



INCA ONE GOLD CORP. REPORTS SIGNIFICANT INCREASE IN NET REVENUE MARGINS AND PROVIDES CORPORATE UPDATE

VANCOUVER, BC – July 8, 2016 - INCA ONE GOLD CORP. (TSX.V: IO) (“**Inca One**” or the “**Company**”) is pleased to provide the follow corporate update to shareholders.

Net Revenue Margins

Net revenue margin (“**NRM**”) from operations at the Chala One SAC (“**Chala One**”) plant averaged 40% for the first six months of 2016, nearly double over the same period last year. NRM, a key industry metric being gold sales revenue less the related cost of mineral purchasing and processing, grew consistently from 23% in the first six months of calendar 2015 to 40% during the first six months of calendar 2016. Over the six months through December 2015, the Company enacted numerous improvements in the gold measuring and recovery processes, improved security, and began sourcing mineral with better deal terms, which collectively increased NRM to 33%. During the first six months of 2016, the Company began operating its newly installed desorption plant on site at Chala One, and continued to improve recoveries and mineral sourcing resulting in an average NRM of 40%. From January 1, 2016 through June 30, 2016 Chala One has exported approximately 92.2 kilograms of gold and realized gold sales of approximately US\$3.7 million. Over the past 12 months the operational successes have been a reflection of the determination, hard work and attention to detail of the operating and mineral buying teams at Chala One.

Invested in Great People

Underpinning this operating achievement is the strength of the Peruvian operating team along with collaboration of Canadian management. From the start of commercial production to present, Inca One attracted top industry talent hiring select ex-Barrick and ex-Newmont senior management personnel as key employees at the Chala Plant and Lima administrative office. The Inca One team achieved notable improvements to net revenue margins (see above), right-sized and upgraded staff, and continued to add strategic team members, while leaning out operating costs.

VAT/IGV Update

Management also successfully navigated the Company through the extensive IGV audit conducted by SUNAT, Peru’s tax and customs authority, which finally closed at the end of June 2016 – a significant achievement. Chala One collected its first refund cheque in early February 2016 and has been receiving monthly IGV/VAT refund cheques within weeks of each month end filing. The Company is now awaiting two final payments totalling approximately US\$1.0 million over July and August 2016 relating to the original IGV submissions which were under audit. The IGV audit process began in June 2015.

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Financing and Restructuring Update

Early in 2016 the Board of Directors and executives of Inca One determined that a debt restructuring was required to improve the balance sheet, which would enable a much needed financing for operations to ramp back up to 100 tonnes per day (“**TPD**”). From February 2016 through April 2016 the Company communicated with all debtholders and arranged preliminary restructuring terms. The plan for the second half of 2016 includes finalizing the restructuring with debtholders, and closing off a financing the Company announced under a separate press release, dated July 8, 2016.

We would especially like to thank all our shareholders, stakeholders and particularly our debtholders for their support during this restructuring and refinancing period.

Ramp-up Plan

Once recapitalized, the Company is ready to enact a 90 day ramp up plan to get back up to 100 TPD of production, whereby the Company expects to be operating at approximately 70 TPD within 60 days which is the projected break-even. Currently the Company has been operating at approximately 30 TPD. The Company has prepared break even projections based on a gold price of US\$1,250, NRM of 35%, and recoverable grade of 0.75 oz/tonne.

Peru Election Update

The recent presidential elections in Peru resulted in a leadership change with Pedro Pablo Kuczynski coming to power. His position is very supportive of the small scale mining sector. President elect Kaczynski campaigned on a business and mining friendly platform including proposing the creation of a private mining bank that would buy gold from small-scale miners and provide financing, training and tax breaks for those who agree to formalize their concessions. The Company believes his election is positive for the small scale mineral processing sector in Peru.

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



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