



## **INCA ONE GOLD CORP. ANNOUNCES DEBT RESTRUCTURING AND USD\$3.0 MILLION CONVERTIBLE DEBENTURE OFFERING**

**VANCOUVER, BC – April 19, 2016 - INCA ONE GOLD CORP. (TSX.V: IO)** (“**Inca One**”, the “**Issuer**” or the “**Company**”) is pleased to announce that it has negotiated preliminary terms and signed commitment letters with the majority of the Company’s lenders to convert or restructure approximately \$10.0 million USD equivalent (some amounts in CAD) of its current and long-term debts (the “**Debts**”). Approximately 50% of the Debts will be converted to common shares at CAD\$0.11 per share, approximately 30% will be cancelled and re-issued into new convertible debentures with similar terms as below, and approximately 20% converted to (i) contingent debts payable on certain performance metrics being met by the Company, or (ii) a warrant deposit held by the Company exclusively for the exercise of certain warrants, while certain amounts are to be paid out on a scheduled basis over a period up to twelve months (collectively, the “**Restructuring**”).

USD\$500,000 of existing convertible debt will not be subject to the Restructuring, as agreed with the other lenders, due to its priority security over certain assets of the Company. The Company expects that this amount will be repaid in normal course over the following two months, or such later date as mutually agreed by the parties.

The Restructuring is subject to the Company successfully raising a minimum of USD\$2.0 million in new convertible debenture financing (as below), as well as TSX Venture Exchange (“**TSXV**”) approval. The Restructuring will not result in the creation of a new “**Control Person**”, and all lenders are at arm’s length to the Company.

### **Convertible Debenture Offering**

The Company is also concurrently announcing a USD\$3.0 million convertible debenture offering (the “**Convertible Debenture Offering**”), which is subject to TSXV and other customary conditions. The convertible debentures (the “**Convertible Debentures**”) will have a 24 month term, bear interest at 10% per annum payable quarterly in arrears. The first interest payment will be payable 9 months after the Convertible Debenture closing date (the “**Closing Date**”). The Convertible Debentures will have a conversion feature, at the subscriber’s option, (the “**Conversion Feature**”) which will vest in four equal tranches over 24 months from the Closing Date with an average conversion price of CAD\$0.175 per share as follows: (i) 25% of the principal sum will vest 6 months from the Closing Date and have a conversion price of CAD\$0.10/share; (ii) 25% of the principal sum will vest 12 months from the Closing Date and have a conversion price of CAD\$0.15/share; (iii) 25% of the principal sum will vest 18 months from the Closing Date and have a conversion price of CAD\$0.20/share; and (iv) 25% of the principal sum will vest 24 months from the Closing Date (upon maturity) and have a conversion price of CAD\$0.25/share. A USD to CAD foreign exchange rate will be established to determine the CAD equivalent applicable for conversion near the Closing Date.

#### **INCA ONE GOLD CORP.**

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The Convertible Debentures will also have a prepayment feature at the Issuer's option, which may be enacted by the Issuer after 12 months from the Closing Date. The Convertible Debentures will be secured by the moveable inventory of the Company's Peruvian Operating Subsidiary ("Chala One"), and by a general security agreement of Inca One, noting that priority security will be attained after full repayment of the existing USD\$500,000 convertible debt as noted above.

The proceeds from Convertible Debentures will be used towards mineral purchases and related inventory and supplies for Chala One, certain restructuring costs, and working capital to enable the Company to ramp back up to full 100 tonnes per day ("TPD") capacity over the coming months.

The Company has a commitment letter to provide USD\$1,000,000 towards the Convertible Debenture Offering. The Company is actively pursuing financing for the balance of the USD\$3,000,000 it intends to raise. The Convertible Debenture Offering is expected to close concurrently with the Restructuring, which the Company will endeavor to complete within the coming month.

"We have been working with our lenders on an agreement to allow us the flexibility to complete a refinancing transaction in the most efficient and equitable way possible, while controlling dilution to our shareholders" stated Edward Kelly, President and CEO of Inca One. "Completing this restructuring demonstrates the loyalty and confidence of our lenders in the progress we have made in building our core business, but also helps to facilitate raising the additional capital to enable the Company to again reach full production of 100TPD; the Company is thankful for the support of lenders and other stakeholders during this restructuring process."

### **About Inca One**

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 Plant).

### **On behalf of the Board,**

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



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Statements regarding the Company which are not historical facts are "forward-looking statements" that involve risks and uncertainties. Such information can generally be identified by the use of forwarding-looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements due to factors such as: (i) fluctuation of mineral prices; (ii) a change in market conditions; and (iii) the fact that the Company has limited operating experience with its Chala plant and future operational results may not be accurately predicted based on this limited information to date. Except as required by law, the Company does not intend to update any changes to such statements. Inca One believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included herein should not be unduly relied upon.

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.

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