



MANAGEMENT DISCUSSION AND ANALYSIS

For the Years Ended April 30, 2021 and 2020

Report Dated August 20, 2021

INCA ONE GOLD CORP.

Management Discussion & Analysis

For the Years Ended April 30, 2021, and 2020

This Management’s Discussion and Analysis (“MD&A”) of Inca One Gold Corp. (the “Company” or “Inca One”) has been prepared by management as of August 20, 2021 and should be read in conjunction with the Company’s audited consolidated financial statements for the years ended April 30, 2021 and 2020 and the related notes thereto. This MD&A has been reviewed and approved by the Board of Directors of the Company. Unless otherwise specified, all financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. All dollar amounts herein are expressed in United States Dollars unless stated otherwise. References to CAD\$ are to Canadian Dollars.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in “**Risks and Uncertainties**” and “**Cautionary Statement on Forward-Looking Information**” at the end of this MD&A.

Description of the Business

Inca One was incorporated on November 9, 2005 and is in the business of developing custom mineral processing operations in Peru, to service government permitted small-scale miners. In recent years the Peruvian government instituted a formalization process for informal miners as part of its efforts to regulate their activities. The Company, has two Peruvian gold milling facilities ("Chala One" and "Kori One") with a total permitted capacity of 450 tonnes per day (“TPD”) and has been in commercial production since 2015. The Company purchases high-grade gold mill feed from legally recognized Peruvian small-scale miners and processes the material for the export and sale of gold doré and refined gold.

Inca One is listed on the TSX Venture Exchange (the “TSX-V”) under the symbol “INCA”, on the OTCQB Exchange under the symbol “INCAF”, on the Frankfurt Stock Exchange under the symbol “SU9.F”, and the Santiago Stock Exchange Venture under the symbol “IOCL”.

Inca One’s vision is to become the largest, undisputed high-grade gold ore processor of choice in Peru, while maintaining its uncompromising guiding principles while it grows. This vision will be achieved through:

- Continuing to increase purchases of high-grade gold mill feed;
- The acquisition and development of mineral concessions that could be mined by contract miners and that would provide long-term supply to Chala One and Kori One; and
- Pursuing growth via merger and acquisition, including additional mineral processing operations.

Key Period Definitions (used below)

- three months ended April 30 2021 (“**the Quarter**” or “**Q4 2021**”)
- three months ended January 31 2021 (“**Q3 2021**”);
- three months ended October 31 2020 (“**Q2 2021**”);
- three months ended July 31, 2020 (“**Q1 2021**”);
- three months ended April 30, 2020 (“**Q4 2020**”);
- year ended April 30, 2021 (“**YE 2021**”); and
- year ended April 30, 2020 (“**YE 2020**”)

INCA ONE GOLD CORP.

Management Discussion & Analysis

For the Years Ended April 30, 2021, and 2020

YE 2021 Highlights and Key Business Developments

- During March 2021, the Company arranged a \$2.50 million gold loan from OCIM Precious Metals SA (“OCIM”). Net proceeds of \$2.45 million were received on March 26, 2021. The term of the facility was 135 days and will be paid in gold bullion.
- Invested in infrastructure and established safety protocols to comply with Peruvian healthy standards issued to minimize the spread of Covid 19.
- Restructured its contractual liability with Equinox Gold Corp. to extend the payment dates of its CAD\$7.95 million non-interest bearing secured promissory note from three to five years.
- Received proceeds of approximately CAD\$2.2 million from the exercise of warrants and options.
- In September 2020, the Company opened its direct to consumer gold bullion store for pre-orders of its inaugural Peruvian themed one ounce gold coins.
- During July 2020, the Company launched its XplorTracker project aimed at advancing its mineral buying and securing future supply of gold bearing mineral for processing.
- During the YE 2021, the Company processed 31,657 tonnes (YE 2020 – 44,227), an average 87 TPD (YE 2020 – 122 TPD) and had gold production of 15,400 ounces (YE 2020 – 21,748 ounces).
- Gold sales during YE 2021 totaled 16,315 ounces, which represents a decrease of 4,753 ounces compared to 21,068 ounces sold in YE 2020. Total revenues for YE 2021 were \$30.3 million, a decrease of \$1.1 million when compared to YE 2020 of \$31.4 million.

Subsequent to YE 2021

- In May 2021, the Company received gross proceeds of CAD \$0.6 million from a private placement of 1,533,645 units at a subscription price of CAD\$ 0.40 per unit. Each unit comprised one common share of the Company and one transferable common share purchase warrant, which will entitle the holder to purchase an additional share of the Company at an exercise price of CAD \$0.60 for a period of 36 months from the closing date.
- In August 2021, the Company arranged a \$9 million gold pre-payment facility (the “Facility”) from OCIM. Net proceeds of the Facility’s first tranche was for approximately \$5.95 million, of which \$4.6 million will be used to purchase gold mill feed, and \$1.35 million will be used for the repayment of a secured debenture. The term of the Facility is for 18 months and will be paid in gold bullion. Once 50% of the gold bullion is repaid to OCIM, the Company has the option to drawdown, an additional \$3 million, which will be payable in gold bullion over an additional 18 months.

INCA ONE GOLD CORP.

Management Discussion & Analysis

For the Years Ended April 30, 2021, and 2020

• Operational Highlights - Consolidated

Quarter over Quarter highlights	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Variance % Q4 2021 to Q3 2021	Variance % Q4 2021 to Q4 2020
Tonnes processed in period (t)	8,019	10,822	9,239	3,576	7,658	(25.9%)	4.7%
Average daily processing volume (t)	90	118	100	39	85	(23.7%)	5.9%
Mineral grade processed (oz/t gold)	0.49	0.51	0.54	0.51	0.68	(3.9%)	(27.9%)
Gold production (oz)	3,606	5,086	4,998	1,710	4,815	(29.1%)	(25.1%)
Gold sold (equivalent oz) ⁽¹⁾	5,101	5,206	2,595	3,771	3,496	(2.0%)	45.9%
Gold sold (oz)	4,977	5,059	2,555	3,724	3,442	(1.6%)	44.6%
Silver sold (oz)	8,420	11,163	3,068	4,794	5,043	(24.6%)	67.0%
Sales Revenue (\$ millions)	9.01	9.80	5.02	6.56	5.62	(8.1%)	60.3%
Cost of goods sold ("COGS") (\$ millions)	9.25	9.76	4.62	6.44	5.14	(5.3%)	79.9%
Gross operating margin (deficit) (\$ millions)	(0.23)	0.04	0.40	0.12	0.48	(660.0%)	(148.5%)
Gross operating margin %	(2.6%)	0.4%	7.9%	1.8%	8.6%	(709.2%)	(130.3%)
Revenue per tonne ⁽²⁾ (\$)	931	835	1,117	1,068	979	11.5%	(4.9%)
Cost per tonne ⁽²⁾ (\$)	955	831	1,029	1,048	895	14.9%	6.8%
Gross margin per tonne ⁽²⁾ (\$)	(24)	4	88	20	84	(700.0%)	(128.6%)
Average gold (equivalent) price per oz sold (\$)	1,767	1,883	1,933	1,739	1,608	(6.2%)	9.9%
Cost per oz sold (\$)	1,813	1,875	1,781	1,707	1,470	(3.3%)	23.3%
Gross margin per oz sold (\$)	(46)	8	152	32	138	(675.0%)	(133.3%)
Average London Close price (\$)	1,761	1,862	1,929	1,767	1,623	(5.5%)	8.5%

(1) Actual ounces of gold sold plus an estimate of the equivalent ounces of gold that could be purchased for the equivalent number of silver ounces sold.

(2) Calculated as the total of either sales revenue, cost of goods sold or gross operating margin (deficit) divided by the quantity of tonnes used in the production of the corresponding gold sold.

(3) Calculated as the total of either sales revenue, cost of goods sold or gross operating margin (deficit) divided by the quantity of gold sold (equivalent oz).

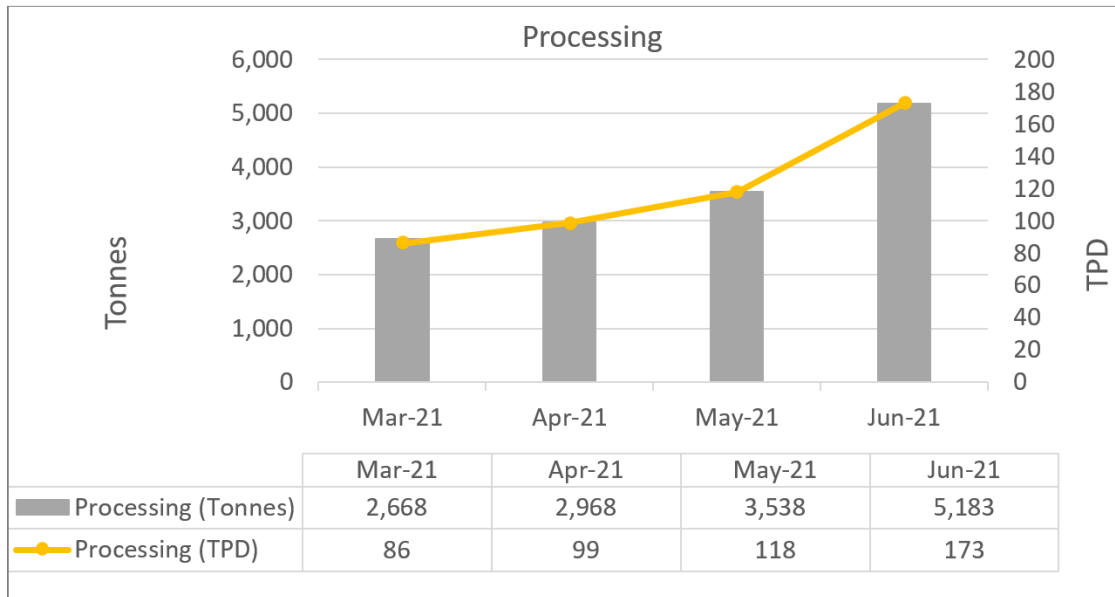
The Company has included certain non-IFRS measures in this MD&A. The Company believes that these measures, in addition to measures prepared in accordance with IFRS, provide readers an improved ability to evaluate the underlying performance of the Company and to compare it to information reported by other companies. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures presented by other issuers.

INCA ONE GOLD CORP.

Management Discussion & Analysis
For the Years Ended April 30, 2021, and 2020

Future Outlook

In March 2021, the Company received a \$2.5 million gold pre-payment facility from OCIM Precious Metals SA. The net proceeds of \$2.45 million were successfully used to increase gold mill feed purchasing and production, as evidenced by the ramp-up of production in March 2021 from 86 TPD to 173 TPD in June 2021.



With the first OCIM gold pre-payment facility now fully repaid, the Company has entered into a second Facility with OCIM for a total of \$9 million. Net proceeds of the Facility’s first tranche was for approximately \$5.95 million, of which \$4.6 million will be used to purchase gold mill feed, and \$1.35 million will be used for the repayment of a secured debenture. The term of the Facility is for 18 months and will be paid in gold bullion. Once 50% of the gold bullion is repaid to OCIM, the Company has the option to drawdown, an additional \$3 million, which will be payable in gold bullion over an additional 18 months.

The Company believes that it has proven that with additional working capital, the supply of gold mill feed is very robust. The second OCIM Facility will allow the Company to capitalize on the 2020 expansion of the small-scale mining industry in Peru, which saw the number of formally organized Artisanal Small Scale Miners (“ASM’s”) increase by 64%, from approximately 54,300 ASM’s to 88,900 ASM’s. This was a positive increase for the custom mineral processing business and confirms that due to the higher gold prices since Covid-19 started early in 2020 that supply should continue to increase for the foreseeable future. The Peruvian Ministry of Energy and Mines (“MEM”) reopened the formalization during 2020, to allow unregistered small-scale miners an opportunity to formalize their businesses. The formalization process requires ASM’s to register with the MEM, demonstrate their compliance with environmental and safety regulations and remit taxes on sales of extracted minerals.

These additional miners will require custom milling services from excess processing capacity such as at Inca One's two facilities, Chala One and Kori One, to buy and process their raw material. As a result of this significant growth of the small-scale mining market there are now more legal miners available for Inca One to

INCA ONE GOLD CORP.

Management Discussion & Analysis

For the Years Ended April 30, 2021, and 2020

expand its customer base and forge relationships with new customers that have achieved regulatory compliance within this program.

To capitalize on this significant increase in small-scale miners, the Company recently launched its XplorTracker (“Xplor”) project as part of a new initiative to expand gold production at Kori One and Chala One. The project is aimed at advancing its mineral buying process and securing future supplies of gold bearing mineral for processing.

Drawing on the prior six years of actively testing and buying gold bearing mineral consisting of more than 20,000 samples from across Peru, Inca One has accumulated an extensive database of samples, including grade, type, quality and concession coordinates. Furthermore, through positive and transparent business ethics and by employing best practices, Inca One has built extensive relationships with the small-scale miners throughout the country, enabling the ‘mapping’ of these mines throughout Peru. Through systematic analysis and plotting of data within Xplor, the Company will look to further engage with titleholders and ASM’s to create additional and mutually beneficial business arrangements.

In the first phase of this project, Inca One is looking to secure mineral rights for district-scale land positions within the Peruvian Gold Belts (PGB) by analyzing the results from the small-scale miners that are actively mining gold and currently bringing their mineral to either the Kori One or Chala One plants. Peru is famous for these gold belts and the three dominant PGB’s that contribute to Peru’s gold production stretch from over a few hundred kilometres in length up to 1,700 km. Peru has been actively mining for several centuries, is the largest Latin American gold producer and was ranked the 6th largest gold producer in the world for 2018. Once these mineral rights are secured by Inca One, the Company will carry out limited exploration programs to determine suitable projects that can be optioned out for future work programs and ultimately define economic gold resources on these gold properties.

The Company’s objective with this program is to deploy strategies that will allow for the direct purchase, investment, or other partnership arrangements to help advance these mining projects or concessions. Additional opportunities for Inca One may be to act as a facilitator assisting in the formalization of miners or titleholders and their environmental improvements and geological information. The end goal with Xplor will be to guarantee additional future supplies of mineral to Inca One processing facilities fueling the Company’s growth.

The Company continues to develop its corporate social responsibility initiatives by working with the communities around these small-scale mining areas to provide masks, cleaning supplies and assisting with education about Covid-19 protocols in order to build support with those that control the roads and transportation.

The Company recently completed a number of updates to its processing facilities. At Chala One, a new smelting furnace and desorption cells were installed. At Kori One, new gear motors, a carbon pumping system and increased water storage capacity were installed, in anticipation of increased supply and processing requirements.

The Company continues to take orders from its online bullion store, providing collectors and investors an opportunity to purchase gold directly from the Company.

Upon the onset of the global pandemic, Inca One recognized the immediate need for precious metal investors to access and purchase gold and silver bullion. As a result, the Company views this as an ideal opportunity to

INCA ONE GOLD CORP.

Management Discussion & Analysis
For the Years Ended April 30, 2021, and 2020

begin selling its gold and silver directly to the retail bullion investor. The Company's bullion store is initially offering 1-ounce gold coins and will add additional products, including silver options in the future.

The Company is one of only a handful of public issuers to offer their own production in the form of gold coins. The bullion will exclusively be made available through Inca One's online bullion store. The Company will distribute its specialized, inaugural coins in a streamlined and user-friendly experience with worldwide shipping and order tracking.

The Company continues to comply with the Peruvian Government's COVID-19 requirements. The Company's health and safety protocols and plans related to COVID-19 have been approved by the Minister of Health and are operating effectively. The Company has implemented standard operating procedures to control the spread of the virus and maintain the health and safety of its employees, suppliers and customers.

Inca One has proven its ability over the years to adapt to evolving regulatory environments, meet COVID-19 related challenges and build a diversified framework for success across multiple strategic channels while expanding into key mining regions. Reduced levels of production due to COVID-19 has allowed management to focus and execute on strategic planning, which has been used to establish relationships with new mining partners, that should translate into increased future revenue and profitability. The Company has confidently developed industry leading compliance, expanding operations with the production of premium gold finished products and has built an exceptional team of proven and experienced professionals focused on dramatically scaling operations in 2021 and beyond.

Selected Quarterly and Annual Information

The following selected financial data with respect to the Company's financial condition and results of operations has been derived from the audited consolidated financial statements of the Company for the years ended April 30, 2021, 2020 and 2019 as applicable. The selected financial data should be read in conjunction with those financial statements and the notes thereto.

	Years Ended April 30,		
	2021	2020	2019
	\$	\$	\$
Revenue	30,391,226	31,392,930	34,573,628
Cost of goods sold	(30,069,054)	(31,591,559)	(32,279,248)
Gross margin (deficit)	322,172	(196,629)	2,294,380
Finance and other income (expense), net	(1,226,360)	(1,463,465)	(753,320)
Net loss for the year	(3,248,571)	(4,236,473)	(84,491)
Net income (loss) per share (basic and diluted)	(0.10)	(0.16)	(0.00) ⁽¹⁾
Other comprehensive income (loss)	(4,141,556)	(4,014,914)	(67,908)

⁽¹⁾ Calculated to reflect the basic gain (loss) per share on a post consolidated basis.

INCA ONE GOLD CORP.

Management Discussion & Analysis
For the Years Ended April 30, 2021, and 2020

	Years Ended April 30,		
	2021	2020	2019
	\$	\$	\$
Total assets	19,529,303	22,508,395	24,057,897
Total current liabilities	7,719,647	11,686,029	7,982,730
Total long term liabilities	7,633,147	5,300,277	7,091,690

The following table sets out selected quarterly financial data from the Company's unaudited quarterly financial statements for the last eight quarters.

Quarter ended	Working capital (deficiency)	Total assets	Long term liabilities	Net income (loss)	Basic gain (loss) per share ⁽¹⁾
	\$	\$	\$	\$	\$
April 30, 2021	911,830	19,529,303	7,633,147	(1,722,945)	(0.05)
January 31, 2021	2,265,520	20,639,037	7,305,950	(1,219,841)	(0.03)
October 31, 2020	2,736,714	21,248,803	6,942,183	(972,020)	(0.03)
July 31, 2020	4,487,963	19,272,556	7,961,570	666,235	0.02
April 30, 2020	(740,443)	22,508,395	5,300,277	(632,912)	(0.02)
January 31, 2020	(2,108,292)	18,867,357	4,467,411	(726,634)	(0.03)
October 31, 2019	(1,835,724)	20,442,144	4,415,066	(1,437,625)	(0.05)
July 31, 2019	2,259,771	24,175,991	7,344,978	(1,439,302)	(0.05)

(1) Basic gain (loss) per share previous to January 31, 2020 have been recalculated on a post consolidated basis.

Results of Operations

Three months ended April 30, 2021 compared to three months ended April 30, 2020

Revenue for Q4 2021 was \$9.01 million (Q4 2020 - \$5.62 million), and cost of goods sold was \$9.25 million (Q4 2020 - \$5.14 million) resulting in a gross operating deficit of \$0.23 million (Q4 2020 - gross operating margin of \$0.48 million).

During Q4 2021, the Company reported net loss of \$1.72 million, an increase in net loss of \$1.09 million compared to net losses of \$0.63 million during Q4 2020. The increase in net loss is a result of a decrease of \$0.72 million of gross operating margin, an increase of \$0.26 million in finance costs and the combined effect of an increase in business development expenses \$0.07 million net of a decrease in restructuring gains of \$0.14 million and a decrease of impairment expense of \$0.17 million.

Year ended April 30, 2021 compared to April 30, 2020

Revenue for YE 2021 was \$30.39 million (YE 2020 - \$31.39 million), and cost of goods sold was \$30.07 million (YE 2020 - \$31.59 million) resulting in a gross operating margin of \$0.32 million (YE 2020 - gross operating deficit of \$0.20 million). The gross operating margin increased mainly due to efficiencies in the production process implemented during YE 2021 and improved purchasing conditions.

INCA ONE GOLD CORP.

Management Discussion & Analysis

For the Years Ended April 30, 2021, and 2020

During YE 2021, the Company reported a net loss of \$3.25 million, a decrease in the net loss of \$0.99 million compared to a net loss of \$4.24 million during YE 2020. The decrease in net loss is mainly attributable to an increase in the operating margin by \$0.52 million, the restructuring gain of \$1.39 million and then offset by an increase in corporate and administrative expenses of \$0.96 million.

Corporate and administrative expense increased by \$0.96 million, which is mainly explained due to the increase of advertising and corporate development expenses of \$0.69 million and an increase in share-based payments by \$0.21 million.

Liquidity and Capital Resources

As at April 30, 2021, the Company financed its operations and met its capital requirements primarily through the re-investment of operational cash flows from the Chala One and the Kori One plants.

The Company had cash of \$1.96 million at April 30, 2021, representing a decrease of \$1.78 million compared to cash of \$3.74 million as at April 30, 2020 and working capital of \$0.91 million at April 30, 2021 representing an increase of \$1.65 million when compared to a working capital deficiency of \$0.74 million as at April 30, 2020.

The increase in the working capital is mainly attributable to the combined effect of:

- the restructuring of payment terms for the contractual liabilities payable to Equinox, which resulted in approximately \$4.37 million moving from current to long-term contractual liabilities and offset by a \$1.12 million secured debenture that became current in Q2 2021.
- the exercise of 6.54 million share options and warrants for proceeds of approximately \$1.90 million.
- offset by the acquisition of property plant and equipment of \$0.64 million
- offset by the loss in fair value of derivatives for \$0.16 million, and
- offset by a cash loss from operations and finance costs of approximately \$2.36 million

Management intends to continue funding operations, administration, debt and debt service costs and any capital requirements with the proceeds of the sale of gold doré and refined gold from the Company's Chala One and Kori One plants and with the proceeds from the gold Facility. Where required and depending on the strength of the junior resource markets, the Company will continue to be dependent on its capital resources to cover any deficiencies in working capital.

Restructuring of the Contractual Liabilities Payable to Equinox

Effective July 31, 2020, Equinox agreed to amend the payment dates of its non-interest bearing secured promissory note. As follows:

	Amount (CAD\$)	Original payment dates	Amended payment dates
First Installment	\$1.45 million	August 20, 2019	August 20, 2023
Second Installment	\$2.5 million	August 20, 2020	August 20, 2024
Cash Only Installment	\$1.5 million	August 20, 2020	August 20, 2022
Third Installment	\$2.5 million	August 20, 2021	August 20, 2025
	\$7.95 million		

INCA ONE GOLD CORP.

Management Discussion & Analysis
For the Years Ended April 30, 2021, and 2020

Equinox also agreed to extend the payment date for approximately US\$0.7 million related to a working capital loan, from August 20, 2021 to August 20, 2023.

The result of this restructuring with Equinox, is as follows:

- increase in working capital by approximately \$4.37 million due to the extension of the payment dates causing the current contractual liability to be reclassified as long-term debt.
- the accounting treatment for the change in this liability caused the recognition of a gain of approximately \$1.54 million as result of the difference between the estimated fair value of the liability using the previous payment dates (\$6.30 million) and the estimated fair value using the new payment dates (\$4.76 million).

Gold loan agreements

During March 2021, the Company arranged a \$2.5 million gold prepayment facility with OCIM. Net proceeds of \$2.45 million were used to purchase gold mill feed. In line with the terms of the gold prepayment facility, the Company made the required payments and subsequent to YE 2021 made the final payment.

In August 2021, the Company arranged a \$9 million gold pre-payment Facility from OCIM. Net proceeds of the Facility's first tranche was for approximately \$5.95 million, of which \$4.6 million will be used to purchase gold mill feed and \$1.35 million will be used for the repayment of a secured debenture. The term of the Facility is for 18 months and will be paid in gold bullion. Once 50% of the gold bullion is repaid to OCIM, the Company has the option to drawdown, an additional \$3 million, which will be payable in gold bullion over an additional 18 months.

Share Issuances

- During the year ended April 30, 2021, 6,542,170 common shares were issued for proceeds of \$1.4 million on the exercise of 5,079,114 warrants at an average price of CAD\$0.37 per share and \$0.5 million on the exercise of 1,463,056 stock option at an average of CAD\$0.43 per share.
- On July 31, 2020, the Company issued 1,187,333 common shares at CAD\$0.65 as partial payment of its note payable to Equinox.

Summary of Outstanding Share Data

As at the date of this MD&A, the Company had 37,037,228 common shares issued and outstanding, 3,359,546 share-based options (with exercise prices ranging between CAD\$0.19 to CAD\$1.00) and 2,402,388 warrants outstanding (with exercise prices ranging between CAD\$0.18 and CAD\$1.00 per share). The fully diluted shares outstanding at the date of this MD&A is 42,799,162.

INCA ONE GOLD CORP.

Management Discussion & Analysis
For the Years Ended April 30, 2021, and 2020

Transactions with Related Parties

(a) Related Party Transactions

The Company's related parties consist of the Company's directors, officers and companies associated with these individuals including the following:

- A company owned by Edward Kelly, the Company's CEO (also a director).
- A company owned by Mark Wright, the Company's VP Operations & New Projects.

The following expenditures were charged by related parties during the years ended April 30, 2021 and 2020:

	Years Ended April 30,	
	2021	2020
	\$	\$
Management, salaries and consulting fees	573,077	386,506
Director fees	51,956	28,432
Business development	148,991	-
Share-based payments	248,567	71,243
	1,022,591	486,181

Management fees were paid to companies controlled by the CEO and VP Operations & New Projects.

(b) Compensation of Key Management Personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and includes the Directors, CEO, CFO, and VP Operations & New Projects. Compensation in respect of services provided by key management consists of consulting and management fees paid to companies controlled by the CEO and VP Operations & New Projects and by the issue of options. The compensation for key management personnel paid as management were for the years ended April 30, 2021 and 2020 as follows:

	Years Ended April 30,	
	2021	2020
	\$	\$
Management fees	336,219	236,861
Salaries	236,858	149,645
Business development	22,000	-
Share-based payments	180,776	46,128
	775,853	432,634

INCA ONE GOLD CORP.

Management Discussion & Analysis

For the Years Ended April 30, 2021, and 2020

(c) Related Party Balances

All related party balances payable, including for business expenses reimbursements, annual bonuses are approved by the board of directors, and for services rendered as at April 30, 2021 are non-interest bearing and payable on demand, and are comprised of \$0.4 million (April 30, 2020 - \$0.3 million) payable to the CEO and a company controlled by the CEO, \$0.4 million (April 30, 2020 - \$0.3 million) payable to the CFO and \$0.05 million payable (April 30, 2020 - \$0.3 million payable) to the Directors or companies controlled by the Directors.

Commitments and Contingencies

In addition to the commitments in connection with the Company's financings, the Company has:

- a three-year rent agreement for its corporate office in Lima, Peru, with a monthly payment of \$3,574 and termination date on July 31, 2021, and
- a five-year rent agreement for its corporate office in Vancouver, Canada with a monthly payment of CAD\$3,768 and termination date on July 31, 2023.

As at April 30, 2021, the Company had a commitment to sell approximately 287 ounces of gold doré to third parties, which was settled subsequent to April 30, 2021 through the delivery of gold. At April 30, 2021 the Company received advances \$0.5 million in relation to this commitment and have been included as current deferred revenues in the consolidated statement of financial position.

A summary of liabilities and future operating commitments at April 30, 2021 are as follows:

	Total	Within One Year	One to Five Years	Greater than Five Years
Maturity analysis of financial liabilities	\$	\$	\$	\$
Accounts payable and accrued liabilities	2,777,453	2,777,453	-	-
Contractual liabilities payable to Equinox	5,700,320	193,177	5,507,143	-
Loans payable	2,530,716	1,557,365	973,351	-
Gold loan	2,711,652	2,711,652	-	-
	13,720,141	7,239,647	6,480,494	-
Commitments				
Office lease rental	98,832	49,882	48,950	-
Gold sale deferred revenue	480,000	480,000	-	-
Asset retirement and reclamation obligations	1,152,653	-	-	1,152,653
	1,731,485	529,882	48,950	1,152,653
	15,451,626	7,769,529	6,529,444	1,152,653

INCA ONE GOLD CORP.

Management Discussion & Analysis

For the Years Ended April 30, 2021, and 2020

Contingent Debenture

In September 2016, the Company completed a comprehensive capital restructuring by issuing a \$0.78 million contingent debenture certificate (the “Contingent Debenture”), which only becomes payable on the date that the Company achieves two production milestones including (i) achieving 300 tonnes per day mineral processing capacity in Peru, and (ii) achieving three months of 200 tonnes per day average daily production. Upon reinstatement, the Contingent Debenture will have a 12% annual interest rate paid quarterly in arrears, twelve-month term to maturity, certain early redemption features, and a general security agreement will be issued. If the performance milestones are not achieved before August 31, 2026, the Contingent Debenture will be cancelled.

As at April 30, 2021 the value of the contingent debenture was \$nil. However, the first milestone of 300 tonnes per day mineral processing capacity in Peru was achieved as result of the acquisition of Anthem.

Fair Value of Financial Instruments

As at April 30, 2021, the Company’s financial instruments consist of cash, receivables, derivative financial assets, long term receivables, accounts payable and accrued liabilities, contractual liabilities payable to Equinox, loans payable and gold loan.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement

As at April 30, 2021 and 2020, the Company believes that the carrying values of the financial instruments noted above approximate their fair values because of their nature and relatively short maturity dates or durations or their interest rates approximate market interest rates. The derivative financial asset and the gold loan have been assessed on the fair value hierarchy described above and is classified as Level 1.

Financial Instruments Risk

The Company’s financial instruments are exposed in varying degrees to a variety of financial risks. The Board approves and monitors the risk management processes:

(i) Credit risk

Credit risk exposure primarily arises with respect to the Company’s cash and receivables. The risk exposure is limited because the Company places its instruments in banks of high credit worthiness within Canada and continuously monitors the collection of other receivables.

(ii) Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company’s approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to settle obligations and liabilities when they become due. As at April 30, 2021, the Company had cash and restricted cash of \$2.1 million (April 30, 2020 - \$3.7 million) and current working capital of

INCA ONE GOLD CORP.

Management Discussion & Analysis

For the Years Ended April 30, 2021, and 2020

\$0.9 million (April 30, 2020 – working capital deficit of \$0.7 million) with total liabilities of \$15 million (April 30, 2020 - \$17 million).

A summary of the Company's future operating commitments is presented above under the Commitments and Contingencies section.

(iii) Market risk

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company invests cash in guaranteed investment certificates at fixed or floating interest rates in order to maintain liquidity while achieving a satisfactory return for shareholders. A change of 100 basis points in the interest rates would not be material to the financial statements. At April 30, 2021, the Company had no variable rate debt.

b. Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates associated with the fluctuations in its Canadian dollar and the Peruvian New Sol ("Sol") bank accounts as well as the translation of foreign-held assets and liabilities at current exchange rates.

The Company's net exposure to the Canadian dollar and Sol on financial instruments, in US dollar equivalents, is as follows:

	April 30, 2021	April 30, 2020
	\$	\$
CAD dollar:		
Cash	7,530	37,900
Receivables	24,253	23,386
Accounts payable and accrued liabilities	(541,006)	(439,474)
Secured debentures	(1,295,350)	(1,124,620)
Contractual liabilities payable to Equinox	(4,940,504)	(5,928,811)
Net assets (liabilities)	(6,745,077)	(7,431,619)
Sol:		
Cash	77,425	185,920
Receivables	1,051,824	859,798
Accounts payable and accrued liabilities	(221,412)	(601,000)
Net assets (liabilities)	907,837	444,718

INCA ONE GOLD CORP.

Management Discussion & Analysis
For the Years Ended April 30, 2021, and 2020

Assuming all other variables constant, an increase or a decrease of 10% of the Canadian dollar against the US dollar, as of April 30, 2021 would have changed the Company's net loss by approximately \$0.7 million. Assuming all other variables constant, an increase or a decrease of 10% of the Peruvian Sol against the US dollar, as of April 30, 2021 would have changed the Company's net loss by approximately \$0.1 million.

The Company had no hedging agreements in place with respect to foreign exchange rates.

c. Commodity price risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company's price risk relates primarily to: the spot price of gold for its derivative financial asset and its gold loan balances and future gold price expectations as it relates to gold-bearing mineral purchases and sales revenues. The Company continuously monitors precious metal trading prices as they are included in projections prepared to determine its future strategy.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Critical Accounting Policies, Estimates and Recent Accounting Pronouncements

The preparation of the Company's consolidated financial statements in accordance with IAS 1, *Presentation of Financial Statements*, requires management to make certain critical accounting estimates and to exercise judgment that affect the accounting policies and the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

Significant accounting judgments that management has made in the process of applying accounting policies which it considers have had the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to going concern, assessment of debt holders and their capacity to act as debt-holders, assessment of extinguishment versus modification of debt, classification and measurement of its gold loan, and assessment on its contingent debenture.

Management considers the areas currently requiring a significant degree of estimation and assumption and which have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year, to include, but not be limited to, the value attributed to share-based compensation and share-purchase warrants, fair value measurement, deferred revenue, depreciation, inventory, asset retirement and reclamation obligation, deferred taxes and contingencies that could arise from time to time.

INCA ONE GOLD CORP.

Management Discussion & Analysis

For the Years Ended April 30, 2021, and 2020

These accounting policies and estimates are further discussed in the Company's annual audited consolidated financial statements on April 30, 2021.

Changes in Accounting Standards

The Company has adopted the changes in IAS 1 – Presentation of Financial Statements (effective on January 1, 2023 - early adoption permitted) as well as the changes in IAS 16 – Property Plant and Equipment (effective January 1, 2022 - early adoption permitted) and has assessed that there is no impact on the adoption of these amendments.

Risks and Uncertainties

Mineral processing and production involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational Risks:

The Company continuously monitors and responds to changes in operational risks, such as those noted below, and seeks to adhere to all regulations governing its operations.

Mineral Supply: The Company may not be able to source sufficient mill feed to operate both the Chala One and Kori One plants economically. In particular, the Company currently sources material exclusively from third-party sources and faces a competitive marketplace for purchase of supply from Peruvian government-approved mineral sources. Consequently, the Company does not have control over the mineral grade, metallurgical recovery, nor quantities received, noting that the Company mitigates this risk by working with minimum cut-off purchase grades, providing fair terms to their customers, and sourcing material from established suppliers to ensure best efficiency and profitability of its plant operation.

Production Schedules: In relation to the mineral supply risks, no assurances can be provided that production schedules at the Chala One plant nor the Kori One plant, and the related operating margins and cash flows, are achieved, noting that failure to meet these schedules can have an adverse impact on the Company's profitability, results of operations, cash flows, and overall financial conditions.

Qualified Staff: Due to the competitive marketplace, the Company may have difficulty in hiring and retaining skilled employees and contractors to source sufficient mineral feed, operate the Chala One plant and the Kori One plant effectively (noting the diversity of mill feed received), and effectively administer the Peruvian permitting, compliance, exportation, and regulatory functions.

Regulations, Permits, and Hazards: The Company must also manage changing governmental laws and regulations, and the Company cannot guarantee title to its properties and permits. The Company must also contend with environmental hazards (including discharge of pollutants or hazardous chemicals), as well as industrial accidents and occupational and health hazards, mechanical failures, the unavailability of materials and equipment, and or lack of accessibility to required expertise.

Acquisitions: There is no assurance that the Company will acquire mineral properties and processing plants and any acquisitions may expose the Company to new risks, and the mining industry is intensely competitive for the acquisition of new properties and plants.

INCA ONE GOLD CORP.

Management Discussion & Analysis
For the Years Ended April 30, 2021, and 2020

Covid 19: The Company may suffer some impact in its operations as result of the measures that the Peruvian government can enact in other to mitigate the spread of the pandemic. Mineral supply as well as chemical reactivities used in the productions of doré bars could be significantly affected.

Financial risks:

Financial risks include commodity prices, interest rates and fluctuating foreign exchange rates, all of which are beyond the Company's control. Additional financial risks are the Company's ability to raise capital to continue funding its operations.

Regulatory risks:

Regulatory risks include the possible delays in getting regulatory approval to, and permits for, the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

Financial Instruments and Risk:

For a description of the risks faced by the Company with respect to financial instruments, see the Company's audited consolidated financial statements for the years ended April 30, 2021 and 2020.

Cautionary Statement on Forward-Looking Information

This MD&A contains forward-looking statements. All statements, other than statements of historical fact, constitute "forward-looking statements" and include any information that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including the Company's strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance.

Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. All such forward-looking information and statements are based on certain assumptions and analyses made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed, implied by or projected in the forward-looking information or statements.

Important factors that could cause actual results to differ from these forward-looking statements include but are not limited to: risks related to the exploration and potential development of the Company's projects, risks associated to international operations, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of minerals, as well as those factors discussed in the sections relating to risk factors of the Company set out in this MD&A.

INCA ONE GOLD CORP.

Management Discussion & Analysis

For the Years Ended April 30, 2021, and 2020

There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements after their date of issue, or to revise them to reflect the occurrence of future unanticipated events.

Disclosure Controls and Procedures

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the audited consolidated financial statements for the year ended April 30, 2021 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.