



25 March 2015

Chanape sdEIA Permit Approved & \$3M Financing Facility

HIGHLIGHTS

- Inca's sdEIA permit approved by the MEM
- Approval signifies completion of assessment process - paves the way for final granting and issuance of certificate to recommence drilling
- Drilling planned to follow up on Inca's best drill hole to date as well as test the highly prospective summit area of Chanape
- \$3m financing facility put in place allowing Inca flexibility and discretion in its exploration funding

Chanape sdEIA Permit Approved

On 16 March 2015 Inca Minerals Limited (**Inca** or **Company**) provided an ASX announcement in relation to the likely approval of its semi-detailed Environmental Impact Assessment (sdEIA) permit application. Today, the Company is pleased to advise that the sdEIA has been approved by the Ministerio de Energia y Minas (MEM). Official notification was received via the MEM official electronic portal, known as SEAL.

"The approval of the sdEIA is a significant milestone in a rigorous process of appraisal conducted by the MEM" says Inca's Managing Director, Ross Brown. "The process was arduous and time consuming, but this is commensurate with the nature and importance of this category-two permit."

Peru's exploration and mining permitting system is governed by relatively new mining legislation that has been subject to significant amendment as recently as January 2015. The incrementally thorough permit system progressively protects and extends the rights of the permit holder, whilst at the same time increases protection of the environment and affected communities. Mr Brown says "Inca is operating in a country with a robust albeit frequently changing permit system that enshrines social and environmental responsibility not unlike that operating in Australia. Importantly, upon completion of the permitting process, Inca can conduct up to 22,500m of uninterrupted drilling over 2 years. The capability to undertake a meaningful drill evaluation of Chanape is a key aspect in the evaluation by potential partners for the project".

The approval of the sdEIA paves the way for the next stages of granting involving ministerial sign-off and culminating in the issuing of a certificate to commence work.

"The preparatory measures that are slowing us down will ultimately provide the foundation for an unhindered drill-out of Chanape", says Mr Brown. "The reward is the drill definition of a very large, extensively mineralised porphyry system and this will commence when drilling resumes at the very place we left off: Our best drill hole to date".



\$3M Financing Facility Agreement

Inca is also pleased to announce it has entered into a Controlled Placement Agreement (CPA) with Acuity Capital Investment Management Pty Ltd (Acuity Capital) to increase the available funding options and strengthen the Company's capital management capacity. While Inca retains sole discretion as to whether the CPA is utilised, the Board believes it prudent to ensure the Company is well positioned and can, if it chooses, implement flexible and efficient capital raising options.

The key features of the CPA include:

- It provides Inca with a discretionary option of raising up to \$3 million over a 12 month period without restriction or conditions on strategic partnerships, joint ventures, acquisitions of any assets or on the timing, nature or amount of any other equity or debt funding mechanisms.
- No obligation on Inca to utilise the CPA facility and no penalty or fees if Inca elects not to utilise or cancel the CPA facility.
- Inca retains full control over any CPA placement process including its ability to determine:
 - The placement period being the date(s) over which the volume weighted average price (VWAP) and placement price are calculated;
 - Maximum placement amount to be issued for any placement period thereby minimising dilution of existing shareholders; and
 - The minimum issue price for the placement period.
- Any CPA placement is issued at a 10% discount to VWAP over the placement period subject to the minimum issue price determined by Inca (**Floor Price**). The actual issue price per share may exceed the Floor Price and this will occur where the discounted VWAP of Inca's shares is above the Floor Price.
- Utilisation of the CPA facility is dependent upon Inca's available placement capacity under ASX Listing Rules.

Mr Brown says "The CPA provides Inca with a flexible option in raising capital during a period of prolonged drilling activity which is targeting the most prospective areas of Chanape".

Justin Walawski
Director & Company Secretary.