



INCA ONE CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT AND RATIFIES DEBT SETTLEMENT

VANCOUVER, BC – August 26, 2016 - INCA ONE GOLD CORP. (TSX-V: IO) ("**Inca One**" or the "**Company**") is pleased to report that further to its news release dated August 16, 2016, it has closed the first tranche of its previously announced (July 8, 2016) non-brokered private placement (the "**Private Placement**") for gross proceeds of CAD\$3.25 million by the issuance of 13.0 million units (the "**Units**") at a subscription price of CAD\$0.25 per Unit. Each Unit is comprised of one common share (a "**Share**") and one full, transferable common share purchase warrant (a "**Warrant**"). Each Warrant will be exercisable to purchase an additional common share of the Issuer at an exercise price of CAD\$0.40 for a period of 36 months from the closing date and will feature an acceleration clause triggering the exercise of the warrant upon select share price metrics being achieved. The Company also intends to close the final tranche of the Private Placement shortly.

Insiders of the Company have subscribed for 2.9 million Units under the Private Placement. The issuance of Units to insiders pursuant to the Private Placement (the "**Insider Participation**") will be considered to be a related party transaction within the meaning of TSX Venture Exchange (the "**TSXV**") Policy 5.9 and Multilateral Instrument 61-101 ("**MI 61-101**"). The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of any Insider Participation.

Cash finder's fees of 8% of the gross proceeds were paid on a portion of the Private Placement. The Company will also issue 8% finders warrants to eligible finders in connection with this placement. The net proceeds from the Private Placement will be used for purchases of mineral, inventory supplies and materials, select debt repayments, and for general working capital purposes, as applicable. All securities issued pursuant to the Private Placement are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

The securities described herein have not been registered under the U.S. Securities Act of 1933, as amended, and will not be offered or sold in the United States unless registered under the Act or unless an exemption from registration is available.

Debt Restructuring and Settlement

In addition, the Company is also pleased to announce that it has received approval by the TSXV for the required settlement agreements with its debtholders (the "**Debt Settlement**") as previously announced in the press releases dated April 19, 2016, and July 8, 2016.



The Debt Settlement addresses CAD\$13.7 million of the Company's long and short term debt and related unpaid interest (the "Debts") which converted as follows: i) CAD\$8.0 million was settled into 20.3 million common shares plus 9.2 million warrants, of which 6.9 million common shares plus 5.9 million warrants was settled to insiders; ii) CAD\$3.8 million was settled into interest bearing debenture agreements with deferred payment terms or non-interest bearing repayment notes; iii) CAD\$1.8 million was settled into a combination of warrant deposits and contingent debt; and iv) 1.1 million warrants were issued to select parties relating to the warrant deposit and certain other settlement requirements, (collectively, the "Restructuring"). In total, 20.3 million common shares and 10.3 million common share purchase warrants, of which 9.1 million have a 3 year term and \$0.40 exercise price, 0.3 million have a 12 month term and a \$0.45 exercise price, and 0.8 million have a 3 year term and a \$0.85 exercise price, were issued on settlement of these Debts.

The Restructuring will not result in the creation of a new "Control Person", but will result in the creation of a new Insider.

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,

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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. Except as required by law, the Company does not intend to update any changes to such statements.

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.