

Inca Minerals Limited

ACN 128 512 907

Half Year Financial Report

For the half year ended 31 December 2014

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CORPORATE PARTICULARS

Directors	Mr Ross Brown - Managing Director Dr Justin Walawski Mr Gareth Lloyd
Company Secretary	Dr Justin Walawski
Registered Office	1030 Wellington Street WEST PERTH, WA, 6005, AUSTRALIA
Corporate Office	1030 Wellington Street WEST PERTH, WA, 6005, AUSTRALIA
Share Registry	Advanced Share Registry Services 110 Stirling Highway PERTH, WA, 6009, AUSTRALIA
Auditor	Stantons International Level 2, 1 Walker Avenue WEST PERTH, WA, 6005, AUSTRALIA

DIRECTORS' REPORT

The directors present their report on Inca Minerals Limited ("the Company") for the half year ended 31 December 2014.

Directors

The names of directors who held office during or since the end of the half year are:

Mr Ross Brown
Dr Justin Walawski
Mr Gareth Lloyd

Directors were in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations and Exploration Activities

The loss attributable to members of Inca Minerals Limited (**Company**) for the half year ended 31 December 2014 (**report period**) was \$664,177 (2013: \$1,184,583). No dividends were paid or declared payable during or since the half year.

During the report period the Company conducted a share placement which successfully raised \$3.2million (see ASX announcement 28 July 2014).

The Company's current exploration position and other activities appear in announcements released to the Australian Securities Exchange and should be read in conjunction with this half yearly report.

During the previous report period the Company returned its best drill intersections at its flagship porphyry project Chanape. In drill hole CH-DDH012 the Company intersected epithermal mineralisation of 55m at 2.3% copper (Cu), 0.6g/t gold (Au) and 42.9g/t silver (Ag), with significant molybdenum (Mo). In the hole previous to that, CH-DDH011, the Company intersected porphyry mineralisation of 284m at 0.32% Cu, 6.7g/t Ag and 83ppm Mo. The combined impact of these holes was the realisation that the Company has discovered a large, completely preserved epithermal porphyry system containing high grade zones of copper, gold, silver, molybdenum and tungsten that extends over a minimum vertical range of 1.3km.

Given the magnitude of these high grade polymetallic drill hole intervals the Company commenced the process of substantially upgrading its drill permit by applying for a semi-detailed environmental impact assessment permit (**sdEIA**).

During the report period the Company sought to increase and better define drill targets ahead of the anticipated resumption of drilling. The Company implemented the full review of all previous geophysical data and undertook an extensive sampling program in previously un-sampled, yet highly prospective parts of the project.

The results of this work were compelling. The geophysical review led to the definition of the large, NS orientated twin bell-shaped chargeability anomaly (>1.5km x 700m in area) which closely corresponds to the known porphyry mineralisation in the north and extends to the summit of Mount Chanape. In sampling, numerous high grade (>5g/t) epithermal Au anomalies were identified at the summit and southern parts of the project. The sample results, at the summit in particular, greatly enhanced the significance of the chargeability anomaly.

Chanape continued to attract keen interest from global mining houses and, latterly, pro-active juniors. Numerous site visits were conducted during the report period as part of the visiting companies' due diligence.

DIRECTORS' REPORT (continued)**Review of Operations and Exploration Activities (continued)**

The end of the reporting period sees the Company with an outstanding epithermal porphyry exploration project. Situated in the prolific porphyry belt of Peru, mineralisation at Chanape is known over a 1.3km vertical distance. Dozens of highly mineralised breccias and structures coincide with large chargeability, magnetic, alteration and geochemical anomalies over an area of 2.5km x 1km. With the drill camp and rig on site and on standby the Company is poised to obtain a drill permit that will provide capacity to complete up to 22,500m of drilling across the project area.

Competent Person's Statement

The information in this report that relates to epithermal and porphyry style mineralisation for the Chanape Project, located in Peru, is based on information compiled by Mr Ross Brown BSc (Hons), MAusIMM, SEG, MAICD Managing Director, Inca Minerals Limited, who is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown is a full time employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.

Some of the information in this report may relate to previously released epithermal and porphyry style mineralisation for the Chanape Project, located in Peru, and subsequently prepared and first disclosed under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, and is based on the information compiled by Mr Ross Brown BSc (Hons), MAusIMM, SEG, MAICD Managing Director, Inca Minerals Limited, who is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown is a full time employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.

DIRECTORS' REPORT (continued)**Events Subsequent to Reporting Date**

There have been no other material items, transactions or events subsequent to 31 December 2014 which, although they do not relate to conditions existing at that date, have not been dealt with in this report and which would cause reliance on the information shown in this report to be misleading.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 5 and forms part of the Directors' Report for the half year ended 31 December 2014.

Signed in accordance with a resolution of the Directors.



Ross Brown

Managing Director

Dated at Perth this 5th day of March 2015

5 March 2015

Board of Directors
Inca Minerals Limited
1030 Wellington Street
West Perth WA 6005
AUSTRALIA

Dear Directors

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 the Audit Director for the review of the financial statements of Inca Minerals Limited for the half-year ended 31 December 2014, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

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



Martin Michalik
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half year ended 31 December 2014

	Note	31 December 2014 \$	31 December 2013 \$
Revenue		18,469	48,430
Directors' fees		(37,077)	(52,312)
Salaries and wages		(25,127)	(24,905)
Administrative expenses		(303,681)	(723,399)
Advertising and promotion costs		(14,863)	(18,172)
Professional fees		(177,239)	(189,363)
Listing and share registry expenses		(40,245)	(50,239)
Depreciation		(7,775)	(6,733)
Foreign exchange gains / (expenses)		73,468	(28,514)
Carrying value of assets sold		-	(8,278)
Exploration and evaluation expenditure written off	2	(141,323)	(131,098)
Impairment of former employee share loans		(8,400)	-
Share based payments	10	(384)	-
Loss before income tax		(664,177)	(1,184,583)
Income tax expense		-	-
LOSS FOR THE PERIOD		(664,177)	(1,184,583)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		134,923	85,509
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(529,254)	(1,099,074)
Loss attributable to:			
- Members of Inca Minerals Limited		(664,177)	(1,184,583)
Total Comprehensive Loss attributable to			
- Members of Inca Minerals Limited		(529,254)	(1,099,074)
LOSS PER SHARE			
Basic and diluted loss per share (cents per share)		(0.11)	(0.28)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	Note	31 December 2014 \$	30 June 2014 \$
Assets			
Current Assets			
Cash and cash equivalents		1,819,979	580,880
Trade and other receivables		405,679	349,916
Total Current Assets		2,225,658	930,796
Non-Current Assets			
Plant and equipment		63,600	51,362
Exploration and evaluation expenditure	2	11,036,772	9,973,665
Total Non-Current Assets		11,100,372	10,025,027
Total Assets		13,326,030	10,955,823
Liabilities			
Current Liabilities			
Trade and other payables		215,428	352,563
Total Current Liabilities		215,428	352,563
Total Liabilities		215,428	352,563
Net Assets		13,110,602	10,603,260
Equity			
Contributed equity	3	25,129,885	22,093,289
Accumulated losses		(11,793,078)	(11,128,901)
Foreign currency translation reserve		(226,205)	(361,128)
Total Equity		13,110,602	10,603,260

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2014

	Contributed Equity \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Total Equity \$
Balance at 1 July 2013	20,447,096	(8,176,591)	54,135	12,324,640
Loss attributable to members of the Company	-	(1,184,583)	-	(1,184,583)
Total comprehensive income for the period	-	-	85,509	85,509
	-	(1,184,583)	85,509	(1,099,074)
Shares issued	513,002	-	-	513,002
Cost of share issue	(43,362)	-	-	(43,362)
Balance at 31 December 2013	20,916,736	(9,361,174)	139,644	11,695,206
Balance at 1 July 2014	22,093,289	(11,128,901)	(361,128)	10,603,260
Loss attributable to members of the Company	-	(664,177)	-	(664,177)
Total comprehensive income for the period	-	-	134,923	134,923
	-	(664,177)	134,923	(529,254)
Shares issued	3,245,409	-	-	3,245,409
Cost of share issue	(208,813)	-	-	(208,813)
Balance at 31 December 2014	25,129,885	(11,793,078)	(226,205)	13,110,602

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2014

	31 December 2014 \$	31 December 2013 \$
Cash flows from Operating Activities		
Payments to suppliers and employees	(462,806)	(465,142)
Interest received	18,469	18,430
Net cash (used in) operating activities	<u>(444,337)</u>	<u>(446,712)</u>
Cash flows from Investing Activities		
Payments for exploration and evaluation expenditures	(1,330,198)	(1,561,470)
Payments for property, plant and equipment	(1,053)	(46,383)
Payments for security deposits	-	(7,504)
Proceeds from sale of tenement	-	10,000
Proceeds from sale of plant and equipment	-	20,000
Net cash (used in) investing activities	<u>(1,331,251)</u>	<u>(1,585,357)</u>
Cash flows from Financing Activities		
Proceeds from share issue	3,200,000	513,002
Costs of share issue	(208,813)	(11,524)
Net cash provided by financing activities	<u>2,991,187</u>	<u>501,478</u>
Net increase / (decrease) in cash held	1,215,599	(1,530,591)
Effect of exchange rate changes on cash and cash equivalents	23,500	34,161
Cash and cash equivalent at the beginning of the half year	<u>580,880</u>	<u>3,468,841</u>
Cash and cash equivalent at the end of the half year	<u>1,819,979</u>	<u>1,972,411</u>

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

CONDENSED NOTES TO THE FINANCIAL STATEMENTS**For the half year ended 31 December 2014****1. Basis of Preparation**

These general purpose interim financial statements for the half year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Inca Minerals Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the following half year ended 31 December 2014.

a) New and Revised Accounting Requirements Applicable to the Current Half year Reporting Period

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

b) 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 9.

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 profit or loss and other comprehensive income.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2014

1. Basis of Preparation (continued)

(c) Going Concern

The financial statements have been prepared on a 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 half year ended 31 December 2014, the Group incurred a loss of \$664,177 and had net cash inflows of \$1,215,599.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern 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 ability of the company to raise capital by the issue of additional shares under the *Corporations Act 2001*;
- The ability to curtail administration and operational cash out flows as required.

2. Exploration and Evaluation Expenditure

	31 December 2014 \$	30 June 2014 \$
At cost		
Balance at beginning of the period	9,973,665	8,829,955
Expenditure incurred (including foreign exchange rate movements)	1,204,430	2,168,391
Impairment of exploration and evaluation expenditure	-	(893,583)
Expenditure written off	(141,323)	(131,098)
Balance at end of the period	<u>11,036,772</u>	<u>9,973,665</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

3. Contributed equity

	31 December 2014 \$	30 June 2014 \$
Ordinary shares		
Issued and fully paid	<u>25,129,885</u>	<u>22,093,289</u>
Movement in fully paid ordinary shares:	No. of Shares	\$
At 1 July 2014	<u>504,917,138</u>	<u>22,093,289</u>
Issued at \$0.023 per share 6 August 2014	139,130,432	3,200,000
Issued at \$0.022 per share 22 August 2014	1,300,000	28,600
Issued at \$0.022 per share 3 December 2014	988,793	16,809
Less: costs associated with issue of shares	-	(208,813)
At 31 December 2014	<u>646,336,363</u>	<u>25,129,885</u>

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2014

4. 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. In the current financial year, the Company operated in mineral exploration in Australia and in Peru.

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.

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			
2014	18,469	-	18,469
2013	48,430	-	48,430
Segment result			
2014	(542,180)	(121,997)	(664,177)
2013	(693,350)	(491,233)	(1,184,583)
Segment assets			
2014	3,152,904	10,173,126	13,326,030
2013	1,472,345	9,483,478	10,955,823
Segment liabilities			
2014	(84,900)	(130,528)	(215,428)
2013	(194,044)	(158,519)	(352,563)
Depreciation and amortisation expense			
2014	(3,282)	(4,493)	(7,775)
2013	(6,733)	-	(6,733)

5. Events Subsequent to Reporting Date

There have been no other material items, transactions or events subsequent to 31 December 2014 which, although they do not relate to conditions existing at that date, have not been dealt with in this report and which would cause reliance on the information shown in this report to be misleading.

6. Contingent Liabilities

There are no contingent liabilities at the reporting date.

7. Dividends

No dividends were paid or declared payable during or since the half year.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2014

8. 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 31 December 2014 \$	Consolidated 30 June 2014 \$
Not later than one year	2,200,066	1,800,818
Between one and five years	7,554,168	7,311,149
	<u>9,754,234</u>	<u>9,111,967</u>

The exploration expenditure commitments above include commitments related to an agreement for the acquisition of interests in mining concessions pertaining to the Group's Chanape project in Peru. As at 31 December 2014 the Group has met all of its obligations in respect of the agreement 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. The key terms of the agreement pertaining to the Chanape project are set out below.

1. Mining option and assignment agreements dated 24 June 2011 granting the Group the exclusive option to acquire Minera Altas Cumbres S.A.C.'s (MAC) interest in 20 mining concessions over land totalling 805,346 hectares referred to as the Chanape Project. The Group has the exclusive right to terminate at any time during the option period and any unpaid amounts are not payable to the vendor. Other key terms are:

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2014

8. Expenditure Commitments (continued)

Option consideration	US\$1,500,000 consisting of 60 payments of \$25,000 plus the applicable VAT commencing one month after signing date i.e. 24 July 2011. (Term: 5 years)*
Purchase price	US\$3,000,000.
Additional purchase consideration	Shares in the Company to the Vendor's major shareholder to the value of USD\$500,000 at an issue price of no less than AUD\$0.20 cents per share twelve months after the Company lists.*
Exclusive option & assignment fees	US\$50,000*
Mining assignment period	5 years from the date of signing of the agreement, i.e. 5 years from 24 June 2011.
Exploration expenditure committed	A minimum of US\$3,600,000 plus applicable VAT on drilling as follows: <ul style="list-style-type: none"> • 1 March 2012 to 31 December 2012 – US\$350,000*; • 1 January 2013 to 31 December 2013 – US\$500,000*; • 1 January 2014 to 31 December 2014 – US\$750,000*; • 1 January 2015 to 31 December 2015 – US\$1,000,000; • 1 January 2016 to 31 December 2016 – US\$1,000,000
NSR Royalty	Upon the beginning of commercial production a US\$20 per ounce of gold equivalent net smelter royalty to be calculated in accordance with the terms and conditions.
Cancellability	The Group has the exclusive right to terminate at any time during the option period. Any unpaid amounts are not payable to the vendor.

* The Company has met all of its applicable commitments under the agreement with MAC.

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 31 December 2014	Consolidated 30 June 2014
Not later than one year	\$ 55,503	\$ 66,170
Between one and five years	-	-
	<u>55,503</u>	<u>66,170</u>

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2014

9. Controlled Entities

	Country Incorporation	Percentage Controlled (%)	
		31 December 2014	30 June 2014
Subsidiaries of Inca Minerals Limited:			
Urcaguay Pty Ltd (formerly Inca Minerals Limited)	Australia	100	100
Inca Minerales S.A.C.	Peru	100	100
Hydra Minerals Ltd	Australia	100	100
Dingo Minerals Pty Ltd	Australia	100	100

10. Share Based Payments

Through profit and loss:

	Consolidated 31 December 2014 \$
Fair value of 988,793 fully paid ordinary shares issued to Managing Director Mr Ross Brown	16,809
Reversal of accrued liability as at 30 June 2014	(16,425)
	<u>384</u>
Capitalised to Exploration and Evaluation Expenditure:	
Fair value of 1,300,000 fully paid ordinary shares to acquire the Moquegua mining option :	<u>28,600</u>

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134 Interim Financial Reporting; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half year ended on that date.
2. 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.



Ross Brown
Managing Director

Dated at Perth this 5th day of March 2015

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Inca Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Inca Minerals Limited ("the consolidated entity"). The consolidated entity comprises both Inca Minerals Limited ("the Company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Inca Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Inca Minerals Limited on 5 March 2015.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Inca Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 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

West Perth, Western Australia
5 March 2015