



INCA MINERALS LTD

5 July 2016

Mr John Shareholder
1 / 16 Shareholder Lane
Shareholder WA 6000

Dear Shareholder

Participation in Non-Renounceable Entitlement Offer

The Board of Inca Minerals Limited (**Inca** or **Company**) is pleased to invite eligible shareholders to participate in a non-renounceable pro rata entitlement offer on the basis of 1 new share in the Company (**New Share**) for every 2 existing shares held, at an issue price of \$0.004 per New Share (**Entitlement Offer**) to raise up to approximately \$2,476,960 (before associated costs).

This Entitlement Offer is made to all Inca Shareholders with a registered address in Australia or New Zealand on the Record Date, being 5.00pm (WST) on Thursday, 7 July 2016 (**Eligible Shareholders**), and represents a 30% discount to the 10 day VWAP and a **33% discount to the market price** as at close of trading on 30 June 2016. The Entitlement Offer is not extended to any shareholder whose registered address is outside of Australia or New Zealand.

The Board is very pleased to advise that the Company's largest shareholder, Resource Capital Fund VI L.P., having recently increased their shareholding in the Company to 18%, have indicated their continued support during the Entitlement Offer and that such support will not exceed 19.9% of the Company's issued capital.

The Entitlement Offer will be undertaken through a prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth) (**Prospectus**). The Prospectus also contains a separate offer of up to 107,497,121 New Shares at an issue price of \$0.004 per New Share to raise up to \$429,988 (**Placement Offer**).

Pursuant to the Entitlement Offer, there may be a separate and independent offer (**Shortfall Offer**) to subscribe for New Shares not otherwise taken up in the Entitlement Offer (**Shortfall Shares**) on the same terms and conditions as the Entitlement Offer.

Key Information regarding the Entitlement Offer

Entitlements to New Shares under the Entitlement Offer are non-renounceable meaning that rights will not be tradable on ASX or otherwise transferable. To the extent shareholders do not take up their entitlement, their interest in the Company will be diluted.

As an Eligible Shareholder, you may take one of the following actions:

- Take up all of your entitlement to New Shares;
- Take up all of your entitlement to New Shares and apply for Shortfall Shares under the Shortfall Offer;
- Decline to exercise part or all of your entitlement and allow it to lapse.

Shareholders may also apply for shares under the Placement Offer subject to the terms in the Prospectus.

Inca will apply for official quotation of the New Shares on ASX.

The Company is undertaking the Entitlement Offer to raise funds to conduct a drilling, exploration and evaluation program at the Company's Riqueza Project in Peru and to provide the Company with additional working capital.

Important Dates for the Entitlement Offer

The indicative timetable* for the Entitlement Offer is as follows:

Event	Date
Lodgement of Prospectus with ASIC and provision to ASX	Friday, 1 July 2016
Company Letter sent to both Foreign & Eligible Shareholders	Tuesday, 5 July 2016
"Ex" Date	Wednesday, 6 July 2016
Record Date (at 5.00pm WST)	Thursday, 7 July 2016
Prospectus despatched to Eligible Shareholders	Monday, 11 July 2016
Opening Date	Monday, 11 July 2016
Closing Date (at 5.00pm WST)	Monday, 25 July 2016
Notify ASX of any Shortfall	Thursday, 28 July 2016
Anticipated issue date of New Shares	Tuesday, 2 August 2016
Anticipated date for 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	Wednesday, 3 August 2016

*The above timetable is indicative only and subject to change. Subject to the ASX Listing Rules, the Directors reserve the right to extend the closing date for the Entitlement Offer. Any extension of the closing date will have a consequential effect on the anticipated date for issue of the securities.

Underwriting

The Entitlement Offer is not underwritten.

Prospectus

Details of the Entitlement Offer are contained in the Prospectus lodged with ASIC and ASX on 1 July 2016. The Prospectus will be mailed to Eligible Shareholders on or about Monday, 11 July 2016 along with the entitlement and acceptance form. The Directors encourage you to read the Prospectus carefully and seek advice from your professional adviser if you have any queries. This notice is to inform you of the Entitlement Offer. You are not required to do anything in respect to this letter.

If you have any questions in relation to this letter or the Entitlement Offer, please contact me or the Company Secretary by email on info@incaminerals.com.au.

Yours faithfully



Ross Brown
Managing Director