



## **INCA ONE FIRST YEAR COMMERCIAL OPERATIONS UPDATE**

**VANCOUVER, BC – February 11, 2016 - INCA ONE GOLD CORP.** (TSX.V: IO) (“**Inca One**” or the “**Company**”) is pleased to report its first year of commercial operations review.

2015 was a year full of milestones and challenges to overcome. Having recently passed our first anniversary of commercial operations, we wanted to reflect and provide a summary of our accomplishments and share our view going forward.

Inca One realized a number of significant milestones in 2015, moving us further towards our primary goal of becoming a leading commercial gold processor in Peru. Our accomplishments for the year included the successful transition to a cash-flowing, gold processing company, proving the concept of our business model and generating more than US\$15 million in revenue. More importantly, we laid the groundwork to continue transforming Inca One into a profitable and efficient commercial operator.

We accomplished all this amidst one of the longest bear markets, and perhaps the most challenging capital and mining environments in a generation. Mere survival is the sole focus for most companies in the industry today. Inca One is not only surviving, we are growing, and I’m proud of our team’s resilience despite these market conditions. Our major accomplishments in 2015 include:

- Commissioned the Chala Plant, on time and within budget, on February 1, 2015;
- Processed over 19,200 tonnes of mineral at an average grade of 0.75 oz per tonne in calendar 2015;
- Produced 13,097 ounces of gold in the twelve months ending December 31, 2015;
- Realized gold sales of approximately US\$15.4 million;
- Raised over US\$5 million in capital;
- Established Chala One’s maximum daily operating capacity of 100 tonnes per day;
- Successfully launched our gold export program by obtaining what is known as “Accredited Exporter Status” from SUNAT, Peru’s tax and customs authority;
- Reached full operation status of our in-house chemical and metallurgical laboratories;
- Commissioned the new gold desorption plant at Chala One.

Overall in 2015 Inca One operated at approximately 57% of plant capacity, as we held back throughput while awaiting the Sunat VAT/IGV refund. Clearly, there is room to grow once additional funding allows us to step up gold mineral purchases. We must also continue to ensure a consistent supply of high quality mill feed from a steady and secure stream of customers. Towards this essential goal, we renegotiated supplier contracts that helped solidify our customer base. We also began importing high-grade, gold-bearing materials from neighbouring Bolivia to feed the Chala Plant.

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These efforts are allowing us to export our gold on a weekly basis to our premier refining partners. We conduct these transactions under established exportation terms to our partners, secured by armoured transport with Hermes, the Peruvian division of the Brinks Company. All of our shipments are insured by an internationally recognized loss prevention company, Lloyd's of London.

To provide some control over our margins, particularly in this bear market, we established a gold hedging program in 2015. Hedging helps us lock in revenue should the gold price drop between acquisition and export sale.

We also completed a successful SUNAT audit, which is required to attain an IGV (Value Added Tax) refund. This is essential for filing a return of the IGV, where IGV is paid on mineral purchases. As of January 2016, SUNAT was holding fees of approximately US\$2 million in IGV owed to Inca One relating to exported gold sales. Further to this filing, verbal confirmation was given to our Peruvian team that the first partial payment of this refund was forthcoming -- which will provide additional working capital and funds for continued gold mineral purchases. We expect to receive the remaining funds later in the first half of this year.

Despite our successes in 2015, Inca One's share price continued to suffer from the general market malaise that has affected virtually all mining companies. The two-year high of \$0.285 cents reached in March 2015 was short-lived, as market sentiment and a weak gold price pulled share and market values down for the remainder of the year. We understand fully that, as a publicly-traded company, operational success means little without market success. I know I speak for all of Inca One's board and management when I say that we are building a solid foundation for future value. We are taking steps now that we believe will generate significant returns and consequently shareholder value as we continue to execute on our business plan.

Late in 2015, we strategically sought to increase our production capacity through two acquisitions. Unfortunately, having found fatal flaws in both of these two operations while conducting our due diligence process, Inca One was forced to back away from each transaction in order to save our shareholders from unnecessary dilution, hidden costs and permitting issues that could have substantially and negatively impacted the company.

Looking ahead through 2016, we anticipate to build a cost-effective 100TPD operation with growing cash flows and cash margins -- while improving the balance sheet. We removed most of the start-up risk factors in 2015 and established a successful business model in a negative resource and precious metals sector in light of weak gold prices. Planned capital funding, combined with the balance of our IGV refund, will help us continue the pace of growth and development throughout the year.



I assure you that we will push on, looking onward and upward into 2016 with even more enthusiasm, optimism and momentum. We thank you, our shareholders, for having confidence in us to continue along this path of value creation.

Kind Regards,

Edward Kelly  
President and CEO  
**INCA ONE GOLD CORP.**

**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).

**On behalf of the Board of Inca One**

Edward Kelly  
President and CEO  
**INCA ONE GOLD CORP.**

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This news release deals only with the Company's Chala plant, which is an industrial project. This presentation does not deal at all with the Company's sole mineral exploration property, the Corizona property. Investors should note that no resource has been established on the Corizona property and all of the material currently being processed at the Chala plant is received from local small-scale mining operations.