company to provide a table demonstrating the potential dilution effect based on three different assumed prices of the Company's Shares and three different numbers of Shares on issue in the Company (Variable 'A' in Listing Rule 7.1 and 7.1A). For convenience, we will refer to the latter as Variable 'A'.

Table A below shows the dilution of existing Shareholdings on the basis of the current market price of Shares and the current number of Shares for Variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table (*) also shows:

- two examples where Variable 'A' has increased by 50% and 100%. The number of ordinary Shares on issue may increase as a result of issues of ordinary Shares that do not require Shareholder approval or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary Shares has decreased by 50% and increased by 100% as against the current market price.

		Dilution		
		\$0.002	\$0.004	\$0.008
Variable 'A' in Listing Rule 7.1A2		50% decrease in Issue Price	Issue Price	100% increase in issue price
Current Variable 'A' 3,134,350,366	10% Voting	313,435,037	313,435,037	313,435,037
	Dilution	Shares	Shares	Shares
	Funds Raised	\$ 626,870	\$ 1,253,740	\$ 2,507,480
50% Increase in Current Variable 'A' 4,701,525,549	10% Voting	470,152,555	470,152,555	470,152,555
	Dilution	Shares	Shares	Shares
	Funds Raised	\$ 940,305	\$ 1,880,610	\$ 3,761,220
100% Increase in Current Variable 'A' 6,268,700,732	10% Voting	626,870,073	626,870,073	626,870,073
	Dilution	Shares	Shares	Shares
	Funds Raised	\$ 1,253,740	\$ 2,507,480	\$ 5,014,961

(*) Table A has been prepared on the following assumptions:

- 5.6.1 The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- 5.6.2 No options are exercised into Shares before the date of the issue of Shares.
- 5.6.3 The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- 5.6.4 The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the AGM.
- 5.6.5 The table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- 5.6.6 The issue of securities under the 10% Placement Facility consists only of Shares.
- 5.6.7 The issue price of \$0.004, being the closing price of the Shares on ASX on 25 September 2019 (the date on which this Explanatory Statement was prepared).

5.7 The Purposes of Issue under 10% Placement Capacity

The purposes for which the Company may issue Equity Securities pursuant to Listing Rule 7.1A include the following:

- exploration activities on its existing mineral interests;
- assessment of any future mineral property opportunities;
- assessment of any other investment opportunities; and
- for ongoing future working capital purposes.

The Company may issue Shares for non-cash consideration for the acquisition of new resources assets. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Shares.

5.8 The Company's Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- 5.8.1 The purpose of the issue;
- 5.8.2 the methods of raising funds that are available to the Company including but not limited to, rights issue or other issue in which existing Shareholders can participate;
- 5.8.3 the effect of the issue of the Equity Securities on the control of the Company;
- 5.8.4 the financial situation and solvency of the Company; and
- 5.8.5 advice from corporate, legal, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

A voting exclusion statement is included in this Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

5.9 Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2017 Annual General Meeting.

5.10 Equity Securities issued or expected to be issued in the 12 months prior to the Meeting

In the period following the 2018 Annual General Meeting and to the date of this Notice, the Company has issued a total of 501,562,207 Equity Securities which represented 19.34% of the total Equity Securities on issue at the commencement of that 12 month period. This information is provided for compliance with ASX Listing Rule 7.3A.6.

The details of issues of all Equity Securities made in the 12 months preceding the date of the Meeting are as follows:

Date	Number	Class	Names	Price	Cash Received	Use
2-Aug-18	27,500,000	Ordinary	Sophisticated investors	0.0050	\$ 137,500.00	Working capital and Peruvian exploration costs
6-Sep-18	136,128,818	"	Rights Issue - shareholders	0.0050	\$ 680,644.09	Working capital and Peruvian exploration costs
19-Sep-18	32,961,000	"	Rights Issue shortfall	0.0050	\$ 164,805.00	Working capital and Peruvian exploration costs
1-Oct-18	12,900,000	"	Rights Issue shortfall	0.0050	\$ 64,500.00	Working capital and Peruvian exploration costs
22-Oct-18	9,875,000	"	Payment of creditor	0.0040	\$ 39,500.00	Non cash transaction
8-Nov-18	10,000,000	"	Sophisticated investors	0.0050	\$ 50,000.00	Working capital and Peruvian exploration costs
4-Dec-18	144,832,389	"	Sophisticated investors	0.0050	\$ 724,161.95	Working capital and Peruvian exploration costs
7-Dec-18	12,950,000	"	Acuity Capital	0.0040	\$ 51,800.00	Working capital and Peruvian exploration costs
13-Mar-19	13,450,000	"	Sophisticated investors	0.0050	\$ 67,250.00	Working capital and Peruvian exploration costs
13-Mar-19	25,150,000	"	Acuity Capital	0.0040	\$ 102,750.00	Working capital and Peruvian exploration costs
2-May-19	46,640,000	"	Sophisticated investors	0.0050	\$ 233,200.00	Working capital and Peruvian exploration costs
2-May-19	14,925,000	"	Acuity Capital	0.0040	\$ 60,000.00	Working capital and Peruvian exploration costs
31-May-19	2,500,000	"	Employee payment	0.0040	\$ 10,000.00	Non cash transaction
31-May-19	3,000,000	"	Directors as approved at GM	0.0050	\$ 15,000.00	Working capital and Australian exploration costs
2-Jul-19	8,750,000	"	Directors as approved at GM	0.0050	\$ 43,750.00	Working capital and Australian exploration costs
19-Aug-19	40,000,000	"	Acuity Capital	0.0038	\$ 150,000.00	Working capital and Australian exploration costs

5.11 Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- 5.11.1 a list of the recipients of the Equity Securities and the number of Equity Securities issued to each recipient (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- 5.11.2 the information required by Listing Rule 3.10.5A for release to the market.

5.12 Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

6. RESOLUTION 5 – RATIFICATION OF 14,925,000 INCA SHARES TO ACUITY

On 7 December 2018 the Company issued 14,925,000 Inca Shares at \$0.004 per share, raising \$60,000 (before associated costs), by way of placement to Acuity. The Inca Shares were issued from Inca's 15% placement capacity, pursuant to the ASX Listing Rules, and were not issued to a Related Party or an Associate of a Related Party and rank equally with the Company's existing Shares. The Company has and will use the funds for general corporate costs and exploration on Australian projects

A voting exclusion statement is included in the Notice in relation to Resolution 5.

Resolution 5 is an ordinary resolution and Directors unanimously recommend that Shareholders ratify the allotment and issue of 14,925,000 Inca Shares from the Company's 15% capacity.

7. RESOLUTION 6 – RATIFICATION OF 40,000,000 INCA SHARES TO ACUITY

On 19 August 2019 the Company issued 40,000,000 Inca Shares at \$0.0038 per share, raising, \$150,000 (before associated costs), by way of a further placement to Acuity. The Inca Shares were issued from Inca's 15% placement capacity, pursuant to the ASX Listing Rules, and were not issued to a Related Party or an Associate of a Related Party and rank equally with the Company's existing Shares. The Company has and will use the funds for general corporate costs and exploration on Australian projects

A voting exclusion statement is included in the Notice in relation to Resolution 5.

Resolution 6 is an ordinary resolution and Directors unanimously recommend that Shareholders ratify the allotment and issue of 40,000,000 Inca Shares from the Company's 15% capacity.

8. RESOLUTION 7 – RATIFICATION OF ISSUE OF 46,640,000 INCA SHARES AND OPTIIONS

On 2 May 2019 the Company issued 46,640,000 Inca Shares at \$0.005 per share, each with a free attaching Option, raising \$233,500 (before associated raising costs). The Inca Shares and attaching free Options were issued to unsophisticated existing and new Inca shareholders from Inca's 15% placement capacity, pursuant to the ASX Listing Rules, and were not issued to a Related Party or an Associate of a Related Party and rank equally with the Company's existing Shares. The Company used the funds received in finalizing the Joint Venture with the Greater Riqueza Project Earn-In Agreement (**EIA**) between Inca and South32, and working capital.

A voting exclusion statement is included in the Notice in relation to Resolution 6.

Resolution 7 is an ordinary resolution and Directors unanimously recommend that Shareholders ratify the allotment and issue of 46,640,000 Inca Shares and options from the Company's 15% capacity.

9. RESOLUTION 8 – RATIFICATION OF ISSUE OF 2,500,000 INCA SHARES

On 2 July 2019 the Company issued 2,500,000 Inca Shares at a deemed issue price of \$0.004 per share being \$10,000. These Inca Shares were part of an Agreement for M/s Lorena Zuazo a Peruvian consultant and the issue price was the volume weighted average price on the ASX for 30 days prior to issue.

A voting exclusion statement is included in the Notice in relation to Resolution 7.

Resolution 8 is an ordinary resolution and Directors unanimously recommend that Shareholders ratify the allotment and issue of 2,500,000 Inca Shares from the Company's 15% capacity.

10. RESOLUTION 9– RATIFICATION OF ISSUE OF 8,750,000 INCA SHARES AND OPTIONS

On 2 July 2019 the Company issued 8,750,000 Inca Shares at \$0.005 per share, each with a free attaching Option, raising \$43,750. The Inca Shares and attaching free Options were issued to sophisticated existing and new Inca shareholders from Inca's 15% placement capacity, pursuant to the ASX Listing Rules, and were not issued to a Related Party or an Associate of a Related Party and rank equally with the Company's existing Shares. The Company used the funds general corporate costs and exploration on Australian projects.

A voting exclusion statement is included in the Notice in relation to Resolution 8.

Resolution 9 is an ordinary resolution and Directors unanimously recommend that Shareholders ratify the allotment and issue of 8,750,000 Inca Shares and options from the Company's 15% capacity.

11. RESOLUTION 10 - SELECTIVE SHARE BUY-BACK

11.1 Background

On 31 October 2014, the Company and Acuity Capital Investment Management Pty Ltd as trustee for the Acuity Capital Holdings Trust (**Acuity Capital**) entered into a controlled placement agreement for the Company to raise funds through Acuity Capital (**Controlled Placement Agreement**). As announced to ASX by the Company on various occasions, the Controlled Placement Agreement was amended and/or extended by mutual agreement between the parties on 19 September 2014, 15 October 2015, 14 November 2016, 21 December 2017 and 21 December 2018 (these amendments and extensions together with the Controlled Placement Agreement are referred to as the **CPA Deed**).

As collateral for the Company's obligations under the CPA Deed, the Company issued 110,000,000 fully paid ordinary shares (**Collateral Shares**) from its ASX 7.1 (15%) capacity, at nil consideration. Pursuant to the CPA Deed, the Company may, upon the termination of the CPA Deed, buy back the Collateral Shares for nil consideration.

On 27 September 2019, the Company and Acuity Capital mutually agreed to terminate the CPA Deed and the Company will buyback the Collateral Shares at nil consideration, subject to Shareholders approval. Resolution 10 seeks shareholder approval for the Company to buy back the Collateral Shares.

Resolution 10 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

11.2 Corporations Act

Section 257A of the Corporations Act provides that a company may buy back its own shares if:

- (a) the buy-back does not materially prejudice the Company's ability to pay its creditors; and
- (b) the Company follows the procedure set out in Division 2 of Part 2J.1 of the Corporations Act.

Division 2 of Part 2J.1 of the Corporations Act permits a company to conduct a selective share buy-back provided that, in accordance with Section 257D(1)(a) of the Corporations Act, prior to the company entering into the buy-back agreement or the buy-back agreement must be conditional upon shareholder approval. The shareholder approval must be by a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by any person whose shares are proposed to be bought back or by their associates or a resolution agreed to, at a general meeting, by all ordinary shareholders.

11.3 Information required under Section 257D(2) of the Corporations Act

Pursuant to Section 257D(2) of the Corporations Act the Company must disclose all information known to it that is material to the decision on how to vote on Resolution 10. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company has previously disclosed the information to shareholders. Accordingly, this Explanatory Statement describes:

- (a) the proposed terms of the buy-back;
- (b) the effect of the buy-back on the Company;
- (c) possible advantages and disadvantages of the buy-back; and
- (d) other information material to a Shareholder's decision on how to vote on Resolution 10.

Proposed terms of the buy-back

The buy-back is a selective share buy-back whereby the Company is proposing to buy-back the Collateral Shares for nil consideration as described above. No consideration was paid for the issue of the Collateral Shares. Accordingly, no amount would be payable for the Collateral Shares under the buy-back.

The Company notes that the last market sale price as of the date of this Notice is \$[•].

Effect of the buy-back on the Company

Share capital: the table below illustrates the Company's share capital upon completion of the buy-back:

	Number	Percentage
Shares prior to the buy-back	3,134,350,366	100%
Shares to be bought back	110,000,000	3.51%
Shares after the buy-back	3,024,350,366	96.49%

Note: the interests of the Company's shareholders (other than Acuity Capital) will increase through conduct of the buy-back. For example, a holder of 31,343,503 shares (1% of the Company's issued share capital) would, following the buy-back, have a percentage ownership of 1.03%.

Financial: no consideration is payable to buy-back the shares and therefore the buy-back will not have any financial effect on the Company.

Control: no shareholder will increase their holdings in the Company to more than 20% as a result of the buy-back, the Board is of the view that there is no material effects on control of the Company resulting from the buy-back.

Possible advantages and disadvantages of the proposed buy-back

Possible advantages: the buy-back will eliminate the remaining shares issued for the purpose described above where that purpose is no longer being pursued; and the percentage ownership in the Company of all shareholders (other than Acuity Capital) will increase following completion of the buy-back.

Possible disadvantages: the Board is of the view that there are no disadvantages of the buy-back as the purpose for which the shares were issued as described above is no longer applicable and the buy-back will eliminate the shares for no consideration.

Other material information

The Board is not aware of any other material information that has not been disclosed to shareholders.

Cautionary Notes

The Directors recognise and acknowledge the importance of Shareholders making their decision on the basis of the best possible information. However, once this material for the Notice of Meeting and Explanatory Statement is prepared and despatched to Shareholders, the Company has no legal obligation to continuously update the content of this material nor is it practical and logistically possible to do that and inform each Shareholder individually.

By its nature, the exploration industry is subject to numerous risks and the Company's Share price is affected by a range of factors. From the time of preparing this material to the date of the General Meeting, the Company's Share price may go up or down. The Company will continue to comply with its continuous disclosure obligations and make appropriate announcements to the ASX.

Shareholders are strongly encouraged to keep track of any announcements that the Company may make and of the Company's Share price up to the date of the Meeting as that information may have an effect on the calculations and the data that is provided in this Notice and the Explanatory Statement. If you do not understand the effect of such information, you should consult your professional advisor.

GLOSSARY

10% Placement Facility has the meaning given in Section 5.1.

10% Placement Capacity Period has the meaning given in Section 5.5.

\$ means Australian dollars.

Annual General Meeting or Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the *Corporations Regulations 2001 (Cth)* for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Inca Minerals Limited (ACN 128 512 907).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or Notice of Meeting or Notice of Annual General Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 201.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Securities means Shares and Options.

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

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