



May 20, 2014

TSXV: IO

## **Inca One Announces \$5,500,000 in Debt Financing, Secures First Right of Refusal for additional \$15,000,000**

**Vancouver, B.C., May 20, 2014 – INCA ONE RESOURCES CORP. (TSX-V:IO) (“Inca One” or the “Company”)** is pleased to announce a non-brokered private placement (the **“Bond Financing”**) of bonds (the **“Bonds”**) in the amount of \$5,500,000.

In addition, the subscriber of Financings has the first right of refusal to purchase up to \$15,000,000 in future debt or equity financings of the Company.

### **Highlights of the Financing include the following:**

- Funds to increase throughput at Chala by 400%
- Completion expected by Q4 2014
- Secures first right for additional \$15,000,000 in equity or debt financing

The net proceeds of the Financing will be used to expand milling operations and increase throughput at the Chala mill to 100 TPD by Q4 2014, an increase of 400%. The funding covers inventory ore purchase, plant upgrades, sustaining capital plus general and administrative expenses. Construction and upgrades will continue after the Financing close.

“This Financing enables Inca One to make the necessary mill improvements to rapidly increase production and cash flow, with minimal dilution to our shareholders and very manageable repayment,” said Edward Kelly, President and CEO of the Company. “We are very pleased to have sourced financial partners that share in our vision of growth and opportunity in Peru. We are thankful for the support of the Peruvian Government, and will continue to work closely with them and lead by example during this formalization process of small-scale mining and milling operations”.

### **Bond Financing**

The Company’s wholly-owned subsidiary, (the **“Subsidiary”**) will issue a three year bond (the **“Bond”**) in the amount of \$5,500,000 in connection with the Bond Financing. The Bond will bear interest at a rate of 10% per annum, calculated and payable quarterly in arrears commencing no later than six months from the date of issue. The Bonds will be issued in two tranches, with \$2,700,000 issuable at the initial closing and \$2,800,000 issuable at the subsequent closing, which is expected to close on June 30, 2014.



In connection with the Bond Financing and as partial consideration for the subscription by the purchaser of the Bonds, the Company and the purchaser will enter into a financing fee agreement whereby the Company and the Subsidiary will provide the purchaser a 3.5% financing fee on the net revenues from the Company's Chala mill in Peru. The term of the financing fee agreement expires on December 31, 2024 and may be extended for a maximum of ten years, subject to certain adjustments and a right of repurchase in favour of the Subsidiary. The Subsidiary's obligations under the Bond Financing will also be secured by a general security agreement over the Subsidiary's property, which will be guaranteed by the Company.

A finder's fee of 8% of the gross proceeds of the Bond Financing will be payable in cash by the Company to SC Strategy Consult AG (the "**Finder**"). The Company will also issue to the Finder that number of finder's warrants equal to 8% of the Bond Proceeds, divided by the exercise price of \$0.15.

Closing of the Bond Financing is subject to the execution of definitive transaction documents and the approval of the TSX Venture Exchange (the "Exchange").

### **About Inca One Resources Corp**

Inca One is a Canadian-based mineral resource company and ore processing company with a gold milling facility in Peru, servicing government-permitted small-scale miners. A highly mineral-rich country, Peru 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 ore (such as the Company's Chala mill).

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

INCA ONE RESOURCES CORP.

Edward Kelly  
President & CEO

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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.**

**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.**