



INCA MINERALS LTD

ZN DISCOVERY IN THE MAKING

2017

Annual Report



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DIRECTORS' REVIEW

The Directors are pleased to present the Company's Annual Report and Financial Statements for the financial year ended 30 June 2017 (**report period**).

The 2016 – 2017 financial year was highly productive for the Company as it continued its growth through investing shareholder funds in careful exploration, acquiring prospective projects, and minimising administrative expenditure wherever possible.

The majority of the report period saw Inca complete extensive mapping and sampling programs to identify optimal drill targets for inclusion in the Company's planned drill program at Riqueza – the Company's zinc-silver-lead project in Peru. Some four-square kilometres were mapped and sampled leading to recognition of a replacement style Zn-Ag-Pb deposit at the Humaspunco-Pinta prospect and an intrusive-related epithermal style Zn-Ag-Pb-Au-Cu-Mn deposit at the Uchpanga prospect.

Maintaining productive agreements and relationships with local communities in the Company's project areas remained a high priority during the report period. Importantly, and through these agreements, community backing and support underpinned progress on the Company's application for a permit to undertake drilling at Riqueza. The approval to commence a drilling program of at least 14,000m at Riqueza was obtained toward the latter end of March 2017 whereupon the Company commenced the project's maiden drilling campaign. At time of writing the Company has completed 23 drill holes (in excess of 3,650m of drilling) with the vast majority of the planned drilling program to be conducted throughout 2017/2018.

Both during and immediately post the report period the Company was able to increase its landholding in the Riqueza project area with the granting of eight additional concessions surrounding the initial project area. Through results-based expansion the Company now has four distinct and prospective projects in the area: Riqueza, Riqueza West, Palcandha and Antacocha (pending).

The Company also strengthened its position at its highly prospective Cerro Rayas project through the renegotiation and execution of new agreements for the assignment and option to acquire the concessions which make up the project. The renegotiation of these agreements necessitated the Company deferring extensive exploration on the project until the new agreements were fully executed. Nevertheless, the Company did conduct a number of small rock-chip sampling programs at Cerro Rayas with results confirming the very-high grade mineralisation. Peruvian authorities have recently announced new drill permitting regulations to streamline and reduce drill permit granting times. The Company is poised to take advantage of these changes with solid exploration progress planned for Cerro Rayas in the 2017 / 2018 report period.

During the report period the Company considered other opportunities which included a greenfield cobalt project in Chile and a brownfield zinc project in northern Peru. The Board will continue to review and, where attractive, pursue opportunities in both Peru and in other jurisdictions.

Despite the junior exploration sector continuing to face capital market challenges, Inca enjoyed strong support, with the Company raising \$6.3 million in capital (before associated costs) in the report period. A rights issue to existing shareholders was completed at a significant discount to market immediately prior to announcement while four subsequent placements throughout the report period were executed at a premium to or at market price. In part, this reflects the strength of the Company's projects and Board's strong desire to recognise and retain shareholder support.

During the report period the Company's net operating and exploration cash outflows totalled \$3.08 million. Of this amount, \$2.5 million (81.2%) represents net operating cash outflows on exploration and \$0.58 million (18.8%) net operating cash outflows on administration. As in previous years, these figures highlight the Company's genuine focus on investing shareholder funds in exploration on the Company's projects while minimising discretionary expenditure.

Financial Year	Total Net Operating Cash Outflows	Net Operating Cash Outflows Exploration (%)	Net Operating Cash Outflows Administration (%)
2014 - 2015	\$3.38 million	\$2.65 million (78%)	\$0.73 million (22%)
2015 - 2016	\$4.54 million	\$3.85 million (85%)	\$0.68 million (15%)
2016 - 2017	\$3.08 million	\$2.5 million (81%)	\$0.58 million (19%)

DIRECTORS' REVIEW

Throughout the report period the Company's share price and market capitalisation almost doubled, its top 20 shareholders remained stable and the Board and senior management remained unchanged and focussed. The Company has now operated in Peru since 2011 and, in so doing, developed experience, knowledge of Peru's corporate and mining regulations, and an in-country team of professionals delivering exploration outcomes with effective and productive community support. With base and precious metals prices forecast to remain strong over the coming years, successful exploration of the Company's projects should, if accompanied by discovery, continue to build and demonstrate value.

In planning for the 2017/2018 year, the Company will continue to invest in exploration while remaining cognisant of the global appetite for resources and the availability and return on investment in competing and available projects. Well informed and careful investment of shareholder funds, exploration success and communication thereof to stakeholders should promote recognition of the potential within the Company's projects and continue to reward shareholders.



Southern approach to the Company's Riqueza Project in Peru.



OPERATIONAL REVIEW

MANAGING DIRECTOR'S SUMMARY

The Company has continued its zinc-focussed exploration strategy in Peru in 2016-2017. With zinc prices at 10-year highs and Peru rising to the second largest producer of zinc in the world – the Company believes it's exploring for the right commodity in the right place at the right time. With six years' operating experience in Peru, Inca is very well placed to take full advantage of this rare alignment. The exceptional exploration results of 2016-2017 should lay the foundation for continued successes and shareholder wealth into 2017-2018.

The Company's first full year of exploration at Riqueza has been a very pleasing one. At the time of acquisition, the project contained half a dozen veins and a manto with strong zinc, silver and lead grades. Whilst a glimpse of its potential was revealed in 2015-2016, the true potential started to materialise in 2016-2017 on the back of repeated discoveries. Throughout the report period the Company discovered more than a hundred significant occurrences of mineralisation including thirty-six large veins, countless smaller veins, a minimum of four mantos and half a dozen breccias. The number of prospects containing significant mineralisation or potential to do so grew this year from two (Humaspunco and Uchpanga) to six (adding Pinta, Pampa Corral, Colina Roja and Alteration Ridge). Whilst confirming pervasive strong zinc, silver and lead mineralisation at the property, the Company also confirmed the occurrence of strong gold and copper and increased its land holding from one concession to nine concessions in the area.

The Company firmly believes it has discovered a 5km x 5km intrusive-related mineralised system within the greater Riqueza project area. Ten mines within 50kms have the same style of mineralisation.



At the beginning of 2017 the Company obtained a very large drill permit (14,000m capacity) to adequately cover the plethora of targets it had generated. Phase 1 drilling, at just two of the six prospects (Humaspunco and Uchpanga), was completed with mineralisation known to depths of 400m. Whilst grades were variable, the vast majority of surface targets were confirmed and a host of new targets identified.

The Company also explored its Cerro Rayas Project, and whilst drilling was underway at Riqueza, the less heralded Cerro Rayas produced some outstanding zinc grades in rock chip sampling (>40% Zn). With Cerro Rayas now destined for drilling in 2018, Inca plans to be drilling at two zinc-focussed projects in the near and exciting future.

Ross Brown

OPERATIONS REPORT

EXPLORATION HIGHLIGHTS

The Company's exploration portfolio in Peru grew materially in 2016-2017. On the basis of positive exploration results, the Company's Riqueza Project expanded into a multi-project, regional-scale exploration play, to comprise four adjoining projects, **Riqueza**, **Riqueza West**, **Palcacandha** and **Antacocha**—collectively forming the **Greater Riqueza Project area**.

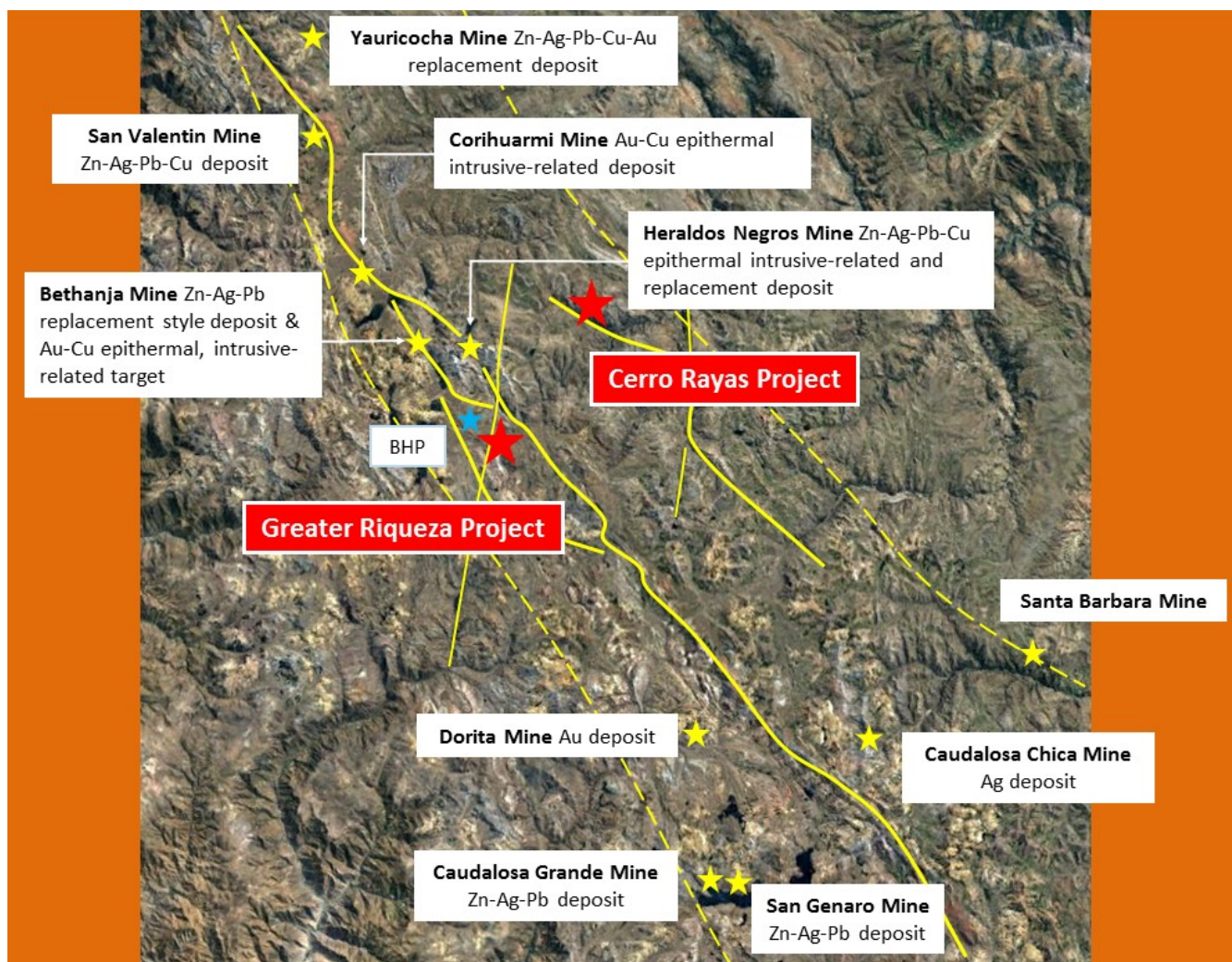


Figure 1: Regional plan showing the location of the Greater Riqueza and Cerro Rayas projects. The Central Au-Ag epithermal and Mississippi Valley Type mineralised belt is indicated (dashed yellow lines) with regional faults (solid yellow lines) and ten of the nearest mines located to Inca's projects.

The Greater Riqueza and Cerro Rayas projects occur within Peru's central epithermal-Mississippi Valley Type Au-Ag-Cu-Zn-Pb mineral belts. Within 50km's of Inca's projects there are ten mines which are replacement, skarn and/or intrusive-hosts deposits. The type of mineralisation that occurs at both Greater Riqueza and Cerro Rayas is the same as that occurring at these mines.

OPERATIONS REPORT

GREATER RIQUEZA PROJECT

Commencing in year 2015-2016, a multiple phase reconnaissance mapping and surface program and systematic vein sampling program at Riqueza was completed during the report period. The Company materially increased the prospectivity of the project, lifting its status beyond several exploration benchmarks. Inca forged Riqueza from a single-concession, dual-prospect, Zn-Ag-Pb project to a nine-concession, six-prospect, Zn-Ag-Pb-Au-Cu regional project.

The Company believes it has identified a very large intrusive-related mineralised system comprising Zn-Ag-Pb replacement mineralisation at the Humaspunco and Pinta prospects, epithermal Au-Ag-Cu-Mn±Zn±Pb at the Uchpanga, Colina Roja and Alteration Ridge prospects, and skarn Cu at the Pampa Corral Prospect. These different, but related, forms of mineralisation cover an approximate area of 5km x 5kms making it one of the largest exploration projects currently being evaluated in Peru.

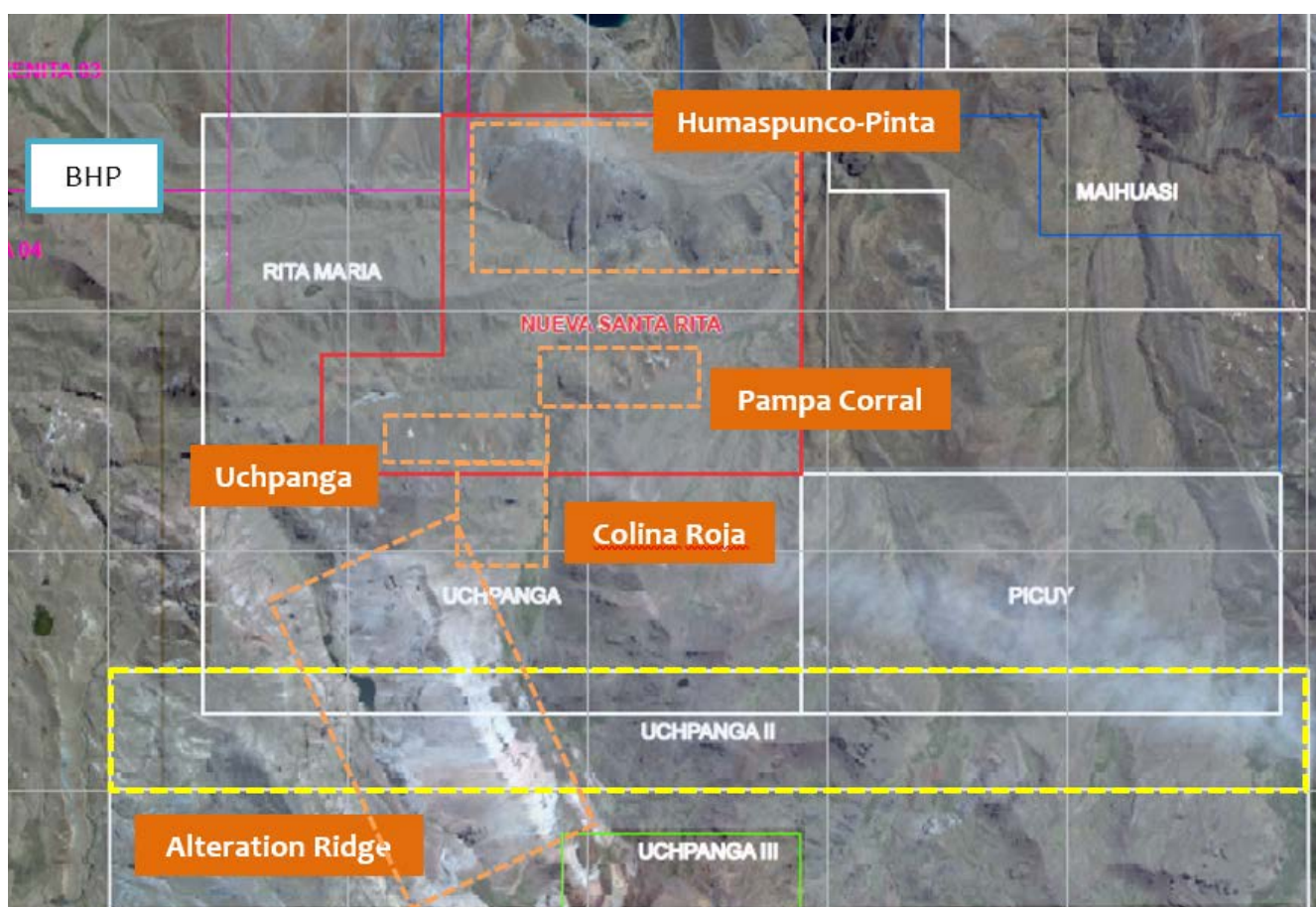


Figure 2: Project-scale plan showing location of the five prospects that are key areas of interest at the Greater Riqueza Project.

OPERATIONS REPORT

HUMASPUNCO-PINTA PROSPECTS (RIQUEZA PROJECT)

The combined Humaspunco-Pinta prospect area hosts replacement-style Zn-Ag-Pb mineralisation. This mineralisation occurs as near vertical veins (of which there are four different sets based on orientation and structural association - NS, EW, irregular and curvilinear), near horizontal to gently sloping mantos and discrete breccia chimneys (or pipes). Humaspunco, in particular, was the principal focus of reconnaissance exploration in 2016-2017. Many dozens of outcrops containing Zn-Ag-Pb mineralisation were identified among the hundred-plus past mine workings that festoon the Humaspunco Hill site. Such work culminated in the generation of multiple drill targets. A large first-category Declaracion Impacto Ambiental (DIA) drill permit was obtained with a capacity of 14,000m of drilling and over 3kms of trenching.

Phase 1 drilling (parts 1 and 2) resulted in a total of 19 holes being drilled at the prospect from eight drill platforms for a total of 3,229.35 metres. The average hole depth at Humaspunco was just under 170m. The principal targets were the EW-trending set of mineralised veins and to a lesser extent, the manto sequence. All targets were intersected and new mineralised bodies (veins, mantos and breccias) were discovered. The mineralised intervals were characteristically highly weathered with strong Fe-oxide and gossan development. Zn typically occurs as smithsonite (zinc carbonate) with sphalerite (Zn-sulphide), common in outcrop, but uncommon in drill core. Pb typically occurs as relic aggregates and/or rims of galena (Pb-sulphide). The gangue material is calcite and barite. With some notable exceptions, the Zn, Ag and Pb grades of the veins in drilling were below the grades achieved (for the same targets) in grab and channel-sampling. Zn grades of the veins intersected in Phase 1 drilling varied from trace to +10%. Ag and Pb grades of the veins were also variable.



Figure 3: Examples of mineralised veins identified in holes RDDH-001 and RDDH-002. **A, B, C** Galena and smithsonite within calcite-barite gangue material in vein HV-09; **D** Fe-oxides with relic galena in vein HV-06; **E** Veinlets of galena with calcite-barite concordant with bedding and cross-cutting bedding in a new vein.

OPERATIONS REPORT



Figure 4: Examples of mineralised veins and mantos identified in holes RDDH-004 and RDDH-011. **A, B** Highly gossanous manto with relic galena and calcite-barite gangue; **C, D** Highly gossanous vein with relic galena and calcite-barite gangue. Where weathering is particularly well-developed sphalerite is generally missing and smithsonite is also partially or completely dissolved.

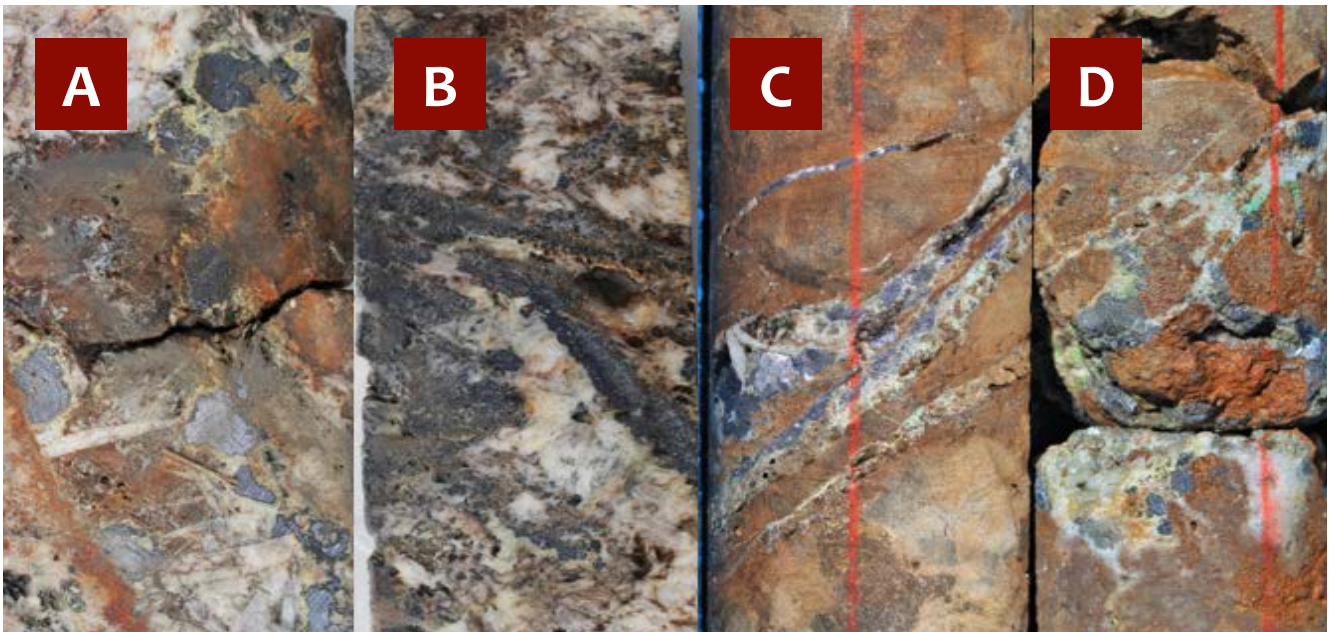


Figure 5: Examples of mineralised mantos in holes RDDH-013 and RDDH-014. **A, B** Highly gossanous manto with relic galena and calcite-barite gangue; **C, D** Highly gossanous vein with relic galena and calcite-barite gangue. Where weathering is particularly well developed, sphalerite is generally missing and smithsonite is also partially or completely dissolved.

OPERATIONS REPORT

A key development in Phase 1 drilling at Humaspunco was the recognition of mineralisation associated with the Callancocha Structure. Indeed, the Callancocha Structure is now believed to host “rafted” sections of manto and EW vein mineralisation as well as NS vein and disseminated mineralisation. The structure is elevated in terms of prospectivity and will be subject to further drilling in the Phase 2 program.

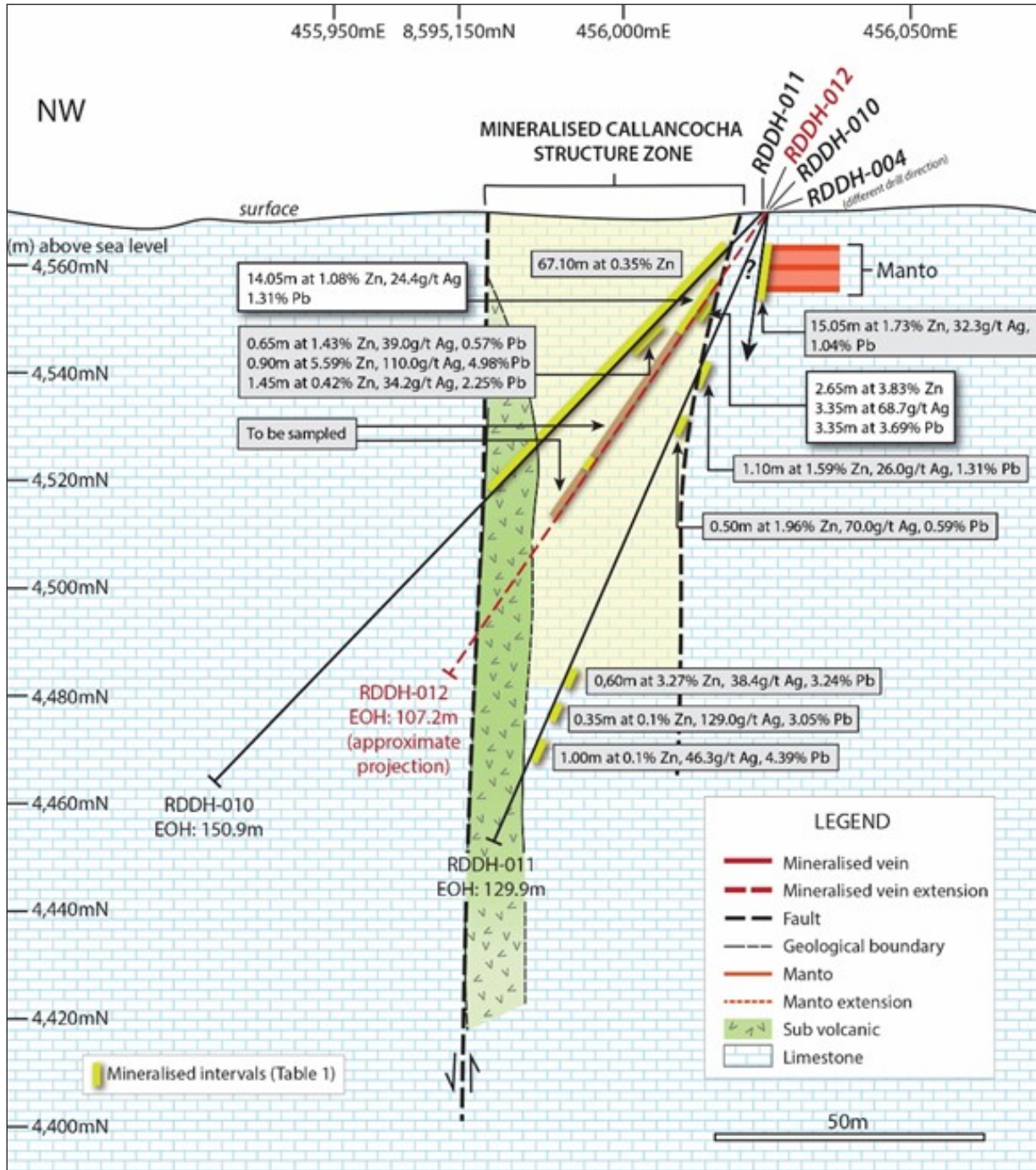


Figure 6: EW Cross section across the Callancocha Structure, showing drill holes RDDH-004 (projecting out of the page), RDDH-010, RDDH-011 and RDDH-012 (the latter projecting at an angle out of the page).

OPERATIONS REPORT

UCHPANGA PROSPECT (RIQUEZA PROJECT)

Uchpanga is located in the southern part of the Riqueza Project (Figure 2). It hosts a 750m long gossan (outcropping highly weathered sulphide layer) and a series of historic mine workings, the largest of which is Rita Maria at the western end of the prospect.

Phase 1 drilling (parts 1 and 2) resulted in a total of 5 holes being drilled at the prospect from two drill platforms for a total of 430.45 metres. The average hole depth at Uchpanga was just over 86m. The principal target was the high-grade vein (or dyke) hitherto only known in literature and sampled from mine-site dumps.

PAMPA CORRAL PROSPECT (RIQUEZA PROJECT)

Pampa Corral is a new prospect located south of Humaspunco-Pinta and east of Uchpanga (Figure 2). Two important discoveries were made at Pampa Corral this year. The first discovery was two intrusive rocks, a monzodiorite and a meta-gabbro. The emplacement of these “hot rocks” in a limestone-dominant sequence is important in the generation of various forms of mineralisation, including, but not limited to, replacement mineralisation and skarn mineralisation. The second discovery was Cu mineralisation in limestone along a margin of the mega-gabbro. This is evidence of skarn mineralisation.

COLINA ROJA AND ALTERATION RIDGE PROSPECTS (PALCACANDHA PROJECT)

Colina Roja and Alteration Ridge are both located in the new Palcacandha Project, immediately south of the original Riqueza Project (Figure 2). A reconnaissance mapping and sampling program recently commenced at these prospects and will continue through the report period. Important mineralisation has already been discovered. A sample of a vein in outcrop returned 3.75% Zn, 136g/t Ag and 3.13% Pb (Figure 7).



Figure 7: Various outcrops at Colina Roja showing strong epithermal alteration, veining and sulphide-gossan development. The far-right photo shows a strongly gossanous-sulphide bearing vein that hosts 3.75% Zn, 136g/t Ag and 3.13% Pb.

OPERATIONS REPORT

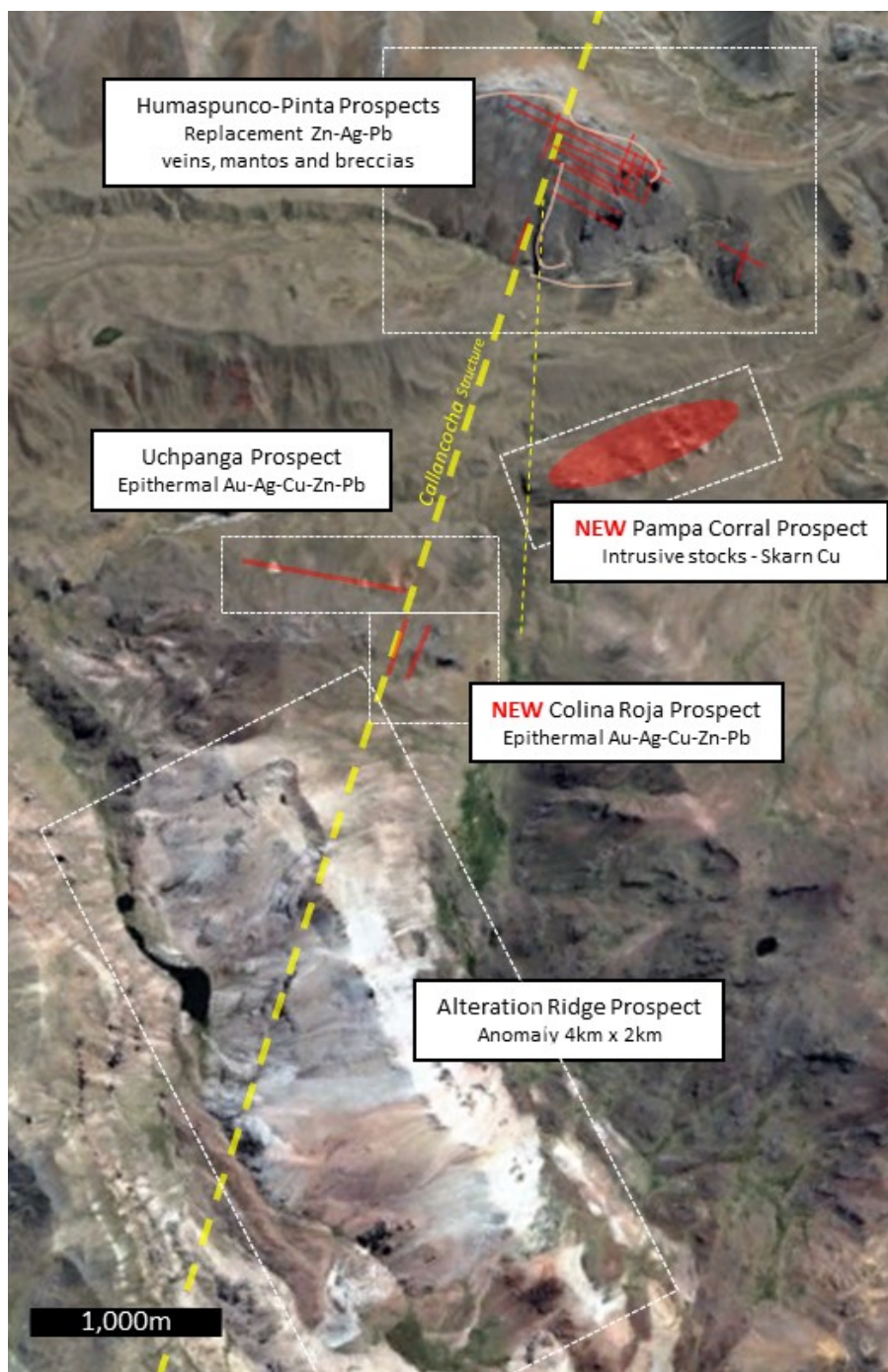


Figure 8: Satellite image showing the location of the Humaspunco-Pinta Prospects, the Uchpanga Prospect and the Pampa Corral Prospect, all located within the Riqueza Project; and the Colina Roja Prospect and Alteration Ridge Prospect, both located in the Palcacandha Project. The Callancocha Structure (yellow dashed line) trends NE-SW across both project areas.

CERRO RAYAS

Cerro Rayas is the Company's second Zn-focused project, located approximately 15km north east of Riqueza. It hosts three groups of old mine workings called Vilcapuquio, Torrepatá and Wari (Figure 9). Zn-Pb-Ag mineralisation in these workings is associated with replacement-style brecciated veins cross cutting a Jurassic-aged limestone sequence. As part of its preliminary due diligence, Inca undertook a sampling program to confirm mineralisation at the project. The peak Zn value from limited sampling was 41.59%. Mineralisation at Wari occurs as a near-massive sulphide vein up to 2m across. Vein material returned 32.07% Zn, 349g/t Ag, 20.19%Pb. Historic (pre-Inca) sampling at Vilcapuquio has recorded peak Zn levels at 25.6%.

OPERATIONS REPORT

COMPETENT PERSON STATEMENTS

The information in this report that relates to mineralisation occurring on the Greater Riqueza and Cerro Rayas Projects located in Peru, and the Dingo Range Project located in Western Australia, 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 fulltime employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.



CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Inca Minerals Limited (**Inca** or **Company**) is responsible for the corporate governance of the Company. In developing its corporate governance policies Inca has referred to recommendations within the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd edition (**CGPR**) and developed the following policies which can be found on the Company's website at www.incaminerals.com.au under the section titled "Corporate/Corporate Governance":

- Corporate Governance Policy
- Continuous Disclosure Policy
- Code of Conduct & Securities Trading Policy
- Diversity Policy

The Company's corporate governance practices during the financial year ended 30 June 2017 (**report period**) are reported below. Where the Company's corporate governance practices follow the CPGR the Board has provided appropriate statements reporting on the adoption of the CPGR. In compliance with the "if not, why not" reporting framework, where the Company's corporate governance practices differ from the relevant CPGR, the Board has explained its reasons for doing so and any alternative practice the Company may have adopted.

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS		ADOPTED / NOT ADOPTED AND COMMENT	
Principle 1: Lay solid foundations for management and oversight.			
1.1	Listed entities should disclose the roles and responsibilities of its Board and management, those expressly reserved to the Board and those delegated to management.	A	The Company has formalised and disclosed on its website (at www.incaminerals.com.au) the functions reserved to the Board and those delegated to management within its <i>Corporate Governance Policy</i> .
1.2	Listed entities should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a Director; and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.	A	The Company undertakes appropriate checks before appointing a person or putting forward to shareholders a candidate for election or re-election as a Director and provides shareholders with all material information in its possession relevant to a decision on whether to elect or re-elect a Director.
1.3	Listed entities should have written agreements with each Director and senior executive setting out the terms of their appointment.	A	The Company has set out the terms of appointment in writing with each Director and senior executive.
1.4	The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with proper functioning of the Board.	NA	The Company did not appoint a Chairperson during the report period. The Company Secretary is accountable directly to the Board as to the proper functioning of the Board.
Legend: A = Adopted NA = Not Adopted			

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
Principle 1: Lay solid foundations for management and oversight. (Ctd)	
<p>1.5 Listed entities should:</p> <p>(a) Have a diversity policy which includes requirements for the Board or relevant Board committee to set measurable objectives for achieving gender diversity and to annually assess and disclose the objectives and progress towards their achievement;</p> <p>(b) Disclose that policy or a summary of it; and</p> <p>(c) Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board (or relevant Board committee) in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>[1] the respective proportions of men and women on the Board, in senior management positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) or</p> <p>[2] if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators" as defined under that Act.</p>	<p>NA</p> <p>The Company has disclosed its <i>Diversity Policy</i> on its website at www.incaminerals.com.au. The Company's <i>Diversity Policy</i> does not mandate setting measurable objectives for achieving gender diversity as it is impractical to do so at this time. The proportion of women across the whole organisation, in senior executive positions, and on the Board, as at the date of this statement, is as follows:</p> <ul style="list-style-type: none"> • Whole organisation – 50% • Senior Executive Positions – 30% • Board – 0% <p>For the purposes of this statement and the Company's gender diversity, "senior executive" means a person who reports directly to the Board or Managing Director and/or who makes or participates in making decisions that could significantly affect the Company's operations.</p>
<p>1.6 Listed entities should have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and disclose whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>A</p> <p>The Company's processes for evaluating the performance of the Board and its Directors are disclosed on the Company's website at www.incaminerals.com.au in the Company's <i>Corporate Governance Policy</i>. During the report period these evaluations took place in accordance with the process outlined in the <i>Corporate Governance Policy</i>.</p>
<p>1.7 Listed entities should have and disclose a process for periodically evaluating the performance of its senior executives; and disclose whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>A</p> <p>The Company's processes for evaluating its Managing Director and key executives are disclosed on the Company's website at www.incaminerals.com.au in the Company's <i>Corporate Governance Policy</i>. During the report period the Board evaluated the performance of its Managing Director in accordance with the process outlined in its <i>Corporate Governance Policy</i>. A similar process, with respect to certain key executives, was completed by the Managing Director.</p>
<p>Legend: A = Adopted NA = Not Adopted</p>	

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
Principle 2: Structure the Board to add value	
<p>2.1 (a) The Board of a listed entity should have a nomination committee of at least three members (a majority of whom are independent directors) chaired by an independent director and disclose:</p> <ul style="list-style-type: none"> • The committee charter • The committee members; and • As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) If a nomination committee is not established then disclose that fact and the processes employed to address board succession issues, and to ensure the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>A The Company has a small Board consisting of three Directors inclusive of the Managing Director. The Board considers it desirable to use the full complement of knowledge, expertise and experience of all its Directors in making decisions and performing the functions usually associated with a Nomination Committee. The Company's <i>Corporate Governance Policy</i> and <i>Diversity Policy</i> disclose (on the Company's website at www.incaminerals.com.au) processes pertaining to board succession, skills, knowledge, experience, independence and diversity.</p>
<p>2.2 Listed entities should have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	<p>A The Company has disclosed (in its <i>Corporate Governance Policy</i> and <i>Diversity Policy</i> at www.incaminerals.com.au) the mix of skills and diversity the Board currently has and considers desirable in its membership given the Company's stage of development.</p>
<p>2.3 Listed entities should disclose the names of directors considered by the Board to be independent directors, the length of each director's service and, if a director has an interest, position, association or relationship that might cause doubt about the independence of that director, but the Board is of the opinion that it does not compromise the independence of the director, disclose the nature of the interest, position, association or relationship in question and disclose why the Board is of that opinion.</p>	<p>A Two current Directors hold shares in Inca either directly or beneficially and a third Director is a part owner of the Company's former Corporate Advisor during the report period meaning none of the current three Directors are considered independent. The Company has disclosed the names of its Directors, their position, relevant interests or associations and their length of service in the Company's 2017 Annual Financial Report.</p>
<p>2.4 A majority of a listed entity's Board should be independent directors.</p>	<p>NA As discussed above, none of the Company's Directors can be considered independent directors. As either shareholders or former commercial advisors, the interests of Inca's Directors should, in their judgements and decisions, be directly aligned with those of all other shareholders.</p>
<p>2.5 The Chairperson of a listed entity should be an Independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>NA The Company operated without a Chairperson during the report period.</p>
<p>2.6 Listed entities should have an induction program for new directors and provide professional development opportunities for directors to develop and maintain the skills and knowledge to perform their role as directors effectively.</p>	<p>A The Company has a stable Board comprised of Directors who have been with the Company since 2012. An induction program will be provided to any new directors if and when a new director is appointed. Professional development opportunities are provided to the Directors as and when needed.</p>
<p>Legend: A = Adopted NA = Not Adopted</p>	

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS		ADOPTED / NOT ADOPTED AND COMMENT	
Principle 3: Act ethically and responsibly			
3.1	Listed entities should have a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it.	A	The Company has disclosed its Code of Conduct & Securities Trading Policy on the Company's website at www.incaminerals.com.au .
Principle 4: Safeguard integrity in corporate reporting			
4.1	<p>Listed entities should:</p> <p>(a) Have an audit committee which:</p> <ol style="list-style-type: none"> (1) Has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) Is chaired by an independent director, who is not the chair of the Board, and disclose: (3) The charter of the committee; (4) The relevant qualifications and experience of the members of the committee; and (5) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) If it does not have an audit committee, disclose that fact and the processes employed to independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	A	<p>The Company has a small Board consisting of two Directors and the Managing Director. At this stage, the Company has not established an Audit Committee and the Board prefers to use the full complement of knowledge, expertise and experience of all Directors in making decisions regarding the Company's audit and the Company's external auditors. All three Directors are financially literate. One Director has previously worked as an external auditor, holds three tertiary qualifications in accounting/auditing including a PhD and is a Fellow of CPA Australia. On behalf of the Board, this Director communicates directly and works with the Company's auditors during the half-year and full year audits. This Director chairs the Company's Board meetings and deliberations on matters which could be delegated to an Audit Committee and reports through to the Board on all matters pertaining to the half-year and full-year external audits. In June 2012 the Company engaged its current accountant – a person with considerable experience as both an external auditor and group accountant in mineral exploration companies. The Company's external auditors were appointed in November 2012. Prior to their appointment the Board obtained proposals from reputable audit firms and appointed the Company's current auditor after considering their experience with listed exploration companies operating in foreign and domestic jurisdictions, the experience and quality of personnel involved with the Company's audit, their internal quality control measures, their approach and methodology in conducting the audit, references, and awareness of professional requirements within accounting and auditing standards including those pertaining to independence, confidentiality and conflicts of interest. At present, the Board intends to address rotation of the audit engagement partner in 2017/2018 financial year.</p>
Legend: A = Adopted NA = Not Adopted			

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
Principle 4: Safeguard integrity in corporate reporting (Ctd)	
<p>4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>A Prior to approving the financial statements for the half-year ended 31 December 2016 and the full year ended 30 June 2017 Inca's Board received from the Managing Director and Chief Financial Officer declarations that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
<p>4.3 Listed entities should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>A During the report period and prior to the Company's AGM the Company contacted its external auditors who agreed to host the Company's AGM in their offices and attend the AGM. In accordance with section 250S of the Corporations Act the external auditor attended the AGM and the Chair expressly provided the opportunity for shareholders attending the meeting to ask questions relevant to the audit. Had there been any written questions submitted to the auditor (there were none) the Chair would also have ensured the opportunity for the external auditor to answer questions as required under section 250PA of the Corporations Act.</p>
Principle 5: Make timely and balanced disclosure	
<p>5.1 Listed entities should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose that policy or a summary of it.</p>	<p>A The Company has established written policies for complying with continuous disclosure obligations under the ASX Listing Rules which are disclosed within the Company's <i>Continuous Disclosure Policy</i> on the Company's website at www.incaminerals.com.au.</p>
<p>Legend: A = Adopted NA = Not Adopted</p>	

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
Principle 6: Respect the rights of security holders	
6.1 A listed entity should provide information about itself and its governance via its website.	A The Company provides information about itself and its governance to investors via its website at www.incaminerals.com.au .
6.2 Listed entities should design and implement an investor relations program to facilitate effective two-way communication with investors.	A The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's <i>Continuous Disclosure Policy</i> and <i>Corporate Governance Policy</i> (in the section entitled "Shareholder Communication Policy") as disclosed on its website at www.incaminerals.com.au .
6.3 Listed entities should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Refer above – the Company's <i>Corporate Governance Policy</i> (containing its "Shareholder Communication Policy") and the Company's <i>Continuous Disclosure Policy</i> are both published on the Company's website at www.incaminerals.com.au .
6.4 Listed entities should provide security holders with the option to receive communications from, and send communications to the entity and its share registry electronically.	A Shareholders are given the option to receive communications from, and send communications to the Company and its share registry electronically.
Principle 7: Recognise and manage risk	
7.1 The listed entity's Board should: (a) Have a committee or committees to oversee risk, each of which: (1) Has at least three members, a majority of whom are independent directors; and (2) Is chaired by an independent director, and disclose: (3) The charter of the committee; (4) The members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	A Given the size and composition of the current Board, it believes that no efficiencies are to be gained by establishing a separate Risk Committee. During the report period, responsibility for overseeing the Company's risk management rested with the Board. The Company's Risk Management Policy is disclosed within its <i>Corporate Governance Policy</i> on the Company's website at www.incaminerals.com.au . During the report period the full Board reviewed and where necessary amended its risk management matrix and in so doing identified or confirmed business risks, assessed the likelihood and materiality of these risks, developed and implemented measures to mitigate these risks and during the reporting period the Managing Director reported on and confirmed that the Company's economic, social and environmental risks are being managed effectively.
7.2 The listed entity's Board or a committee of the Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose, in relation to each reporting period, whether such a review has taken place.	A Refer above.
7.3 Listed entities should disclose if they have an internal audit function, how the function is structured and what role it performs or, if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	A The Company does not have an internal audit function. Refer above (7.1) for further discussion.
Legend: A = Adopted NA = Not Adopted	

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE PRINCIPLES & RECOMMENDATIONS	ADOPTED / NOT ADOPTED AND COMMENT
Principle 7: Recognise and manage risk (Ctd)	
<p>7.4 Listed entities should disclose whether they have any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks</p>	<p>A The Company faces economic, social and environmental risks that are largely inherent to the global and domestic economies, the industry, capital markets and the jurisdictions in which it operates. These risks were disclosed on the ASX portal 4 July 2016 in the Company's Prospectus. The Board has considered these risks in relation to a "material exposure threshold", as required under the CPGR, and put in place measures to reduce these risks to tolerable levels and, as defined in CPGR, there does not appear to be "a real possibility that the risk could substantively impact the Company's ability to create or preserve value for security holders ..." in the foreseeable future.</p>
Principle 8: Remunerate fairly and responsibly	
<p>8.1 Listed entities should:</p> <p>(a) Have a remuneration committee which:</p> <ol style="list-style-type: none"> (1) Has at least three members, a majority of whom are independent directors; and (2) Is chaired by an independent director, and disclose: (3) The charter of the committee; (4) The members of the committee; and (5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives ensuring that such remuneration is appropriate and not excessive.</p>	<p>A Given the size and composition of the current Board, it believes that no efficiencies are to be gained by establishing a separate Remuneration Committee. During the report period the Board followed the Company's Remuneration Policy as disclosed in the Director's Report on p. 7 of the Company's Annual Financial Report for the year ended 30 June 2017. In doing so the Board employed policies and processes designed to ensure equitable and responsible levels and composition of remuneration to Directors and senior executives.</p>
<p>8.2 Listed entities should separately disclose their policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>A During the report period the Board followed the Company's Remuneration Policy which is separately disclosed in the Director's Report on p. 7 of the Company's Annual Financial Report for the year ended 30 June 2017.</p>
<p>8.3 Listed entities which have an equity-based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or a summary of it.</p>	<p>A The Company does not presently have an equity based remuneration scheme.</p>
<p>Legend: A = Adopted NA = Not Adopted</p>	



INCA MINERALS LTD

ANNUAL FINANCIAL REPORT

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DIRECTORS' REPORT

The Directors of Inca Minerals Limited (**Inca** or **Company**) present their financial report on the Company and its controlled entities (**Group**) for the year ended 30 June 2017.

DIRECTORS

The names of directors in office at any time during or since the end of the financial year are listed hereunder. Directors were in office since the start of the financial year to the date of this report unless otherwise stated.

- Ross Brown, Managing Director
- Justin Walawski, Director and Company Secretary
- Gareth Lloyd, Director

INFORMATION ON DIRECTORS

ROSS BROWN B.Sc (Hons), M.Aus.IMM.
Managing Director

A geologist by profession, Mr Brown has over 30 years' experience in mineral exploration in Australia, Asia, Africa and South America and he has worked in a broad range of commodities, including gold, base metals, uranium, phosphate and diamonds. Mr Brown has a rare ability in recognising the commercial potential of exploration projects and geological process, and has a proven track record of bringing technical-based exploration concepts and projects to market.

In 2009 Mr Brown co-founded the gold/copper exploration company, Mystic Sands Pty Ltd, which was established for the purposes of conducting exploration in Chile, South America. With the assistance of other technical management, Mr Brown was responsible for the composition of the initial project portfolio. Mystic Sands was purchased by an Australian-listed explorer White Star Minerals Ltd. As part of the transaction, Sandfire Resources NL became a shareholder of White Star Minerals Ltd.

Mr Brown turned his attention to Peru in 2009 and through his network of Peruvian-based businessmen and geologists assessed the potential of more than a hundred projects. Mr Brown recognised the great potential of mineral discovery in that country and has subsequently secured a number of projects for the Company including the Riqueza and Cerro Rayas zinc-silver-lead projects which the Company is currently exploring and evaluating.

Mr Brown was the co-founder and Managing Director of Urcaguay Pty Ltd (**Urcaguay**), the Company's fully owned subsidiary (formerly called Inca Minerals Limited) and he became the Company's Managing Director after its takeover of Urcaguay. As at 30 June 2017, and in addition to his position with the Company, Mr Brown remains a Director of Urcaguay and the Company's other subsidiary companies. In the previous 3 years, Mr Brown has not been a director of any other ASX listed companies.

Mr Brown has been a member of AusIMM since 1988, and is also a member of GSA, SEG and AICD.

JUSTIN WALAWSKI BBus., P.Grad.Dip., PhD, FCPA, MAICD
Director and Company Secretary

As at 30 June 2017, in addition to his position with Inca, Mr Walawski was also a Director and Company Secretary of Inca's subsidiary companies and Facilitator for the AICD's Company Directors course in areas of financial literacy and financial strategy.

Mr Walawski has previously held positions as Chairman, Deputy Chairman and Chief Executive of the North West Iron Ore Alliance, Chief Executive of the Association of Mining & Exploration Companies, Chairman of Special Olympics Australia (WA), Chairman of FAB Industries Pty Ltd and Director of CPA Australia (WA). He is a former member of the ASX's Supervisory Liaison Committee, the Federal Australian Government's Mineral Exploration Action Implementation Committee and the West Australian Government's State Tax Reference Committee. In the previous 3 years Mr Walawski has been a director of one other ASX listed company, being IFS Construction Services Limited (appointed 31 August 2012).

Mr Walawski is a Fellow of CPA Australia, a Member of the AICD and holds undergraduate, post-graduate and doctoral degrees in accounting/auditing.

DIRECTORS' REPORT

GARETH LLOYD B.Sc (Hons)
Director

As at 30 June 2017, in addition to his position with Inca, Mr Lloyd was also a Director of Inca's subsidiary companies. Mr Lloyd has over 30 years' experience with mining and exploration companies and brings considerable technical, commercial and capital raising expertise to the Company. A mining engineer by training, he has operating experience in gold, base metals and coal operations in Australia, South Africa and the United Kingdom.

Mr Lloyd is a part owner of the Element group, a Perth-based boutique advisory and funds management group focused on the resources sector through which Mr Lloyd provides strategic advice and fund raising services to both listed and unlisted companies (predominantly mining and exploration companies) using both equity and mezzanine instruments.

Prior to establishing Element (in 2008), Mr Lloyd was an Associate Director at the Rothschild Group where he helped establish the Golden Arrow Funds I and II, the latter fund becoming the ASX-listed LinQ Resources Fund. At the time of his departure from LinQ, the fund was one of Australia's largest listed resource funds with funds under management of over \$475m. He has held a number of senior positions at Australian resource-focused stockbroking firms including Research Director at Hartleys and Resources Analyst at Eyres Reed. In the previous 3 years, Mr Lloyd has not been a director of any other ASX listed companies.

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW

Principal Activities

The Company's principal activities during the year were conducting exploration and evaluation work on existing and newly acquired tenements. Inca's main focus is the exploration of its Peruvian projects with objectives being to find, develop and/or demonstrate the potential of projects to others. Inca will continue to seek opportunities for acquiring or farming in to new tenements, and to divest or joint venture where there is benefit to shareholders.

Operating Results

The operating loss after income tax of the Company for the year ended 30 June 2017 was \$1,354,318 (2016: loss of \$13,137,190).

Review of Operations

The Company's current exploration position and other activities appear in announcements released to the Australian Securities Exchange throughout the year ended 30 June 2017 (**report period**) and should be read in conjunction with this report.

During the report period, the Company's operating cash outflows and payments for exploration combined totalled \$3.08 million, of which \$2.5 million (81.2%) represents cash outflows on exploration, and \$0.58 million (18.8%) represents administration. As in previous years, these figures highlight the Company's continued focus on investing shareholder funds in exploration on the Company's projects while minimising administrative costs.

Throughout the report period, the Company explored and evaluated its Peruvian projects and in particular the Company's zinc-silver-lead (Zn-Ag-Pb) Riqueza Project. The majority of the report period saw the Company undertake and complete extensive mapping and sampling programs to identify optimal drill targets for inclusion in the Company's maiden drill program at Riqueza. Some four-square kilometres were mapped and sampled from three prospect areas leading to recognition of at least two deposit styles at Riqueza: 1. A replacement style Zn-Ag-Pb deposit at the Humaspunco-Pinta prospect comprised of mineralised mantos, veins and breccias covering a 2000m x 800m area open ended to the south and at depth; and 2. An intrusive-related epithermal style Zn-Ag-Pb-Au-Cu-Mn deposit at the Uchpanga prospect comprised of a vein (or dyke) and footwall stockwork covering a projected strike of 750m being that of an outcropping gossan.

Maintaining productive agreements with local communities in the Company's project areas remained a strong priority during the report period. Importantly, and through these agreements, community support underpinned progress on the Company's application for a permit to undertake drilling at Riqueza. That approval to commence a drilling program of at least 14,000m at Riqueza was obtained toward the latter end of March 2017 whereupon the Company was pleased to commence the project's maiden drilling campaign. At time of writing the Company has completed 23 drill holes totalling in excess of 3,650m of drilling with the majority of the planned drilling campaign to be conducted throughout 2017/2018.

During the report period, the Company increased its landholding in the Riqueza project area and now has confirmed granting of five additional concessions surrounding the initial project area with a further three concession applications pending.

The Company's landholding at its highly prospective Cerro Rayas project was also strengthened through the renegotiation and execution of new agreements for the assignment and option to acquire the two concessions which make up the project. While renegotiating these agreements the Company deferred extensive exploration on the project until such time as the agreements were fully executed. However, the Company did conduct a number of small rock-chip sampling programs at Cerro Rayas and, given the very-high grade mineralisation, the Company looks forward to solid exploration progress at Cerro Rayas in 2017/2018.

During the report period, the quality of the Company's projects underpinned strong support from shareholders with the Company raising a total of \$6,315,849 in capital (before associated raising costs) through the issue of 997,764,608 fully paid ordinary shares. This included a rights issue and placement to raise \$2.9 million before associated costs and four further placements throughout the report period to existing and new shareholders to raise \$3.4 million (before associated costs). A further 50,000,000 fully paid ordinary shares were issued during the report period for non-cash consideration. Of these shares, 10,000,000 were issued as consideration for advisory services, and 40,000,000 were issued as collateral only and, pursuant to the Controlled Placement Facility agreement with Acuity Capital, for \$nil consideration. For financial reporting purposes only, a value of \$440,000, based on the market price of these shares at the time of issue, has been recognised in the financial reports wherever applicable.

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Financial Position

The net assets of the Group were \$5,270,227 as at 30 June 2017 (\$477,512 as at 30 June 2016).

Significant Changes in the State of Affairs

The Company raised capital of \$6,315,849 (before broker commissions and other costs of capital raising) during the financial year via the issue of 997,764,608 fully paid ordinary shares.

There were no other significant changes in the state of affairs of the Group during the financial year.

Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no dividends have been paid or declared since the start of the financial year.

Significant Events After Reporting Date

The Company completed a small capital raising in July 2017 raising \$250,000 (after associated raising costs) through the placement of 18,212,110 fully paid ordinary shares. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company or the state of affairs of the Company in future financial years.

Likely Developments and Expected Results

The Company expects to maintain the present status and level of operation and hence there are no likely unwarranted developments in the entity's operations.

Environmental Issues

The Company is subject to environmental regulation in respect of its exploration activities in Peru. The Company ensures the appropriate standard of environmental care is achieved and, in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year.

Proceedings on Behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Indemnification of Officers and Insurance Premiums

The consolidated entity has paid premiums to insure the directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the consolidated entity, other than conduct involving a wilful breach of duty in relation to the consolidated entity.

The premiums paid in respect of Directors' and Officers' insurance during the year amounted to \$13,265 (2016: \$14,554).

Options

At the date of this report, there were no unissued ordinary shares of Inca Minerals Limited under option.

Risk Management

The Board is responsible for ensuring that risks and opportunities are identified in a timely manner and that activities are aligned with the risks and opportunities identified by the Board.

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Board Meetings	
	No. of meetings eligible to attend	Number attended
Mr Justin Walawski	11	11
Mr Ross Brown	11	11
Mr Gareth Lloyd	11	11

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and executives of the Company.

Remuneration Policy

The remuneration policy of Inca Minerals Limited aligns director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and, where the Board believes it appropriate, may also include specific long-term incentives based on key performance areas affecting the Company's ability to attract and retain the best executives and directors to run and manage the Company.

The remuneration policy setting out the terms and conditions for the executive directors and other senior executives was developed by the Board. All executives receive a base salary (which is based on factors such as ability and experience). The Board reviews executive packages annually by reference to the economic entity's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries. The performance of the executive directors is measured against the objective of promoting growth in shareholder value.

The Board may exercise discretion in relation to approving incentives, bonuses, and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth. Executives may, where the Board believes it appropriate, participate in employee share and option arrangements.

The Board policy is to remunerate directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to directors and regularly reviews their remuneration based on market practice, duties and accountability. Independent external advice is sought when required. No external advice was sought during the report period. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders in a general meeting (currently \$240,000 per annum).

Performance Based Remuneration

There was nil performance based remuneration for the year ended 30 June 2017.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Key Management Personnel Service Agreements

Details of the key conditions of service agreements for key management personnel are as follows:

	Commencement Date	Notice Period Base Salary	Base Salary	Termination Payments Provided***
Ross Brown*	1 March 2012	6 months	\$220,000 per annum	None
Gareth Lloyd	14 September 2012	Nil	\$50,000 per annum director fees	None
Justin Walawski**	21 December 2015	6 months	\$170,000 per annum \$40,000 per annum director fees	None

* Mr Brown is engaged as Managing Director under a contract of employment with the Company.

** Mr Walawski is engaged under a contract of employment with the Company under which he receives remuneration of \$170,000 per annum (excluding superannuation) and, is appointed as a director of the Company under which he receives fees of \$40,000 per annum (excluding superannuation).

*** Other than statutory entitlements.

There are no other agreements with key management personnel.

Key Management Personnel Remuneration

(a) Key management personnel compensation

2017	Short-term benefits				Post employment benefits		Performance related compensation as % of total remuneration	Total \$
	Cash salary and fees \$	Performance Bonus \$	Other \$	Non-monetary benefits \$	Super-annuation \$	Retirement benefits \$		
Directors								
Ross Brown	206,000	-	3,600	-	33,912	-	-	243,512
Gareth Lloyd	50,000	-	-	-	4,750	-	-	54,750
Justin Walawski	210,000	-	3,600	-	19,950	-	-	233,550
Executives								
-	-	-	-	-	-	-	-	-
Totals	466,000	-	7,200	-	58,612	-	0.0%	531,812

2016	Short-term benefits				Post employment benefits		Performance related compensation as % of total remuneration	Total \$
	Cash salary and fees \$	Performance Bonus \$	Other \$	Non-monetary benefits \$	Super-annuation \$	Retirement benefits \$		
Directors								
Ross Brown	212,384	-	3,600	-	20,176	-	-	236,160
Gareth Lloyd	50,000	-	-	-	4,750	-	-	54,750
Justin Walawski	229,710	-	1,800	-	12,350	-	-	243,860
Executives								
-	-	-	-	-	-	-	-	-
Totals	492,094	-	5,400	-	37,276	-	0.0%	534,770

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

Key Management Personnel Remuneration (Continued)

b) Options and rights granted as remuneration

No options or rights were granted as remuneration during the year (2016: \$nil).

c) Share Based Payments

No share based payments were issued during the year (2016: \$nil).

Key Management Personnel Relevant Interests

The relevant interests of key management personnel in the capital of the Company at the date of this report is as follows:

Director	No of Ordinary Shares	No of Options over Ordinary Shares
Ross Brown	31,411,762	-
Gareth Lloyd	-	-
Justin Walawski	2,448,001	-

The following tables show the movements in the relevant interests of key management personnel in the capital of the Company:

2017				
Name	Opening balance 1 July 2016	Additions	Disposals	Closing balance 30 June 2017
Ross Brown	24,274,508	7,137,254	-	31,411,762
Gareth Lloyd	-	-	-	-
Justin Walawski	1,632,000	816,001	-	2,448,001
Totals	25,906,508	7,953,255	-	33,859,763

2016				
Name	Opening balance 1 July 2015	Additions	Disposals	Closing balance 30 June 2016
Ross Brown	24,274,508	-	-	24,274,508
Gareth Lloyd	-	-	-	-
Justin Walawski	1,002,000	630,000	-	1,632,000
Totals	25,276,508	630,000	-	25,906,508

END OF REMUNERATION REPORT

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

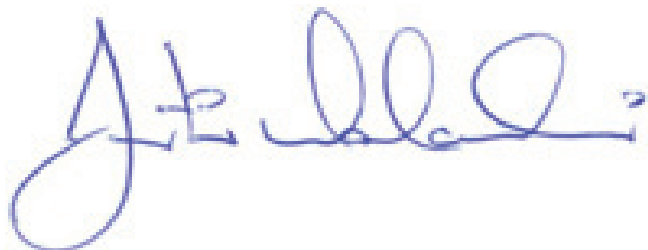
No non-audit services were provided by the entity's auditor, Stantons International, as shown at Note 15.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an Auditor's Independence Declaration. Please refer to "Auditor's Independence Declaration" included on page 58 of the financial statements.

The Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.



Justin Walawski
Director

Dated at Perth this 28th day of September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue	2	14,102	20,546
Management and directors' fees		(94,008)	(99,095)
Wages and salaries		(199,775)	(236,872)
Administrative expenses		(469,252)	(700,944)
Advertising and promotional costs		(70,430)	(23,231)
Professional fees		(91,260)	(317,965)
Listing and share registry expenses		(69,334)	(56,781)
Depreciation		(8,430)	(21,460)
Impairment of loans		-	(11,200)
Impairment of Peruvian Value Added Tax receivable		(221,007)	(698,632)
Foreign exchange (loss) / gain		(109,056)	25,766
Environmental rehabilitation		(34,809)	(98,894)
Exploration and evaluation expenditure	7	(1,059)	(10,895,068)
Plant and equipment written off		-	(23,360)
(Loss) before income tax		(1,354,318)	(13,137,190)
Income tax benefit	3	-	-
(Loss) after income tax		(1,354,318)	(13,137,190)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net of tax		3,938	60,553
Total comprehensive (loss)		(1,350,380)	(13,076,637)
(Loss) for the year attributable to members of Inca Minerals Limited		(1,354,318)	(13,137,190)
Total comprehensive (loss) attributable to members of Inca Minerals Limited		(1,350,380)	(13,076,637)
Basic and diluted (loss) per share (cents)	12	(0.06)	(1.25)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	13(b)	3,130,990	151,753
Trade and other receivables	5	23,732	141,988
Total Current Assets		<u>3,154,722</u>	<u>293,741</u>
Non-Current Assets			
Plant and equipment	6	119,292	104,876
Exploration and evaluation expenditure	7	2,228,409	334,315
Total Non-Current Assets		<u>2,347,701</u>	<u>439,191</u>
TOTAL ASSETS		<u>5,502,423</u>	<u>732,932</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	8	145,458	155,933
Provisions		86,738	99,487
Total Current Liabilities		<u>232,196</u>	<u>255,420</u>
TOTAL LIABILITIES		<u>232,196</u>	<u>255,420</u>
NET ASSETS		<u>5,270,227</u>	<u>477,512</u>
EQUITY			
Contributed equity	9	35,742,124	29,599,029
Accumulated losses		(30,123,981)	(28,769,663)
Foreign currency translation reserve		(347,916)	(351,854)
TOTAL EQUITY		<u>5,270,227</u>	<u>477,512</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2017

	Contributed Equity \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Total \$
2016				
Balance at 1 July 2015	25,092,164	(15,632,473)	(412,407)	9,047,284
Total comprehensive loss for the year	-	(13,137,190)	60,553	(13,076,637)
Shares issued during the year	4,789,550	-	-	4,789,550
Cost of equity issue	(282,685)	-	-	(282,685)
Balance at 30 June 2016	29,599,029	(28,769,663)	(351,854)	477,512
2017				
Balance at 1 July 2016	29,599,029	(28,769,663)	(351,854)	477,512
Total comprehensive loss for the year	-	(1,354,318)	3,938	(1,350,380)
Shares issued during the year	6,805,850	-	-	6,805,850
Cost of equity issue	(662,755)	-	-	(662,755)
Balance at 30 June 2017	35,742,124	(30,123,981)	(347,916)	5,270,227

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Payments to suppliers and employees		(707,977)	(696,098)
Interest received		7,989	10,401
Peruvian VAT credit received		118,141	-
Net cash (used in) operating activities	13 (a)	(581,847)	(685,697)
Cash flows from investing activities			
Payments for exploration expenditures		(2,502,421)	(3,854,747)
Payments for plant and equipment		(38,202)	(20,350)
Proceeds from sale of plant and equipment		1,200	-
Payments for security deposits		-	9,350
Proceeds from sale of tenements		5,000	10,000
Net cash (used in) investing activities		(2,534,423)	(3,855,747)
Cash flows from financing activities			
Proceeds from issue of shares (net of share issue costs)		6,096,745	4,484,514
Net cash from financing activities		6,096,745	4,484,514
Net increase/(decrease) in cash held		2,980,475	(56,930)
Cash and cash equivalents at the beginning of the financial year		151,753	208,810
Effect of exchange rate changes on cash and cash equivalents		(1,238)	(127)
Cash and cash equivalents at the end of the financial year	13 (b)	3,130,990	151,753

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the Company of Inca Minerals Limited, a listed public company incorporated and domiciled in Australia, and its controlled entities.

The financial report was authorised for issue on 28 September 2017 by the Board of Directors.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

In the year ended 30 June 2017, the Company has reviewed all of the new and revised Australian Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the Company that there is no impact, material or otherwise, of the new Standards and Interpretations on its business and therefore, no changes are required to its accounting policies. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the year ended 30 June 2017, the consolidated entity incurred after tax losses of \$1,354,138 (2016: loss of \$13,137,190) and the consolidated entity had net cash inflows of \$2,980,475 (2016: net cash outflows of \$56,930).

The Directors believe that it is reasonably foreseeable that the Company and consolidated entity will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The consolidated entity has cash at bank at the reporting date of \$3,130,990, net working capital of \$2,922,526 and net assets of \$5,270,227;
- The Company completed a capital raising in July 2017 raising \$250,000 (before broker commissions and other costs of the capital raising) through the issue of 18,212,110 fully paid ordinary shares;
- The ability of the Group to raise capital by the issue of additional shares under the Corporation Act 2001; and
- The ability to curtail administration, operational and investing cash outflows as required.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2016 but determined that their application to the financial statements is either not relevant or not material.

a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Inca Minerals Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 20.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

b) Revenue Recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

c) Income Tax

The income tax expense / (benefit) tax expense charged to the profit of loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of profit or loss when the tax related to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Income Tax (Continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a largely enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities related to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d) Mining Tenements and Exploration and Evaluation Expenditure

Mining tenements are carried at cost, less accumulated impairment losses.

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development and/or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided for over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Financial Instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designed as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Financial Instruments (Continued)

Fair value

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use. The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation Techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- **Market approach:** valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- **Income approach:** valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- **Cost approach:** valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Financial Instruments (Continued)

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (ie transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

f) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	10–33%
Motor vehicles	20–33%
IT equipment	10–33%
Leasehold improvements	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

i) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

j) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

l) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the economic entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

m) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

n) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

o) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

p) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Foreign Currency Transactions Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed of.

r) Critical Accounting Estimates and Other Accounting Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company is of the view that there are no critical accounting estimates and judgements in this financial report, other than accounting estimates and judgements in relation to the carrying value of mineral exploration expenditure.

Key judgements

Deferred exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, or alternatively, are expected to be sold. Refer to the accounting policy stated in Note 1(d).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) New Standards and Interpretations Not Yet Adopted

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- **AASB 9: Financial Instruments and Associated Amending Standards** (applicable for annual reporting periods commencing 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

- **AASB 15: Revenue from Contracts with Customers** (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.

- **AASB 16: Leases** (applicable to annual reporting periods commencing on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) New Standards and Interpretations Not Yet Adopted (Continued)

The main changes introduced by the new Standard are as follows:

- recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
- depreciating the right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lease to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity at the date of initial application.

The directors anticipate that the adoption of AASB 16 will not have a material impact on the Group's recognition of leases and disclosures.

t) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 2: REVENUE

	Consolidated	
	2017 \$	2016 \$
Interest received	7,902	10,546
Sale of tenements	5,000	-
Sale of assets	1,200	10,000
	<u>14,102</u>	<u>20,546</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: INCOME TAX

(a) Income tax recognised in profit

No income tax is payable by the Company as it recorded losses for income tax purposes for the year.

(b) Numerical reconciliation between income tax expense and the loss before income tax.

	Consolidated	
	2017 \$	2016 \$
Loss before income tax	(1,354,318)	(13,137,190)
Income tax at 27.5% (2016: 30%)	(372,437)	(3,941,157)
Tax effect of:		
Deferred tax asset not recognised	407,870	2,549,790
Movement in unrecognised temporary differences	(35,499)	1,391,277
Tax effect of permanent differences	66	90
Income tax benefit	-	-

(c) Unrecognised deferred tax balances

Revenue tax losses available to the Company	23,109,372	21,626,210
Potential tax benefit at 27.5% (2016: 30%)	6,355,077	6,487,863

A deferred tax asset attributable to income tax losses has not been recognised at reporting date as the probability criteria disclosed in Note 1(c) is not satisfied and such benefit will only be available if the conditions of deductibility, also disclosed in Note 1(c), are satisfied.

NOTE 4: DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

NOTE 5: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2017 \$	2016 \$
Current		
Other receivables	13,379	14,105
Prepayments	10,353	6,374
GST and VAT	-	121,509
	23,732	141,988

None of the trade and other receivables are past due date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6: PLANT AND EQUIPMENT

	Plant and equipment \$	Motor vehicles \$	IT equipment \$	Leasehold Improvements \$	Total \$
Balance at 1 July 2015	121,213	-	2,625	5,529	129,367
Additions / (disposals) and writeoffs	(3,031)	-	-	-	(3,031)
Depreciation / writeback on disposals	(18,173)	-	(1,906)	(1,381)	(21,460)
Balance at 30 June 2016	100,009	-	719	4,148	104,876
At cost	127,317	1,124	17,760	6,907	153,108
Accumulated depreciation	(27,308)	(1,124)	(17,041)	(2,759)	(48,232)
Balance at 30 June 2016	100,009	-	719	4,148	104,876
Balance at 1 July 2016	100,009	-	719	4,148	104,876
Additions / (disposals) and writeoffs	35,618	-	2,584	-	38,202
Depreciation / writeback on disposals	(21,403)*	-	(1,001)	(1,382)	(23,786)
Balance at 30 June 2017	114,224	-	2,302	2,766	119,292
At cost	162,739	1,124	20,344	6,907	191,114
Accumulated depreciation	(48,515)	(1,124)	(18,042)	(4,141)	(71,822)
Balance at 30 June 2017	114,224	-	2,302	2,766	119,292

* Inclusive of depreciation capitalised to exploration and evaluation expenditure.

NOTE 7: EXPLORATION AND EVALUATION EXPENDITURE

Costs carried forward in respect of areas of interest in the following phases:

	Consolidated	
	2017 \$	2016 \$
Exploration and evaluation phase – at cost		
Balance at 1 July	334,315	8,517,647
Expenditure incurred (including exchange rate movements)	1,895,153	2,711,736
Impairment of exploration and evaluation expenditure	-	-
Expenditure written off	(1,059)	(10,895,068)
Balance at 30 June	2,228,409	334,315

NOTE 8: TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated	
	2017 \$	2016 \$
Trade and other creditors	114,780	95,531
Accrued liabilities	30,678	60,402
	145,458	155,933

None of the payables are past due date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9: CONTRIBUTED EQUITY

	Consolidated	
	2017 \$	2016 \$

a) Paid up capital

2,286,244,757 ordinary shares (30 June 2016: 1,238,480,149 ordinary shares)	35,742,124	29,599,029
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b) Movements in shares on issue

	No, of shares	Paid up capital
Balance at 30 June 2015	646,336,363	25,092,164
Issued 27 July 2015	215,445,453	2,154,454
Issued 29 July 2015	75,000,000	750,000
Issued 29 July 2015	10,000,000	100,000
Issued 19 August 2015	130,000,000	1,300,000
Issued 25 May 2016	79,000,000	237,000
Issued 30 May 2016	35,565,000	106,695
Issued 17 June 2016	47,133,333	141,400
Transaction costs from issue of shares	-	(282,684)
Balance at 30 June 2016	1,238,480,149	29,599,029
Issued 21 July 2016	107,497,121	429,988
Issued 29 July 2016	402,144,385	1,608,578
Issued 12 August 2016	217,095,828	868,383
Issued 15 September 2016	10,000,000	50,000
Issued 12 October 2016	44,227,274	486,500
Issued 24 October 2016	80,000,000	880,000
Issued 14 November 2016	140,000,000	1,540,000
Issued 9 February 2017	46,800,000	942,401
Transaction costs from issue of shares	-	(662,755)
Balance at 30 June 2017	2,286,244,757	35,742,124

c) Movements in options on issue

There were nil options issued and nil outstanding options over unissued ordinary shares during the year.

d) Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10: INTERESTS OF KEY MANAGEMENT PERSONNEL

a) Key management personnel compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid to each member of the Company's key management personnel for the year ended 30 June 2017. The totals of remuneration paid to key management personnel of the Company during the year are as follows:

	Consolidated	
	2017 \$	2016 \$
Short-term employee benefits (i)	466,000	492,094
Other payments (ii)	7,200	5,400
Post-employment benefits (iii)	58,612	37,276
	<u>531,812</u>	<u>534,770</u>

(i) Includes payments for salaries, director fees and consulting fees.

(ii) Includes allowances.

(iii) Includes superannuation contributions.

b) Key management personnel shareholdings

The number of ordinary shares in Inca Minerals Limited held by key management personnel of the Company during the financial year is as follows:

2017				
Name	Opening balance 1 July 2016	Additions	Disposals	Closing balance 30 June 2017
Ross Brown	24,274,508	7,137,254	-	31,411,762
Gareth Lloyd	-	-	-	-
Justin Walawski	1,632,000	816,001	-	2,448,001
Totals	<u>25,906,508</u>	<u>7,953,255</u>	<u>-</u>	<u>33,859,763</u>

2016				
Name	Opening balance 1 July 2015	Additions	Disposals	Closing balance 30 June 2016
Ross Brown	24,274,508	-	-	24,274,508
Gareth Lloyd	-	-	-	-
Justin Walawski	1,002,000	630,000	-	1,632,000
Totals	<u>25,276,508</u>	<u>630,000</u>	<u>-</u>	<u>25,906,508</u>

NOTE 11: RELATED PARTY TRANSACTIONS

Other transactions and balances with directors and other key management personnel.

Corporate Advisory

During the financial year, \$12,000 excluding GST (2016: \$64,000) was paid to Element Capital Pty Ltd (**Element**), a company related to Mr Gareth Lloyd, for the provision of corporate advisory services. Element's engagement as a corporate advisor to the Company ceased on 16 August 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: LOSS PER SHARE

a) Basic Earnings Per Share

	Consolidated	
	2017 \$	2016 \$
Loss used in calculating basic earnings per share	(1,354,318)	(13,137,190)
Weighted average number of ordinary shares on issue during the year used as the denominator in calculating basic loss per share	2,101,128,089	1,049,260,562
Basic loss per share (cents)	(0.06)	(1.25)

b) Diluted loss per share (cents)

Diluted loss per share is the same as basic loss per share as there are no potential ordinary shares that are dilutive.

NOTE 13: CASH FLOW INFORMATION

a) Reconciliation of the net loss after income tax to the net cash flows from operating activities

	Consolidated	
	2017 \$	2016 \$
Net loss for the year	(1,354,318)	(13,137,190)
Depreciation	8,430	21,460
Impairment of loans receivable	-	11,200
Impairment of Peruvian value added tax	221,007	698,632
Foreign exchange (gains) / losses	109,056	(25,766)
Exploration and evaluation expenditure written off	1,059	10,895,068
Inca Minerales S.A.C. capitalised exploration expenditure	334,237	522,647
Plant and equipment written off	-	23,360
Changes in assets and liabilities		
Decrease in trade and other receivables	118,256	337,508
(Decrease) in trade and other payables	(6,825)	(107,660)
(Decrease) / increase in provisions	(12,749)	75,044
Net cash outflow from operating activities	(581,847)	(685,697)

(b) Reconciliation of cash and cash equivalents

Cash balance comprises:

- cash assets	3,130,990	151,753
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(c) Non-cash financing activities

On 15 September 2016, the Company issued 10,000,000 fully paid ordinary shares at \$0.005 per share, as non-cash consideration for the provision of communication and advisory services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14: EXPENDITURE COMMITMENTS

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets in which it has an interest. These commitments are optional and only required if the Company wishes to maintain its rights of earn-in or rights of tenure. Outstanding exploration commitments for not later than one year and for between one and five years are as follows:

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
Not later than one year	545,546	324,307
Between one and five years	3,061,706	2,995,907
	<u>3,607,252</u>	<u>3,320,214</u>

The exploration expenditure commitments above include commitments related to agreements for acquisition of interests in mining concessions pertaining to the Group's Riqueza and Cerro Rayas projects in Peru. As at 30 June 2017, the Group has met all its obligations in respect of the agreements and all future exploration commitments are payable at the Group's discretion and dependent upon the Group acquiring the exclusive rights to the mining concessions. Key terms of the agreements pertaining to the Riqueza and Cerro Rayas projects are set out below.

1. A 5 year mining concession transfer option and assignment agreement granting the Group the exclusive option to acquire 100% interest in a mining concession called Nueva Santa Rita and known as the Riqueza Project. The Group has the exclusive right to terminate at any time during the transfer option and assignment period and any unpaid amounts are not payable to the vendor. Other key terms are:

Total Mining Concession Transfer Option & Assignment (MCTOA) Consideration	US\$1,773,000
Timing of Payment of MCTOA Consideration	MCTOA Payment on Execution Date (ED): US\$30,000* MCTOA Payment 6 months from ED: US\$20,000* MCTOA Payment 12 months from ED: US\$50,000* MCTOA Payment 18 months from ED: US\$60,000 MCTOA Payment 24 months from ED: US\$50,000 MCTOA Payment 30 months from ED: US\$63,000 MCTOA Payment 36 months from ED: US\$100,000 MCTOA Payment 42 months from ED: US\$100,000 MCTOA Payment 48 months from ED: US\$150,000 MCTOA Payment 54 months from ED: US\$150,000 MCTOA Payment 60 months from ED: US\$1,000,000
Mining assignment period	5 years from the Execution Date (17 May 2016)
NSR Royalty	2% NSR. The Group has a 20-year option to buy back 50% of the NSR for US\$1,000,000 leaving a 1% NSR to the vendor.
Cancellability	The Group has the exclusive right to terminate the agreement at any time during the option and assignment period without cost or penalty. Any unpaid amounts are not payable to the vendor.

* As at the date of the Directors' Declaration, the Group has met all applicable commitments under the agreement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14: EXPENDITURE COMMITMENTS (CONTINUED)

2. During the year, the Group renegotiated a 2.5 year mining concession transfer option and assignment agreement commencing 10 October 2016 granting the Group the exclusive option to acquire 100% interest in a mining concession referred to as La Elegida I which forms part of the Group's Cerro Rayas Project. The Group has the exclusive right to terminate at any time during the transfer option and assignment period and any unpaid amounts are not payable to the vendor. Other key terms are:

Total Mining Concession Transfer Option & Assignment (MCTOA) Consideration	US\$240,000
Timing of Payment of MCTOA Consideration	Mining assignment and purchase option payments (MAPOP): MAPOP on Commencement Date (CD): US\$15,000* MAPOP on or before 9 months from CD: US\$6,000* MAPOP on or before 12 months from CD: US\$20,000 MAPOP on or before 18 months from CD: US\$74,000 MAPOP on or before 19 – 30 months from CD: US\$5,000 per month MAPOP on or before 30 months from CD: US\$65,000
Mining assignment period	2.5 years from the Commencement Date (10 October 2016)
Cancellability	The Group has the exclusive right to terminate the agreement at any time during the option and assignment period without cost or penalty. Any unpaid amounts are not payable to the vendor.

* As at the date of the Directors' Declaration the Group has met all applicable commitments under the agreement.

3. During the year, the Group negotiated a 2 year mining concession transfer option and assignment agreement commencing 30 June 2017 granting the Group the exclusive option to acquire 100% interest in a mining concession referred to as La Elegida which forms part of the Group's Cerro Rayas Project. The Group has the exclusive right to terminate at any time during the transfer option and assignment period and any unpaid amounts are not payable to the vendor. Other key terms are:

Total Mining Concession Transfer Option & Assignment (MCTOA) Consideration	US\$245,000
Timing of Payment of MCTOA Consideration	Mining assignment and purchase option payments (MAPOP): MAPOP on Commencement Date (CD): US\$51,000* MAPOP on or before 6 months from CD: US\$11,000 MAPOP on or before 12 months from CD: US\$90,000 MAPOP on or before 13 – 24 months from CD: US\$4,000 per month MAPOP on or before 24 months from CD: US\$45,000
Mining assignment period	2 years from the Commencement Date (30 June 2017)
Cancellability	The Group has the exclusive right to terminate the agreement at any time during the option and assignment period without cost or penalty. Any unpaid amounts are not payable to the vendor.

* As at the date of the Directors' Declaration the Group has met all applicable commitments under the agreement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14: EXPENDITURE COMMITMENTS (CONTINUED)

In addition to exploration expenditure commitments the Group has certain operating commitments pertaining to non-cancellable operating leases and other non-cancellable agreements contracted for but not recognised in the financial statements:

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
Not later than one year	44,903	73,595
Between one and five years	19,040	4,500
	<u>63,943</u>	<u>78,095</u>

NOTE 15: AUDITOR'S REMUNERATION

Statutory audit by auditor of the parent company		
Audit and review of financial statements of parent entity	23,103	24,000
Under provision from the prior year	1,678	-
Audit and review of financial statements of subsidiary entity	950	950
	<u>25,731</u>	<u>24,950</u>
Statutory audit by auditor of Inca Minerales S.A.C.	11,050	11,446
Other services by auditor of Inca Minerales S.A.C.	2,600	-
	<u>13,650</u>	<u>11,446</u>

NOTE 16: SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company operates in the segments of mineral exploration within Peru and Australia.

The Company is domiciled in Australia. All revenue from external parties is generated from Australia only. Segment revenues are allocated based on the country in which the party is located. Operating revenues of approximately Nil (2016: Nil) are derived from a single external party. All the assets are located in Peru and Australia. Segment assets are allocated to countries based on where the assets are located.

Reportable segments:	Australia \$	Peru \$	Consolidated \$
Segment revenue			
2017	14,102	-	14,102
2016	20,546	-	20,546
Segment result			
2017	(728,109)	(626,209)	(1,354,318)
2016	(835,806)	(12,301,384)	(13,137,190)
Segment assets			
2017	1,125,398	4,377,025	5,502,423
2016	68,456	664,476	732,932
Segment liabilities			
2017	(100,684)	(131,512)	(232,196)
2016	(112,142)	(143,278)	(255,420)
Depreciation and amortisation expense			
2017	(2,573)	(5,857)	(8,430)
2016	(3,477)	(17,983)	(21,460)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 17: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Interest rate risk

The Company's exposure to interest rate risk which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities as set out below:

	Weighted average interest rate (%)	Non-interest bearing \$	Floating interest rate \$	Fixed interest maturing 1 year or less \$	Fixed interest maturing 1 to 5 years \$	Total \$
30 June 2017						
Cash and cash equivalents	0.18	2,250,133	860,857	20,000	-	3,130,990
30 June 2016						
Cash and cash equivalents	0.27	95,497	36,256	20,000	-	151,753

Interest rate sensitivity analysis

At 30 June 2017, if interest rates had changed by 25 basis points during the entire year with all other variables held constant, profit for the year and equity would have been \$4,103 higher/lower (2016: \$451), mainly as a result of higher/lower interest income from cash and cash equivalents.

A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

(b) Credit risk

The maximum exposure to credit risk at reporting date on financial assets of the Company is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

(c) Commodity price risk

The Company is not exposed to commodity price risk as the operations of the Company are not yet at the production stage.

(d) Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, these balances will not necessarily agree with the amounts disclosed in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 17: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	Less than 6 months \$	6 months to 1 year \$	1 to 5 years \$	Total \$
30 June 2017				
Financial liabilities due for payment				
Trade and other payables	(145,458)	-	-	(145,458)
	(145,458)	-	-	(145,458)
Financial assets – cash flows realisable				
Cash assets	3,130,990	-	-	3,130,990
Trade and other receivables	13,379	-	-	13,379
	3,144,369	-	-	3,144,369
Net (outflow)/inflow on financial instruments	2,998,911	-	-	2,998,911
30 June 2016				
Financial liabilities due for payment				
Trade and other payables	(155,933)	-	-	(155,933)
	(155,933)	-	-	(155,933)
Financial assets – cash flows realisable				
Cash assets	151,753	-	-	151,753
Trade and other receivable	141,988	-	-	141,988
	293,741	-	-	293,741
Net (outflow)/inflow on financial instruments	137,808	-	-	137,808

There were no Level 2 or Level 3 financial instruments.

(e) Foreign exchange risk

The Company is exposed to foreign exchange risk as certain transactions are denominated in United States Dollars and Peruvian Nuevos Soles as a result of operating in Peru.

(f) Net fair value of financial assets and liabilities

The carrying amounts of financial instruments included in the statement of financial position approximate their fair values due to their short terms of maturity.

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

The Company completed a small capital raising in July 2017 raising \$250,000 (after associated raising costs) through the placement of 18,212,110 fully paid ordinary shares. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company or the state of affairs of the Company in future financial years.

NOTE 19: CONTINGENT LIABILITIES

There are no contingent liabilities at reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 20: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Controlled (%)	
		2017	2016
Subsidiaries of Inca Minerals Limited:			
Urcaguay Pty Ltd	Australia	100	100
Inca Minerales S.A.C.	Peru	100	100
Dos Colinas S.A.C.	Peru	100	100
Hydra Minerals Ltd	Australia	100	100
Dingo Minerals Pty Ltd	Australia	100	100

NOTE 21: PARENT INFORMATION

	2017	2016
<i>Financial position</i>		
Assets		
Current assets	890,405	62,743
Non-current assets	4,480,506	526,912
Total assets	5,370,911	589,655
Liabilities		
Current liabilities	(100,684)	(112,143)
Non-current liabilities	-	-
Total liabilities	(100,684)	(112,143)
Net Assets	5,270,227	477,512
Equity		
Issued capital	35,742,124	29,599,029
Accumulated Losses	(30,471,897)	(29,121,517)
Total equity	5,270,227	477,512
Financial performance		
(Loss) for the year	(1,350,380)	(13,076,637)
Other comprehensive income	-	-
Total comprehensive income	(1,350,380)	(13,076,637)

There are no guarantees entered into by the parent entity in relation to the debts of its subsidiaries. There are no contingent liabilities of the parent entity as at the reporting date.

There are no contractual commitments by the parent entity for the acquisition of property, plant and equipment as at the reporting date.

NOTE 22: COMPANY DETAILS

The principal place of business of the Company is:

Inca Minerals Limited
Suite 1, 16 Nicholson Road
Subiaco, WA, 6008
Australia

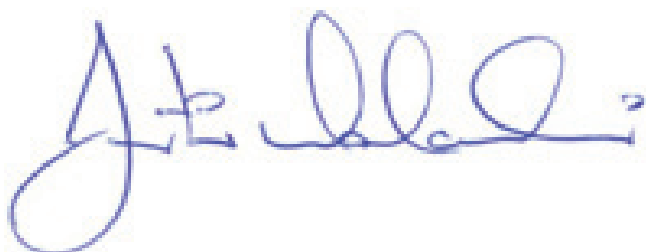
DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 31 to 56, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS);
 - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated entity;
2. the Directors have been given the declarations required by s295A of the *Corporations Act 2001* that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with s286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with Accounting Standards;
 - c. the financial statements and notes for the financial year give a true and fair view;
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors:



Justin Walawski
Director

Dated at Perth this 28th day of September 2017

AUDITOR'S INDEPENDENCE DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF INCA MINERALS LIMITED

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International

Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia
Level 2, 1 Walker Avenue
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Tel: +61 8 9481 3188
Fax: +61 8 9321 1204
ABN: 84 144 581 519
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28 September 2017

The Directors
Inca Minerals Limited
Suite 1, 16 Nicholson Road
Subiaco WA 6008

Dear Sirs

RE: INCA MINERALS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Inca Minerals Limited.

As Audit Director for the audit of the financial statements of Inca Minerals Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

Liability limited by a scheme approved
under Professional Standards Legislation

Member of Russell Bedford International



INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCA MINERALS LIMITED

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia
Level 2, 1 Walker Avenue
West Perth WA 6005
Australia
Tel: +61 8 9481 3188
Fax: +61 8 9321 1204
ABN: 84 144 581 519
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Report on the Audit of the Financial Report Opinion

We have audited the financial report of Inca Minerals Limited (the Company and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCA MINERALS LIMITED (CONTINUED)

Stantons International

Key Audit Matters

How the matter was addressed in the audit

Carrying Value of Capitalised Exploration and Evaluation Expenditure

As at 30 June 2017, Capitalised Exploration and Evaluation expenditure totals \$2,228,409 (refer to Note 7 of the financial report).

The carrying value of Capitalised Exploration and Evaluation expenditure is a key audit matter due to:

- The significance of the total balance (40% of total assets);
- The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and
- The assessment of significant judgements made by management in relation to the Capitalised Exploration and Evaluation Expenditure.

Inter alia, our audit procedures included the following:

- i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third party documentation;
- ii. Reviewing the directors' assessment of the carrying value of the exploration and evaluation expenditure, ensuring the veracity of the data presented and that management has considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects against AASB 6;
- iii. Evaluation of Group documents for consistency with the intentions for the continuing of exploration and evaluation activities in certain areas of interest, and corroborated with enquiries of management. Inter alia, the documents we evaluated included:
 - Minutes of meetings of the board and management;
 - Announcements made by the Group to the Australian Securities Exchange; and
 - Cash flow forecasts; and
- iv. Consideration of the requirements of accounting standard AASB 6. We assessed the financial statements in relation to AASB 6 to ensure appropriate disclosures are made.

Issued Share Capital

The Group's Contributed Equity amounted to \$35,742,124. During the reporting period, 1,047,764,608 ordinary shares were issued resulting in an increase in issued share capital of \$6,143,095 (net of capital raising costs).

Issued Share Capital is a key audit matters due to:

- the quantum of share capital issued during the year; and
- the varied nature of the movements during the year

We have spent significant audit effort on ensuring the issued share capital was appropriately accounted for and disclosed.

Inter alia, our audit procedures included the following:

- i. Obtaining an understanding of the underlying transactions;
- ii. Verifying all issued capital movements to the relevant ASX announcements;
- iii. Vouching proceeds from capital raisings to bank statements and other relevant supporting documentation;
- iv. Verifying underlying capital raising costs and ensuring these costs were appropriately recorded;
- v. Ensuring consideration for services provided are measured in accordance with AASB 2 Share-Based Payments and agreed the related costs to relevant supporting documentation; and
- vi. Ensuring the requirements of the relevant accounting standards and disclosures achieve fair presentation and reviewing the financial statements to ensure appropriate disclosures are made.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCA MINERALS LIMITED (CONTINUED)

Stantons International

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCA MINERALS LIMITED (CONTINUED)

Stantons International

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 9 of the directors' report for the year ended 30 June 2017. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

In our opinion, the Remuneration Report of Inca Minerals Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

SHAREHOLDER INFORMATION

The shareholder information set out below is applicable as at 2 October 2017 unless otherwise stated.

CAPITAL STRUCTURE

The Company currently has issued capital of 2,304,456,867 fully paid ordinary shares. The Company currently has no other class of security or options on issue.

VOTING RIGHTS

The Company's Constitution provides that at a meeting of shareholders and on a show of hands, each shareholder present in person and each other person present as a proxy, attorney or representative of a shareholder has one vote. On a poll, each shareholder present in person has one vote for each fully paid ordinary share held by the shareholder and each person as a proxy, attorney or representative of a shareholder has one vote for each fully paid ordinary share held by the shareholder that person represents.

TWENTY LARGEST SHAREHOLDERS

The names and details of the twenty largest quoted shareholdings are as follows:

Rank	Shareholder	Number of Shares	% Total Issued Capital
1	Merrill Lynch (Australia) Nominees Pty Ltd	218,623,397	9.49
2	Zhian Zhang	181,200,000	7.86
3	J P Morgan Nominees Australia Limited	76,225,938	3.31
4	Divya Jindal	65,336,448	2.84
5	Citicorp Nominees Pty Limited	59,922,333	2.60
6	Alexander Wort	58,000,000	2.52
7	Stephen Chewter	39,642,858	1.72
8	Acuity Capital Investment Management Pty Ltd	37,153,927	1.61
9	Ross Brown*	31,411,762	1.36
10	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	26,051,751	1.13
11	HSBC Custody Nominees (Australia) Limited	25,245,199	1.10
12	Terence Risby & Dawn Risby <Risby Family Super Fund A/C>	21,501,000	0.93
13	Grinz Pty Ltd <Grinz S/F A/C>	20,787,814	0.90
14	Keith G McDonald Pty Ltd <Keith McDonald S/F A/C>	20,000,003	0.87
15	Andrew Fisher	20,000,000	0.87
16	Darryl White	17,840,591	0.77
17	Stephen Chewter & Margaret Chewter <Chewter Super Fund A/C>	16,513,000	0.72
18	Stephen Flynn	16,000,000	0.69
19	Loris Fisher & Peter Fisher <Fisher Super Fund A/C>	15,500,000	0.67
20	Ferguson Superannuation Pty Ltd <Ferguson Superfund A/C>	15,000,000	0.65
20	Norvale Pty Ltd	15,000,000	0.65
	Total	996,956,021	43.26

* Company Director and includes related superannuation fund shareholding.

SHAREHOLDER INFORMATION

DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of equity holders by size of holding:

Spread of Holdings	Number of Holders	Number of Shares	% Total Issued Capital
1 – 1,000	217	63,303	0.003%
1,001 – 5,000	86	271,042	0.012%
5,001 – 10,000	102	888,425	0.038%
10,001 – 100,000	802	42,772,216	1.856%
> 100,000	1299	2,260,461,881	98.091%
Total	2,506	2,304,456,867	100.00%

Based on \$0.006 per share as the market price at the close of business on 2 October 2017 there were 1026 shareholders holding less than a marketable parcel of shares (a total of 26,408,398 shares).

SUBSTANTIAL SHAREHOLDERS

The Company has received the requisite notices from two substantial shareholders being:

1. Resource Capital Fund VI as the beneficial holder of 216,510,590 fully paid ordinary shares in the Company (9.39% of issued capital) with the Registered Holder being Merrill Lynch (Australia) Nominees Pty Limited. A Form 603 was announced 26 April 2017 on the ASX portal.
2. Zhian Zhang as the holder of 181,200,000 fully paid ordinary shares in the Company (7.86% of issued capital). A Form 604 was announced 16 November 2016 on the ASX portal.

SECURITIES SUBJECT TO ESCROW

There are no Company securities subject to voluntary escrow.

TENEMENT SCHEDULE

Country/ State	Project	Tenement Identification			Ownership	Titleholder
		Mining Concession Name	Code	Mining Public Registry Number		
Peru	Riqueza	Nueva Santa Rita	010045501	20006530	Earning 100% ¹	Inca Minerales S.A.C.
	Riqueza West	Rita Maria	010171016	11247112	100%	Inca Minerales S.A.C.
	Antacocha	Antacocha I	010249916	Granted	100% ²	Inca Minerales S.A.C.
		Antacocha II	010249716	Granted	100% ²	Inca Minerales S.A.C.
		Maihuasi	010249816	Granted	100% ²	Inca Minerales S.A.C.
	Palcacandha	Uchpanga	010170916	11247103	100%	Inca Minerales S.A.C.
		Uchpanga II	010251716	Granted	100% ²	Inca Minerales S.A.C.
		Uchpanga III	010251616	Granted	100% ²	Inca Minerales S.A.C.
		Picuy	010171116	11247107	100%	Inca Minerales S.A.C.
	Cerro Rayas	La Elegida	010109205	11101219	Earning 100% ¹	Inca Minerales S.A.C.
La Elegida I		590004010	11160272	Earning 100% ¹	Inca Minerales S.A.C.	

Country/ State	Project	Tenement Identification				Ownership	Titleholder
		Tenement Number (WA)	Mining Concession Name	Code	Mining Public Registry		
WA	Dingo Range	EL37/1124	N/A	N/A	N/A	100% Nickel Rights	Bullseye Mining Ltd
		EL53/1352	N/A	N/A	N/A	100% Nickel Rights	Bullseye Mining Ltd
		EL53/1377	N/A	N/A	N/A	100% Nickel Rights	Bullseye Mining Ltd
		EL53/1380	N/A	N/A	N/A	100% Nickel Rights	Bullseye Mining Ltd
		EL53/1407	N/A	N/A	N/A	100% Nickel Rights	Bullseye Mining Ltd

Note 1: Inca Minerales S.A.C. (**IMS**) is a wholly owned subsidiary of Inca Minerals Limited. IMS has the exclusive right to earn 100% of these concessions under executed Mining Option and Assignment Agreements (refer to Note 14 to the Financial Statements).

Note 2: Concessions granted and allocation of a Mining Public Registry number pending.



INCA MINERALS LTD

ZN DISCOVERY IN THE MAKING

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