## INCA ONE GOLD CORP. REPORTS THIRD QUARTER FISCAL 2017 RESULTS AND OPERATIONAL HIGHLIGHTS

**VANCOUVER, BC - April 4, 2017 - INCA ONE GOLD CORP.** (**TSXV: IO, Frankfurt: SU9.F, SSEV: IOCL**) ("**Inca One**" or the "**Company**") reports its interim consolidated financial statements for the third quarter ended January 31, 2017 ("**Q3 2017**") and the accompanying management's discussion and analysis ("**MD&A**"). All figures in this press release are in Canadian dollars unless stated otherwise. These documents have been filed electronically with SEDAR and will be available on the Company's website.

### Restructuring Enacted in Q2 2017

During Q2 2017 the Company enacted a comprehensive capital restructuring (the "**Restructuring**") which negotiated approximately $13.5 million of the Company's long and short term debt into 20.3 million common shares, 10.7 million warrants, and approximately $4.6 million debt and warrant liabilities of which approximately $1.7 million was repaid during the nine months ended Q3 2017. Concurrently the Company also raised approximately $6.3 million in gross proceeds from two tranches of a private placement. These proceeds were used in priority towards working capital to ramp-up operations at the Chala One SAC plant (the "**Chala Plant**") as well as certain settlement payments.

### Q3 2017 Operational Highlights

- Mineral purchases were 6,459 tonnes in Q3 2017 as compared with 3,522 tonnes in Q3 2016, an increase of 83%.
- Mineral processed was 7,298 tonnes in Q3 2017 as compared with 3,853 tonnes in Q3 2016, an increase of 89%, including an all-time company high of 2,985 tonnes in December 2016.
- Average grade of gold processed was 0.50 ounces/tonne in Q3 2017 as compared to 0.60 ounces/tonne in Q3 2016, a decrease of 17.4%.
- Gold production was 3,149 ounces in Q3 2017, compared with 2,015 ounces in Q3 2016, an increase of 56%.
- Sales of approximately $5.1 million were achieved in Q3 2017, compared with $3.1 million in the same quarter in Q3 2016, an increase of 63%.
- Daily throughput averaged 79.3 tonnes per day ("TPD") in Q3 2017, as compared to 45.1 TPD in Q3 2016, an increase of 76%.
- In December 2016, the Chala Plant operated successfully in excess of 100 TPD for approximately 20 days including throughput up to 130 TPD (to compensate for lower production days, as applicable).
- As at January 31, 2017, there were approximately 181 ounces of finished goods gold inventory, 180 ounces of gold in process inventory, and 165 ounces of gold in 230 tonnes of stockpiled material.

### Post-Restructuring Highlights - Q2 2017 and Q3 2017

For analysis purposes the post-Restructuring period began in Q2 2017. Analysis below includes results of Q3 2017 and Q2 2017 combined which is a critical component to evaluate the post-Restructuring performance of the Company.

On a post-Restructuring basis (Q3 2017 and Q2 2017 combined) the Company had gold and silver sales of $7,494,745 with total cost of goods sold of $7,475,474 resulting in a gross margin of $19,271. This post-Restructuring period processed approximately 10,368 tonnes of mineral with an average gold grade of 0.49 ounces/tonne at an average daily processing volume of 65.7 TPD.

| **Quarter over Quarter highlights** | **Q3 2017** | **Q2 2017** | **Q1 2017** | **Variance % Q3 to Q2** | **Variance % Q2 to Q1** |
|---|---|---|---|---|---|
| Tonnes processed in COGS (t) | 6,970 | 2,860 | 2,399 | 143.8% | 19.2% |
| Tonnes processed in period (t) | 7,298 | 3,070 | 2,370 | 137.8% | 29.5% |
| Average daily processing volume (t) | 79.3 | 33.4 | 25.8 | 137.8% | 29.5% |
| Mineral grade processed (oz/t gold) | 0.50 | 0.46 | 0.51 | 6.8% | (8.9%) |
| Gold sold (equivalent) (oz) | 3,208 | 1,399 | 1,256 | 129.2% | 11.4% |
| Gold sold (oz) | 3,149 | 1,367 | 1,227 | 130.3% | 11.5% |
| Silver sold (oz) | 4,119 | 2,256 | 2,173 | 82.6% | 3.8% |
| Sales revenue ($) | 5,056,691 | 2,438,054 | 2,075,562 | 107.4% | 17.5% |
| Cost of goods sold (“COGS”) ($) | 5,594,639 | 1,880,835 | 2,394,169 | 197.5% | (21.4%) |
| Gross operating margin (deficit) ($) | (537,948) | 557,219 | (318,607) | (196.5%) | (274.9%) |
| Revenue per tonne ($) | 725 | 853 | 865 | (14.9%) | (1.5%) |
| Cost per tonne ($) | 803 | 658 | 998 | 22.0% | (34.1%) |
| Gross margin per tonne ($) | (77) | 195 | (133) | (139.5%) | (246.6%) |
| Average gold price per oz sold ($) | 1,576 | 1,742 | 1,652 | (9.5%) | 5.4% |
| Cost per oz sold ($) | 1,744 | 1,344 | 1,906 | 24.1% | (25.8%) |
| Gross margin per oz sold ($) | (168) | 398 | (254) | (142.2%) | (256.7%) |
| Average London Close price ($) | 1,593 | 1,721 | 1,674 | (7.4%) | 2.8% |
| Average London Close price ($USD) | 1,196 | 1,312 | 1,291 | (8.8%) | 1.6% |

**Results of Operations – Q3 2017 compared to Q3 2016**

Revenue for Q3 2017 was $5,056,691 and cost of goods sold was $5,594,639 resulting in a gross deficit of $537,948. Comparable revenues for Q3 2016 were $3,105,726 and cost of goods sold was $3,710,062 resulting in a gross deficit of $604,336. The primary reason for the deficit in Q3 2017 is due to the Company incurring one-time post-Restructuring ramp up costs including required maintenance on the Chala Plant, re-establishing the mineral purchase team and purchase zones, and certain December accruals relating to prior periods.

During Q3 2017, the Company reported a net loss of $2,211,970, a decrease from the net loss of $2,656,596 during Q3 2016, primarily as a result of cost cutting measures. The most significant components of the loss were (in addition to the gross operating deficit of $537,948), a net restructuring loss of $524,490, management fees and salaries of $373,939; office, rent, utilities, insurance and other of $171,596, and finance costs of $293,735.

The Company recorded a net restructuring deficit of $524,490 composed of restructuring costs of $207,665, amortized marketing restructuring costs of $322,929. There were no restructuring costs in the comparable period.

Management fees and salaries during Q3 2017 decreased by $177,369 to $373,939 compared to $551,308 during Q3 2016, primarily due to cost cutting measures in fiscal 2017.

Finance costs during Q3 2017 decreased by $266,518 to $293,735 compared to $560,253 during Q3 2016 primarily due to significantly lower debt and interest post-Restructuring.

Commenting on the Company's performance, Chief Financial Officer Oliver Foeste said, "2016 was a highly transitional year for Inca One with the comprehensive balance sheet Restructuring and refinancing which enabled the Company to begin its operational ramp up plan for Chala One beginning in Q2 2017. The benefits of the Restructuring were not fully realized by the Company during Q3 2017 as the Company incurred many ramp-up costs while production levels were gradually increasing. Overall we have been very pleased with our Peruvian team's progress, and that we realized a positive gross margin at an average daily processing volume of 66 TPD over the post-Restructuring period. We plan to focus on continued improvement to our bottom line and operational effectiveness in the coming quarters."

**Beneficial Permit Received at Chala Plant**

During the three months ended January 31, 2017, the final permitting steps were completed to attain the beneficial permit at the Chala Plant and transfer of the beneficial permit to the control of the Company was enacted during this time. As part of the terms of the original purchase agreement for the Chala Plant, Inca One had an agreement between its wholly owned subsidiary, Chala One, 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. With completion of the beneficial permit allowing 100 TPD production capacity, the Company will be proceeding with the application of commercial permits to incrementally increase capacity up to 350 TPD. The Chala Plant currently sits on 21 hectares of land, and has ample room for plant expansion.

**About Inca One**

Inca One is a Canadian-based mineral processing company. The Company's activities consist of the production of gold and silver from the processing of purchased minerals located in Peru. Peru is the 6th largest producer of gold in the world and the Peruvian government estimates the small scale mining sector accounts for a significant portion of all Peruvian gold production, to be valued at approximately US$3 billion annually. The Company purchases its minerals from government registered small-scale mining producers from various regions and processes it at its Chala One milling facility located in Chala, Southern Peru.

**On behalf of the Board,**

Edward Kelly,
President and CEO
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