



1 July 2016

Inca to Undertake \$2.4m Rights Issue

HIGHLIGHTS

- Inca to raise up to \$2.4 million via a 1 : 2 non-renounceable rights issue at \$0.004 per share (“Rights Issue”)
- New shares offered at 33% discount to last market trade on 30 June 2016
- Proceeds to be used for exploration at the Riqueza zinc-silver-lead project in Peru

Inca Minerals Limited (**Inca** or **Company**) is pleased to announce that it is to raise up to \$2.4 million, before associated costs, through a non-renounceable Rights Issue to Inca shareholders. The Rights Issue is a pro rata entitlement issue of 1 new share for every 2 shares held by Inca shareholders (on the record date) at an issue price of \$0.004 per new share. In effect, new shares are being offered at a 33% discount to the market price at which Inca’s shares last traded globally immediately prior to the trading halt announced 30 June 2016 and at a 30% discount to the 10 day volume-weighted average price.

Eligible Inca shareholders may not only subscribe for their full entitlement under the Rights Issue but may also apply for additional shares in excess of their entitlement (in the event that not all new shares under the Rights Issue are applied for (**Shortfall Shares**)). Other investors may also apply for Shortfall Shares which are offered at an issue price of \$0.004 per share.

Indicative Timetable

| Event | Date |
|---|-----------------------|
| Lodgement of Prospectus with ASIC and provision of copy to ASX | Friday 1 July 2016 |
| Company sends letter to Eligible & Foreign Shareholders | Tuesday 5 July 2016 |
| "Ex" Date | Wednesday 6 July 2016 |
| Record Date (at 5.00pm WST) | Thursday 7 July 2016 |
| Opening Date | Monday 11 July 2016 |
| Closing Date (at 5.00pm WST) | Monday 25 July 2016 |
| Notify ASX of any Shortfall Shares | Thursday 28 July 2016 |
| Anticipated issue date of New Shares & despatch of holding statements | Tuesday 2 August 2016 |
| Deferred settlement trading ends | Tuesday 2 August 2016 |
| Anticipated date for commencement of trading of New Shares | Tuesday 3 August 2016 |

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. The Directors have reserved 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.



In addition to the Rights Issue, the Company may also undertake a Placement Offer (**Placement**) to raise up to an additional \$429,000 through the issue of 107 million shares to new and/or existing investors. Further details about the Rights Issue, Shortfall Shares offer and Placement (**Offers**) will be contained in a Prospectus lodged with ASIC, distributed to Inca's shareholders and made available on Inca's website (www.incaminerals.com.au). The Prospectus, together with an Entitlement and Acceptance Form, is expected to be sent to eligible shareholders on or about 11 July 2016, in accordance with the indicative timetable (see above).

Use of Funds

The Offers are intended to provide additional funding for exploration at the Company's zinc-silver-lead Riqueza Project in Peru and for working capital. Shareholders and new investors are encouraged to review the Company's recent ASX announcements regarding recent discoveries, assay results expected mid-July 2016, and the Company's exploration activities over the coming months in the lead up to the maiden drill program at Riqueza.

RIQUEZA PROJECT SNAPSHOT

- Peak values **43.5% Zn, 2,668g/t Ag, 48.7% Pb** in sampling
- 10 known veins averaging **7.91% Zn, 239.04g/t Ag, 11.12% Pb**
- **8 new veins with visible mineralisation recently discovered – ASSAYS PENDING**
- 3 mantos averaging **7.11% Zn, 165.56g/t Ag, 9.30% Pb**
- **700m x 500m +1% Zn soil anomaly**
- **Untested 750m long gossan**
- Multi-directional extensions likely

Justin Walawski
Director & Company Secretary

Competent Person Statements

The information in this report that relates to mineralisation for the Riqueza Project, located in Peru, 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 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 consents to the report being issued in the form and context in which it appears.

Some of the information in this report may relate to previously released information concerning mineralisation for the Riqueza Project, located in Peru, and subsequently prepared and first disclosed under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, and is based on the 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 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 2004 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 consents to the report being issued in the form and context in which it appears.