



## INCA ONE TO ACQUIRE CERTAIN ASSETS OF MONTAN MINING

**VANCOUVER, BC - October 29, 2015 - INCA ONE GOLD CORP.** (TSX.V: IO) (“**Inca One**”) and **MONTAN MINING CORP.** (TSX.V: MNY) (“**Montan**” or the “**Seller**”) (jointly the “**Parties**” or the “**Companies**”) along with the shareholders of GOLDSMITH RESOURCES SAC (“**Goldsmith**”), a private Peruvian company, are pleased to announce that the Companies have entered into a binding letter agreement (the “**Binding LA**”) pursuant to which Inca One has agreed to acquire certain assets of Montan. Under the terms of the Binding LA, Inca One will: (i) assume Montan’s obligations under a Share Purchase Agreement with the shareholders of Goldsmith (the “**Goldsmith Shareholders**”) for the acquisition all of the issued and outstanding shares of Goldsmith which owns the Mollehuaca Ore Processing Plant (“**Mollehuaca**”) in Peru, the mining rights for the nearby Eladium Mine and the Saulito Exploration Property in Peru (the “**Goldsmith Assets**”); (ii) acquire other select milling assets from Montan (the “**Milling Assets**”); and (iii) will be assigned prepaid marketing services from Montan (the “**Marketing Assets**”, together with the Goldsmith Assets and the Milling Assets, the “**Acquired Assets**”). In exchange for the Acquired Assets Inca One has agreed to issue 7,000,000 Inca One common shares (the “**Share Consideration**”) and pay a cash consideration of US\$354,000 due in various installments as set out in the Binding LA (the “**Montan Transaction**”). The Share Consideration is valued at approximately \$835,100 based on the 20-day volume weighted average price of Inca One’s shares on the TSX Venture Exchange (“**TSX-V**”) as at October 28, 2015. Montan will use its best efforts to distribute the Share Consideration to its shareholders on a pro-rata basis within three months of closing of the Montan Transaction as a reduction in Montan’s share capital; the Share Consideration will be subject to a six month “hold” period (from closing) to allow completion of distribution to the shareholders of the Seller. All dollar amounts in this press release are presented in Canadian dollars, unless otherwise stated.

The Montan Transaction will immediately increase the footprint of Inca One in Peru, building further economies of scale to complement Inca One’s recently announced acquisition of Standard Tolling Corp. (“**Standard Tolling**”), (see joint press release of Inca One and Standard Tolling dated October 7, 2015) while adding low cost processing capacity, and increasing the visibility of Inca One mineral purchasing in Peru.

Highlights of the Montan Transaction include:

- Addresses Inca One’s current capacity limitations at Chala One.
- Near term increase in production and anticipated cash flows.
- Establishes Inca One as a consolidator in the industry with three plants.

### INCA ONE GOLD CORP.

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- Economies-of-scale opportunities and several strategic benefits of having two plants within a 40km radius, including centralized crushing and desorption services.
- Increase of commissioned carbon-in-leach (“CIL”) capacity to 200 tonnes per day (“TPD”), and permitted CIL capacity to 300 TPD.
- Addition of a third mineral purchase team with 10 years’ experience in Peru.
- Addition of Luis Zapata as Executive VP Latin America for Inca One bringing a Peruvian resident, and a Canadian citizen, into Inca One’s senior management team.
- Further synergies of office and operating staff, commercial purchasing teams, and rationalization of three companies combining into one stronger and leaner entity to drive shareholder value.

Mr. Edward Kelly, President and CEO of Inca One, commented, “The recently announced transaction with Standard Tolling was asset and mineral focussed, as it provided Inca One with a 100 TPD plant and a successful mineral purchase team focused on Northern Peru and the capital for additional mineral purchases. The Montan/Goldsmith Transaction on the other hand, addresses the near term capacity limitations of the Chala One facility, until expansion permits are granted, and provides us with a third mineral purchase team who are pioneers of the sector with deep roots into the mineral processing industry of Peru. As a result, our confidence level in having a steady stream of mineral feed for our facilities has drastically increased. The location of the Mollehuaca gold plant, only 40km from Chala One, provides numerous synergistic opportunities and simple economies of scale. Having hired the necessary staff to achieve the desired margins at Chala One, identified ample mineral for purchase, and secured additional near term commissioned capacity for expansion, we are confident we have put the necessary building blocks in place to achieve a substantial increase in cash flow. We welcome the Montan/Goldsmith group to the Inca One family and believe Inca One is now in a position to compete effectively with the largest processors in the space.”

Mr. Ian Graham, CEO of Montan, commented, “This transaction was driven by the capital market’s demand for consolidation in the toll milling sector. We believe this agreement provides a great result for our shareholders. The distribution of the share payment from Inca One to our shareholders provide them solid exposure to the toll milling growth opportunity in Peru, but on a scale and with diversity that Montan would not have realized alone.”

Mr. Luis Zapata, Executive Chairman of Montan, commented, “The combination of Montan’s commissioned toll milling assets and experienced mineral purchase team with Inca One’s operational know-how and access to capital will create the first three-plant public company toll miller in Peru and creates a regionally diversified industry leader. It is my belief that this transaction constitutes a powerful combination of people, hard assets and capital that will allow Inca One to continue on its path of becoming the processor of choice for small-scale miners throughout Peru. I look forward to working with Edward Kelly and his team in continuing to build Inca One for the benefits of all our shareholders and stakeholders.”



The Goldsmith Assets include all plant facilities and equipment, gold bearing material, supplies and inventory located at site. The Milling Assets include mineral feed, plant consumables and supplies located at the plant. The Marketing Assets include prepaid marketing services. As part of its previous agreement with Goldsmith, Montan assumed control over the operations of Mollehuaca and management of the business of Goldsmith, and has been providing the working capital it deemed necessary to continue the day to day operations. Since incorporation, Goldsmith has spent in excess of US\$4 million on permitting, building, operating and developing the Mollehuaca mill facility and its properties, as referenced in the Montan press release announcing their binding agreement with Goldsmith, dated April 27, 2015.

The Binding LA contains the basic business terms for the Montan Transaction and requires the Parties to finalize in good faith a definitive agreement (the “**Definitive Agreement**”) prior to closing. The Parties anticipate that the Montan Transaction will be completed prior to the end of the 2015 calendar year.

The Montan Transaction is subject to the satisfactory completion of due diligence by Inca One, execution of the Definitive Agreement, board approval by each of Montan and Inca One, TSX-V approval and other customary conditions. The Binding LA also includes standstill, lock up, and confidentiality provisions, representations and warranties, and a US\$250,000 break fee in favor of Inca One.

Under the terms of the Montan Transaction, Inca One will pay a total of US\$354,000 to Montan and issue the Consideration Shares. The cash consideration will consist of Inca One making an initial and non-refundable deposit of US\$25,000; an additional payment of US\$75,000 on or before the earlier of closing or November 20, 2015; a further payment of US\$125,000 on the 3 month anniversary of closing; and a final payment of US\$129,000 on July 31, 2016.

Concurrently, Inca One has entered into a separate share purchase agreement with the Goldsmith Shareholders whereby Inca One will issue a total of 12,300,000 common shares of Inca One to Goldsmith, and cash payments to third party vendors, as follows: (i) 12,300,000 common shares on a pro-rata basis to be delivered into escrow on closing of the agreement, with 20% of such shares released from escrow six (6) months from October 31, 2015, and 20% released from escrow every three months thereafter, with the last 20% released eighteen (18) months from closing; and (ii) an assumption of approximately US\$275,000 owed to various third party vendors (collectively the “Goldsmith Transaction”, and together with the Montan Transaction, the “Transaction”). The Inca One shares to be issued in connection with the Goldsmith Transaction are valued at approximately \$1,467,390 based on the 20-day volume weighted average price of Inca One’s shares on the TSX-V as at October 28, 2015. The Purchase agreement also includes a standstill, lock up, and confidentiality provisions, representations and



warranties, and a US\$250,000 break fee in favor of Inca One, in addition to and separate from the break fee provision subject within the Montan transaction mentioned above.

Inca One's financial adviser is Jett Capital Advisors New York City, and its legal counsel is MOI Solicitors, Vancouver, BC.

Haywood Securities Inc. is acting as Montan's financial adviser and Clark Wilson LLP is acting as its legal counsel.

### **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).

### **About Montan Mining Corp.**

Montan is backed by an experienced and high-energy management team with diverse technical, market and finance strengths and expertise and is supported by committed and sophisticated investors focused on building value for the long term.

### **On behalf of the Board of Inca One**

*Edward Kelly*

President & CEO

**INCA ONE GOLD CORP.**

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**SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS**

This news release includes certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" under applicable Canadian securities laws. When used in this news release, the words "anticipate", "believe", "estimate", "expect", "target", "plan", "forecast", "may", "schedule" and similar words or expressions, identify forward-looking statements or information. These forward-looking statements or information relate to, among other things: anticipated benefits of the Transaction to Inca One, Montan and their respective shareholders; the timing and receipt of required approvals, including Exchange and regulatory approvals for the Transaction; the ability of Inca One and Montan to satisfy the other conditions to, and to complete, the Transaction; future growth potential for Inca One, Montan and its respective businesses and assets; future plans for the respective properties of Inca One a; future asset development plans; and estimates of production costs and that Montan will distribute the dividend shares to its shareholders as a reduction in share capital.



In respect of the forward-looking statements and information concerning the anticipated completion of the proposed Transaction and the anticipated timing for completion of the Transaction, the parties have provided them in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare the definitive agreement; the ability of the parties to receive, in a timely manner, the necessary Exchange and regulatory approvals; and the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Transaction. These dates may change for a number of reasons, including unforeseen delays in preparing the definitive agreement; inability to secure necessary Exchange and regulatory approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Transaction. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times.

Forward-looking information relating to future growth potential for Inca One, and its respective businesses, future asset development and estimates of production costs is based on management of the applicable parties' reasonable assumptions, estimates, expectations, analyses and opinions, which are based on such management's experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances, but which may prove to be incorrect. Assumptions have been made regarding, among other things, the price of certain metals; costs of development and production; estimated production rates for metals produced by the parties; the estimated costs of development of development projects; Inca One ability to operate in a safe and effective manner and their ability to obtain financing on reasonable terms.

These statements reflect the parties' respective current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements or information and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: satisfaction or waiver of all applicable conditions to closing of the Transaction including, without limitation, receipt of all necessary Exchange and regulatory approvals or consents and lack of material changes with respect to Inca One and Montan and their respective businesses, all as more particularly set forth in the Binding LA; the synergies expected from the Transaction not being realized; business integration risks; fluctuations in general macro-economic conditions; fluctuations in securities markets and the market price of Inca One's shares; fluctuations in the spot and forward price of base metals or certain other commodities (such as natural gas, fuel oil and electricity); fluctuations in the currency markets; changes in national and local government, legislation, taxation, controls, regulations and political or economic developments in the



jurisdictions where the parties assets are held; operating or technical difficulties in connection with mining or development activities; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding); risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom the parties do business; inability to obtain adequate insurance to cover risks and hazards; and the presence of laws and regulations that may impose restrictions on mining; employee relations; relationships with and claims by local communities and indigenous populations; availability and increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses, permits and approvals from government authorities. In addition, the failure of a party to comply with the terms of the Binding LA (or the Definitive Agreement) may result in that party being required to pay a non-completion or other fee to the other party, the result of which could have a material adverse effect on the paying party's financial position and results of operations and its ability to fund growth prospects and current operations.

Readers are cautioned against attributing undue certainty to forward-looking statements or information. Although the parties have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be anticipated, estimated or intended. The parties do not intend, and do not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements or information, other than as required by applicable law.