



INCA ONE AND MONTAN MINING TERMINATE THE OPTION TO ACQUIRE THE MOLLEHUACA TOLL MILL AND ELADIUM GOLD MINE FROM GOLDSMITH SAC.

VANCOUVER, BC – January 5, 2016 - INCA ONE GOLD CORP. (TSX.V: IO) (“**Inca One**”) and **MONTAN MINING CORP.** (TSX.V: MNY) (“**Montan**”) (jointly the “**Parties**” or the “**Companies**”) announce that further to the News Release of October 29, 2015 (“**Inca One To Acquire Certain Assets of Montan Mining**”), the Companies have mutually agreed to terminate their binding letter agreement (the “**Binding LA**”) pursuant to which Inca One had agreed to acquire certain assets under option to Montan from the shareholders of GOLDSMITH RESOURCES SAC (“**Goldsmith**”), a private Peruvian company, subject to a share purchase agreement (of June 9, 2015) with the shareholders of Goldsmith. The decision for Inca One and Montan to discontinue with the acquisition has been taken in light of: (i) mutual due diligence on certain of those assets, and their holding companies under Goldsmith, which brought to light certain financial liabilities and legal burdens and (ii) challenging equity finance markets.

Under the terms of the Binding LA, Inca One would have: (i) assumed Montan’s obligations under a share purchase agreement with the shareholders of Goldsmith (the “**Goldsmith Shareholders**”) for the acquisition of all the issued and outstanding shares of Goldsmith which owns the Mollehuaca Ore Processing Plant (“**Mollehuaca**”) in Peru, and the mining rights for the nearby Eladium Mine and the Saulito Exploration Property in Peru (together with Mollehuaca the “**Goldsmith Assets**”); (ii) acquired other select milling assets from Montan (the “**Milling Assets**”); and (iii) have been assigned prepaid marketing services from Montan (the “**Marketing Assets**”).

As a result of the termination of the amended share purchase agreement and Binding LA, other considerations by Inca One in favour of Montan and the Goldsmith Shareholders will not proceed. Specifically, Montan will not receive any common shares in Inca One, and so Montan will not proceed to dividend Inca One shares to shareholders of Montan; and Inca One will not issue any common shares of Inca One to Goldsmith.

Mr. Edward Kelly, President and CEO of Inca One, commented, "We appreciate the professional nature in which the due diligence activities were conducted and appreciate the professionalism of the management of Montan in considering and evaluating this transaction. We wish them the very best in the future."

Mr. Ian Graham, CEO of Montan, commented, “The significant financial liabilities, including future tax implications for Goldsmith and its subsidiaries, as identified and estimated by our mutual due diligence and Legal team in Peru, may have led to significant near-term costs for the operator of the Goldsmith Assets: it is prudent and appropriate for Inca One and Montan to terminate acquisition proceedings, though both management teams are deeply disappointed with this outcome. Shareholders should be aware that both companies sought structural and cost deferral options to permit the Acquisition to proceed, but in the end the cost risks were deemed too high, especially in a constrained financing marketplace”.

The Companies have agreed, subject to the terms of the Binding LA, to terminate further due diligence work and collaboration with Goldsmith for the acquisition of the Goldsmith Assets. Goldsmith, and the Goldsmith Shareholders, have each been informed of the Companies' decision by each of the Companies, Inca One and Montan.

About Inca One Gold Corp.

Inca One is a Canadian-based mineral processing company with a gold milling facility in Peru, servicing government-permitted small-scale miners. As part of the terms of the original purchase agreement for the Chala, Peru processing facility, Inca One has an agreement between its wholly owned subsidiary, Chala One SAC, and the seller and initial permit applicant, to operate under the umbrella of formalization until the successful completion of all the environmental and operating permits. Peru, a highly mineral-rich country, is one of the world's top producers of gold, silver, copper and zinc, with substantial production coming from small scale miners who need government permitted milling facilities to process their mineral (such as the Company's Chala One Plant).

About Montan Mining Corp.

Montan is backed by an experienced and high-energy management team with diverse technical, market and finance strengths and expertise and is supported by committed and sophisticated investors focused on building value for the long term.

On behalf of the Board of Inca One

Edward Kelly
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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS –This news release includes certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" under applicable Canadian securities laws. When used in this news release, the words "anticipate", "believe", "estimate", "expect", "target", "plan", "forecast", "may", "schedule" and similar words or expressions, identify forward-looking statements or information. These forward-looking statements or information relate to, among other things: that significant financial liabilities, including future tax implications for Goldsmith and its subsidiaries, as identified and estimated by the Due Diligence and Legal team in Peru, may have led to significant near-term costs for the Operator of the Goldsmith Assets; and that these estimates of liabilities have been viewed as prohibitive for the transaction by the Companies' management teams.

In respect of the forward-looking statements and information concerning the cancellation of the proposed Acquisition transaction, the parties have provided them in reliance on certain assumptions regarding liabilities and market conditions that they believe are reasonable at this time. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these assessment, except to the extent that it has caused the companies to decide against proceeding with the Transactions.

Forward-looking information impacting upon the decision announced is based on management of the applicable parties' reasonable assumptions, estimates, expectations, analyses and opinions, which are based on such management's experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances, but which may prove to be incorrect. Assumptions have been made regarding, among other things, the price of certain metals; costs of future tax and accounts payable liabilities incumbent upon Goldsmith SAC; the estimated costs of development of development projects; Inca One ability to obtain financing on reasonable terms.

These statements reflect the parties' respective current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements or information and the parties have made assumptions and estimates based on or related to many of these factors.

Readers are cautioned against attributing undue certainty to forward-looking statements or information. The parties do not intend, and do not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements or information, other than as required by applicable law.