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This is the 1st affidavit
 of Luis Saenz in this case and
 was made on 22 August, 2024

No. S-243645
 Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
 R.S.C. 1985, c. C-36, AS AMENDED**

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57

AND

**IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT OF
 INCA ONE GOLD CORP.**

PETITIONER

AFFIDAVIT

SE LEGALIZA (N) LA (S) FIRMA (S)
 MAS NO EL CONTENIDO

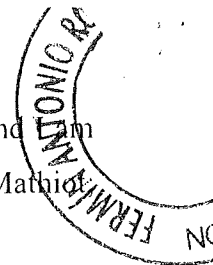
DOCUMENTO NO REDACTADO
 EN ESTANCIARIA

I, Luis Saenz, businessman, Peruvian National ID C.E. 000248056, of Av Jose Pardo 1232, Piso 7, Of 105, Miraflores, Lima, PE, SWEAR THAT:

1. I am a director of BLB Advisory ("BLB"), an independent corporate finance advisory boutique, located in Lima, Peru, and as such, I have personal knowledge of the facts and matters hereinafter deposed to save and except where same are stated to be made on information and belief, and where so stated, I verily believe them to be true.

2. BLB's main focus is providing strategic and financial advisory services to clients in the global mining and metals processing sector. BLB has extensive experience across capital markets, corporate advisory and acquisition of resource assets.

3. On March 28, 2024, BLB was retained by OCIM Metals & Mining S.A. ("OCIM") in regard to a debt owed to OCIM by Inca One Gold Corp. ("Inca One"), a Canadian company



operating gold processing facilities in Peru. I am the sole contact of BLB with OCIM and am authorized to make this affidavit. My main contact person at OCIM is Laurent Mathieu, Chairman and Chief Executive Officer of OCIM.

4. By letter dated May 23, 2024, from Dentons Canada LLP, then counsel for OCIM to Inca One, OCIM demanded payment of amounts owing to it by Inca One pursuant to the Gold Loan Agreement dated August 6, 2021, between OCIM and Inca One. A copy of Denton's letter is attached hereto as **Exhibit "A"**. Inca One did not comply with the demand.

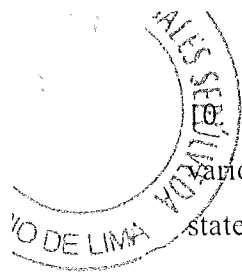
5. On or about June 2, 2024, OCIM became aware of a proceeding commenced by Inca One pursuant to the *Companies Creditors Arrangement Act* ("CCAA"). OCIM subsequently received a copy of the Order of the Honourable Justice Fitzpatrick made June 3, 2024, which, among other things, stayed all proceedings against Inca One. OCIM also became aware of an application to Justice Fitzpatrick scheduled for June 13, 2024. Nathanson, Schachter & Thompson LLP was retained by OCIM to represent it in the CCAA proceeding.

6. Prior to learning of the CCAA proceeding, I had prepared for OCIM a restructuring strategy regarding Inca One that included conversion of Inca One's debt to OCIM to equity. A proposal based on that strategy was forwarded to Inca One's counsel on or about June 24, 2024. Various discussions and counterproposals were made. No agreement was reached.

7. On August 12, 2024, Peter Reardon, counsel for OCIM, forwarded by email a restructuring term sheet to Ritchie Clark, counsel for Inca One. Attached hereto as **Exhibit "B"** is a copy of Mr. Reardon's email to Mr. Clark. Attached hereto as **Exhibit "C"** is a copy of a version of the restructuring term sheet with information that OCIM believes should remain confidential redacted so that it is not disclosed in a sales and investment solicitation process or otherwise to potential purchasers or investors of Inca One. An unredacted version of the restructuring term sheet will be provided to this Honourable Court.

8. Mr. Reardon received a reply to his email from Benjamin La Borie, counsel for Inca One, on August 15, 2024. A copy of Mr. La Borie's email is attached hereto as **Exhibit "D"**.

9. Mr. Reardon's response to Mr. La Borie is attached hereto as **Exhibit "E"**.

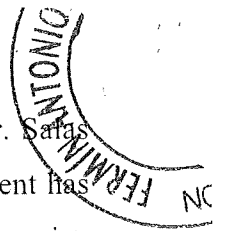


In order for OCIM to better understand the situation at the processing facilities in Peru, various requests have been made of Inca One to allow access to the sites by OCIM to inspect the state of its security package, the Chala One processing facility and a number of vehicles which are also part of its security. OCIM is entitled to such visits after giving proper notice by virtue of its Gold Loan Agreement. All such requests have been denied.

11. Both of Inca One's facilities, Chala One and Kori One, are in relatively remote areas near Arequipa in Southern Peru. While I was unable to have access to either facility, I have viewed the facilities on several occasions from the public roads in and around the facilities.

12. To the best of my knowledge, the Chala One and Kori One processing facilities have been idled by Inca One since sometime in the month of June 2024. Having been unable to obtain the agreement of Inca One to inspect the sites, on August 8 and 18, 2024, I traveled from Lima, Peru, to the districts of Chala and Yauca in Arequipa where the Chala One and Kori One facilities are located. As well as viewing the facilities as best I could, I wanted to meet with local suppliers of Inca One and to further familiarize myself with the current business conditions in this booming gold district of Peru. I am aware that these two districts are home to at least a couple of dozen processing facilities similar to the Chala One and Kori One plants. These visits were limited to meeting with suppliers and others and driving around the surrounding areas in the districts.

13. The Chala One facility is located in an area which has a number of other processing facilities nearby. Kori One, on the other hand, is a bit more isolated with no other facilities nearby its processing plant. I was able to drive past the main entrance of Kori One on the public road and continue for approximately 500 metres east of the Kori One facility. At that point, I observed a number of things that should be reported to this Honourable Court and the parties involved in this proceeding but, I fear, may alert regulatory authorities to matters that may lead to significant penalties to be imposed on Chala One S.A.C, the operator of the Chala One facility, and EMC Green Group S.A., the operator of the Kori One facility and, perhaps Inca Gold as well. This information is set out in my 2nd Affidavit made herein which this Honourable Court will be asked to order be sealed.



14. The general manager of the Peruvian operation of Inca One was Ivan Salas. Mr. Salas was terminated from his employment on May 2, 2024. As far as I am aware, a replacement has not been named. As a consequence, as far as I am aware, all decisions regarding the Peruvian operation of Inca One have been made by Edward Kelly and Kevin Hart, Inca One's management in Vancouver.

15. I also believe that ore purchasing operations by the Peruvian subsidiaries of Inca One were suspended in early May 2024, and that the operations of the facilities ceased entirely in mid June 2024.

16. I have had discussions with the Peruvian financing providers of Inca One. It is my assessment that these financing providers have completely lost trust and confidence in Inca One. My assessment is based on the following:

- (a) Pactum Capital ("Pactum") – I have had discussions with the CEO of Pactum, Carlos Bentin. Mr. Bentin has advised me as recently as on August 13, 2024 that Pactum has a complete lack of trust in Inca One's current management as a result of their dealings in the last couple of months. Mr. Bentin stated emphatically that he would not do business with the current management team again, even if they obtained the financing they are seeking. On July 16, 2024, Pactum obtained a court order to freeze the Chala One SAC accounts in thirteen Peruvian banks for an amount of up to US\$800,000.00.
- (b) I have spoken with Oscar De La Cruz, Chief Investment Officer of Latam Trade Capital, a financial boutique, operating in Peru, Colombia and Chile, which provides working capital facilities to companies in various industries. Mr. De La Cruz advised me that Chala One SAC has a revolving working capital facility with Latam which had US\$350,000.00 outstanding due on May 7, 2024. That payment was not made. On or about May 9, 2024, Inca One renegotiated the facility by paying twenty percent of the outstanding amount and agreeing to pay the balance on June 7, 2024. On July 16, 2024, Mr. De La Cruz advised OCIM that Latam had no interest in dealing with the current Inca One management and stated that the only way they would reinstate financing with Inca One would be if



there was a change in ownership, new due diligence and compliance procedures, full payment of the outstanding obligations, and corporate guarantees provided by new shareholders.

- (c) I have spoken to a senior executive of Banco de Credito del Peru (“BCP”) who does not wish to be named. BCP is the largest and most significant bank in Peru. BCP has provided various facilities to Inca One. This person advised that there has been very little communication from Inca One management since the suspension of operations and freezing of the Chala One accounts by Pactum.

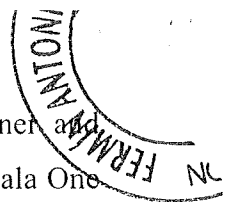
17. OCIM is, of course, concerned that Inca One has not maintained good relationships with key financial institutions in Peru which are vital to their working capital facilities and administrative banking accounts.

Suppliers and Service Providers

18. In the last couple of months, I have had numerous discussions with suppliers and service providers, including providers of fuel, reactive chemical agents, specialty coal and certain service providers. It is my understanding that Inca One’s operations in Peru currently have approximately US\$2,000,000.00 outstanding debt to more than 60 local suppliers of goods and services. Approximately sixty percent of this debt has been outstanding for over sixty days. A number of the suppliers have expressed that they will not engage further with Inca One’s management or Peruvian operations which will lead to the inevitable disruption of the supply chain of critical materials and services for the production process at the facilities. A list of the suppliers with which I have spoken is attached hereto as **Exhibit “F”**.

19. I understand that it is not uncommon to have disgruntled suppliers and service providers in an insolvency situation. However, the comments made by those I have spoken to demonstrate a lack of comfort and confidence with the management in this critical situation which will be important to the operations if they are to restart in the near future.

20. My summary of my discussions with some of these suppliers and service providers follows:



- (a) HAYSEN EIRL – I spoke with Vladimir San Martin Segura, the owner and general manager of Haysen. Haysen provided all the food services for Chala One and Kori One since 2021. They equipped the kitchens in both processing facilities and provided all the equipment and utensils for the food services at the operations. They have outstanding invoices of approximately US\$124,000.00 between April and June 2024. Mr. San Martin has had several communications and a meeting with Inca One Peruvian executives, Manuel Villalobos and Gregory Vasquez, in Lima in which Mr. San Martin requested payment of outstanding invoices. Inca One requested that Haysen continue to provide its service in June (after the company was already in the CCAA proceeding) and promised that payment would be made. In a meeting on June 11, 2024, in the Peruvian Inca One offices, Haysen was promised payment of some of the overdue invoices. The next communication was on June 20, 2024, when Mr. San Martin received a message that his “case was referred to Canada. They control the payments”. A copy of a WhatsApp message provided by Mr. San Martin is in Spanish but is attached hereto as **Exhibit “G”**. I have underlined the portion I refer to. There has been no further response since. In addition, on July 10, 2024, Mr. San Martin requested by email to pick up Haysen’s kitchen equipment from both Chala One and Kori One. To date, Haysen has been unable to pick up that equipment because they lack the liquidity to do so. As a result of the non-payment of these accounts, BCP has frozen Haysen’s accounts. Consequently, Haysen is now facing an insolvency situation of its own. Mr. San Martin has provided to me copies of overdue invoices, demand letters sent to Inca One and emails and WhatsApp messages regarding the overdue accounts.
- (b) AURORA CALIENES GUTIERREZ - I am advised by Aurora Calienes Gutierrez as follow; she provides transport services of mineral ore from the Chala One to the Kori One plant facilities. She also provides water transport services to the Kori One plant. Ms. Calienes has an outstanding debt of US\$209,000.00 with some invoices dating back to September 2023 in the case of Chala One SAC and December 2022 with EMC Green Group (Kori One plant). Her last services for mineral ore transport were in June 2024, when they were moving the last of the stockpile ore for processing at the Kori One plant. She provided these services in



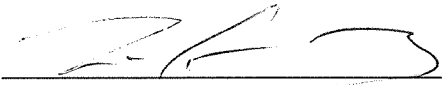
good faith with an expectation of payment promised by Inca One personnel in Lima. She now realizes that she provided services that were key for Inca One to make their last gold exports in June but never got paid even for those services provided. Repeated calls and notary letters have gone unanswered.


Newspaper Articles

21. An article about Inca One was published in the August 11, 2024, edition of Expreso, a daily newspaper published in Lima, Peru. A photocopy of the article, which is in Spanish, and an English translation are attached hereto as **Exhibit "H"**.

22. A second article about Inca One was published in the August 21, 2024, edition of Expreso. A photocopy of the article, which is in Spanish, and an English translation are attached hereto as **Exhibit "I"**.

SWORN BEFORE ME)
at Lima, Peru)
on 22 August, 2024.)
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_____)
A Notary authorized to take oaths in Peru)
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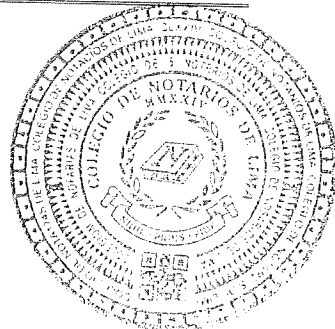
LUIS SAENZ 

CERTIFICACIÓN

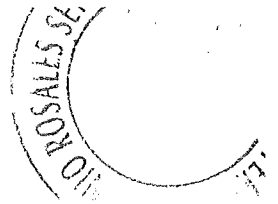
FERMIN ANTONIO ROSALES SEPULVEDA - NOTARIO DE LIMA, CERTIFICO: LA AUTENTICIDAD DE LA FIRMA DE LUIS FRANCISCO SAENZ ROCHA, CON CE N°000248056; DOY FE. _____
A SOLICITUD DE QUIEN EXTIENDO LA PRESENTE LEGALIZACIÓN.- SE LEGALIZA LA FIRMA MAS NO ASUMO RESPONSABILIDAD DEL CONTENIDO DEL DOCUMENTO, DE LO QUE DOY FE. _____
LIMA, VEINTIDOS DE AGOSTO DEL DOS MIL VEINTICUATRO _____

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Fermin Antonio Rosales Sepulveda
NOTARIO DE LIMA



NOTARIA
ROSALES SEPULVEDA



No. S-243645
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57

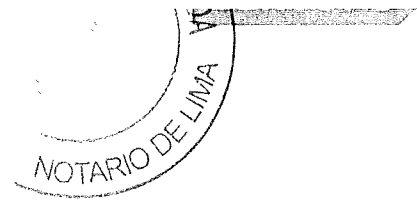
AND

**IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT OF
INCA ONE GOLD CORP.**

PETITIONER

AFFIDAVIT #1 OF LUIS SAENZ

Peter J. Reardon
NATHANSON, SCHACHTER & THOMPSON LLP
750 – 900 Howe Street,
Vancouver, B.C. V6Z 2M4
Telephone: (604) 662-8840
Email: preardon@nst.ca



Partner
greg.mcnab@dentons.com
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77 King Street West, Suite 401
Toronto-Dominion Centre
Toronto, ON Canada M5K 0A1

dentons.com

May 23, 2024

File No. 593513-000003

Inca One Gold Corp.
1140 West Pender Street #850
Vancouver, BC V6E 4G1

Inca One Gold Corp.
c/o Registered and Records Office
15th Floor, 1111 West Hastings Street
Vancouver, BC V6e 2J3

DELIVERED VIA EMAIL: khart@incaone.com

DELIVERED BY REGISTERED MAIL

Attention: Kevin Hart

Chala One S.A.C.
c/o Inca One Gold Corp.
1140 West Pender Street #850
Vancouver, BC V6E 4G1

Corizona One S.A.C.
c/o Inca One Gold Corp.
1140 West Pender Street #850
Vancouver, BC V6E 4G1

DELIVERED VIA EMAIL: khart@incaone.com

DELIVERED VIA EMAIL: khart@incaone.com

Attention: Kevin Hart

Attention: Kevin Hart

Dear Sir/Madam:

Re: Indebtedness to OCIM Metals and Mining SA ("OCIM") pursuant to the Gold Loan Agreement dated August 6, 2021, between Inca One Gold Corp. ("Inca One"), as first borrower, Chala One S.A.C. ("Chala"), as second borrower, and Corizona One S.A.C. ("Corizona", and collectively with Inca One and Chala, the "Obligors"), as third borrower, and OCIM, as lender (as amended from time to time, and assigned, the "Gold Loan Agreement")

We are counsel for OCIM in respect of the above captioned matter. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Gold Loan Agreement.

We are instructed that the Obligors are indebted to OCIM pursuant to certain loan facilities provided to the Obligors by our client in accordance with the terms and conditions set out in the Gold Loan Agreement (as the same may have been amended, modified, supplemented, assigned, or restated from time to time).

We are further instructed that, as at March 28, 2024, the Obligors owed OCIM 4,124.4 Gold Loan Ounces, which using the XAU LBMA AM Fixing of May 23, 2024, is a USD equivalent amount of US\$9,741,008.00, with interest accruing thereafter at the current daily rate of 0.033% and 1.3748 Gold Loan Ounces (or \$3,247.00 daily using the May 23, 2024, fixing rate) (the "**Indebtedness**"). Please note any and

This is Exhibit "**A**" referred to in the Affidavit of Luis Saenz, sworn before me at Lima, Peru, this ____ day of August, 2024.

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A Notary authorized to take oaths in Peru

all additional Facility Obligations will be added to the total amount owing and will continue to accrue interest pursuant to the Gold Loan Agreement until paid in full.

Our client is willing to accept payment by USD equivalent. If the Obligors elect for the USD equivalent, a substitution fee of US\$10,000 pursuant to the Gold Loan Agreement will apply and would be added to the Indebtedness.

As security for the Indebtedness, among other security, Inca One and Chala granted a general security agreement dated August 6, 2021 (the "GSA"), in favour of OCIM.

As a result of certain defaults under the Gold Loan Agreement and the GSA, OCIM is entitled to demand immediate repayment of all amounts the Obligors currently owe to it. Therefore, on behalf of our client, we hereby make formal demand upon the Obligors for payment of the Indebtedness. We also make demand upon Inca One and Chala pursuant to the GSA.


This letter is to advise the Obligors that unless payment of the Indebtedness, plus all applicable interest to the date of payment, plus legal costs, is made into this office by certified cheque or bank draft payable to Dentons Canada LLP in trust, or the outstanding number of Gold Loan Ounces are delivered to OCIM on or before **June 3, 2024**, legal proceedings, which may include enforcement of the GSA and/or the appointment of a receiver or a receiver manager, may be commenced against the Obligors without further notice.

Pursuant to the provisions of the *Bankruptcy and Insolvency Act*, we enclose a Notice of Intention to Enforce Security in the prescribed form.

All inquiries and payments should be directed to the attention of the writer to ensure that due credit is given immediately to the Obligor's account.

Yours truly,

Dentons Canada LLP

DocuSigned by:

7A9D463C578E429...

Greg McNab
Partner

GM/efw

Enclosure



BANKRUPTCY AND INSOLVENCY ACT

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY
[Subsection 244(1)]

TO: INCA ONE GOLD CORP., an insolvent person.

TAKE NOTICE THAT:

- 1. OCIM METALS AND MINING SA, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
(a) all of the insolvent person's present and after acquired personal property.
2. The security that is to be enforced is in the form of:
(a) general security agreement, dated August 6, 2021, notice of which was registered in the British Columbia Personal Property Registry under base registration number 822837M.
3. The total amount of indebtedness secured by the security as at March 28, 2024, using the XAU LBMA AM Fixing of May 23, 2024, is a USD equivalent amount of US\$9,741,008.00, plus costs and interest which continue to accrue.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Vancouver, British Columbia this 23th day of May, 2024.

OCIM METALS AND MINING SA

DocuSigned by: Greg McNeil

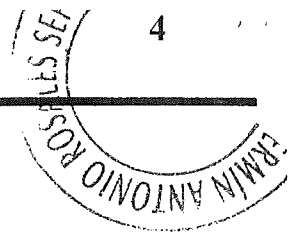
DENTONS CANADA LLP, solicitors for OCIM Metals and Mining SA

THE UNDERSIGNED hereby consents to OCIM METALS AND MINING SA enforcing its security prior to the expiry of the 10 day notice period described herein.

DATED THIS ___ day of May, 2024.

INCA ONE GOLD CORP.
Per:

Authorized Signatory



Rick Pearson

From: Peter J. Reardon
Sent: August 12, 2024 6:04 PM
To: 'Ritchie Clark'
Cc: 'Benjamin La Borie'; 'Lisa Hiebert'; 'Peter Rubin (peter.rubin@blakes.com)'
Subject: Inca One
Attachments: OCIM_Equinox - Inca One Restructuring Term Sheet 12august24.docx

Ritchie

Attached please find a Term Sheet proposed by OCIM and Equinox Gold that outlines a comprehensive restructuring of the total existing Inca One debt owing to OCIM and Equinox and a path forward for the company and its stakeholders.

The proposal, which continues to be along the lines of what was previously proposed, includes:

1. A significant debt to equity conversion package that will dramatically improve Inca One's balance sheet.
2. A restructuring of the balance of the debt into a long-term facility that allows the company sufficient time to repay the balance outstanding.
3. A working capital structure that will be able to grow with Inca One's needs in the future and that is fully committed with the initial US\$3m in working capital facilities required to restart operations.
4. A partially underwritten equity offering to attract fresh capital to restart operations.
5. Fair treatment to unsecured creditors in Canada as well as addressing the management payout which you requested in the past.
6. Addressing a number of points that you outlined previously in response to our term sheet, including the removal of the exclusivity provisions at this stage.

We believe that this proposal should be fairly aligned to your previous stated positions and in the best interest of all stakeholders of Inca One, including current management.

The terms and conditions of this Term Sheet have been fully agreed upon by OCIM and Equinox who are ready to move forward expeditiously to engage in direct negotiations with Inca One management in order to reach agreements well before presenting our respective applications to the Court for the August 26 hearing. Therefore, there are very short timeframes allowed to advance negotiations and for OCIM and Equinox to commence due diligence to meet the deadline of the August 26 hearing. ***For avoidance of doubt, if there is no binding agreement between the parties by August 23rd, as stated in the Term Sheet, OCIM and Equinox will withdraw their intention to proceed with the proposed transaction.***

Whether or not there is agreement to this proposal, it is our intention to bring it to the Court's attention at the hearing on August 26th.

The Term Sheet has been forwarded to the Monitor and its counsel.

We look forward to advancing this proposed transaction as soon as possible with Inca One.

Regards

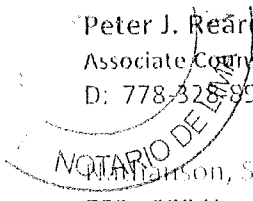
Peter

This is Exhibit "B" referred to in the Affidavit of Luis Saenz, sworn before me at Lima, Peru, this ____ day of August, 2024.

Peter J. Reardon*

Associate Counsel

D: 778-328-9940 | E: preardon@nst.ca

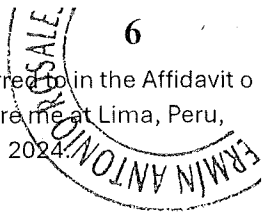


Pratt, Hanson, Schachter & Thompson LLP

750 - 900 Howe Street, Vancouver, BC V6Z 2M4

P: 604.662.8840 | W: nst.ca

* Law Corporation



This is Exhibit "C" referred to in the Affidavit of Luis Saenz, sworn before me at Lima, Peru, this ____ day of August, 2024.

INCA ONE GOLD CORP.
Comprehensive Restructuring
Proposed Terms and Conditions
August 12, 2024

A Notary authorized to take oaths in Peru

This term sheet (the "Term Sheet") summarizes the principal commercial terms with respect to a potential comprehensive restructuring of the total debt (the "Debt") of Inca One Gold Corp. ("Inca One" or the "Company"), with address at 850 - 1140 Pender Street, Vancouver, BC V6E 4G1, Canada, owed to OCIM Metals & Mining SA ("OCIM"), with an address at Rue du Rhône 49, 1204 Geneva, Switzerland, and Equinox Gold Corp. ("Equinox"), with an address at Suite 1501, 700 West Pender St. Vancouver, BC, Canada V6C 1G8, and certain other debt and working capital requirements of the Company, as further described below (the "Restructuring Proposal").

OCIM intends to complete a Binding Term Sheet (as defined below) by August 23, 2024. Failure to achieve this will result in the withdrawal of OCIM's and Equinox's intention to carry out the transactions proposed below.

Issuer:	Inca One Gold Corp. ("Inca One" or the "Company").
OCIM's Debt:	As of May 23, 2024, the Company owed OCIM 4,124.4 Gold Ounces, which using the XAU LBMA AM Fixing of May 23, 2024, is an equivalent amount of US\$9,741,008, with interest accruing thereafter at the current daily rate of 0.033% hence 1.37 Gold Ounces per day (the "OCIM Debt"). For practical purposes we will use US\$9.7m as an approximative amount of OCIM Debt. Final amount will be fixed according to the XAU LBMA AM fixing on the above formula on the date of execution of this Term Sheet.
OCIM Debt Conversion:	OCIM will convert a portion of the OCIM Debt (the "OCIM Debt Conversion") into common shares of the Company (the "Common Shares").
OCIM Debt Conversion Amount:	██████████, subject to an option for OCIM to increase the amount to secure a 51% ownership in the total issued and outstanding Common Shares on a fully-diluted bases.
OCIM Debt Conversion Price:	██████████ per Common Share.
Common Shares Issuable pursuant to OCIM Debt Conversion:	Such number of Common Shares as is necessary for OCIM to hold at least 50.5% of the Common Shares on a post-transaction, basic basis.
Equinox Debt:	As of June 3, 2024, the Company owed Equinox Gold Corp. ("Equinox") approximately US\$5,200,000 (the full balance owed to Equinox, the "Equinox Debt").



Equinox Debt Conversion: Equinox will convert a portion of the Equinox Debt (the "Equinox Debt Conversion") into Common Shares.

Equinox Debt Conversion Amount: Such amount as is necessary for Equinox to hold [REDACTED] of the Common Shares on a post-transaction basis, being approximately [REDACTED].

Equinox Debt Conversion Price: [REDACTED] per Common Share.

Common Shares Issuable pursuant to Equinox Debt Conversion: Such number of Common Shares as is necessary for Equinox to hold 19.99% of the Common Shares on a post-transaction basis.

Offering: Non-brokered private placement of units (the "Units") of the Company (the "Offering") to "accredited investors" or pursuant to other available prospectus exemptions under National Instrument 45-106 *Prospectus Exemptions* in the provinces of British Columbia and to other jurisdictions under applicable private placement exemptions.

Each Unit shall consist of one Common Share and one common share purchase warrant (each, a "Warrant").

OCIM will participate in the Offering for a minimum amount of [REDACTED]. The Offering will be supported by OCIM. The balance of the Restructuring Proposal is not conditioned upon completion of the Offering. OCIM shall have an option to participate in the Offering to secure a [REDACTED] ownership in the total issued and outstanding Common Shares on a fully-diluted basis.

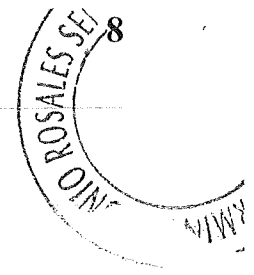
Equinox shall have the option to participate in the Offering or convert a portion of its remaining outstanding Equinox Debt (post restructuring) to maintain its [REDACTED] ownership in the total issued and outstanding Common Shares on a basic basis

Offering Amount: At least US\$1,000,000 and up to US\$2,000,000.

Offering Price: [REDACTED].

Warrant Terms: Each Warrant will entitle the holder to acquire one common share in the capital of the Company (each a "Warrant Share") at an exercise price of [REDACTED] (the "Exercise Price") at any time up to 24 months following Closing.

The Warrants will provide for customary anti-dilution adjustments to protect the economic value of the Warrants as a result of corporate actions of the Company (including, for example, upon any share splits or consolidations, reclassifications, non- cash distributions, business combination transactions, etc.).



Common Shares Issuable pursuant to Offering: [To be Determined]

Common Shares Outstanding:	Value (US\$)	Ownership (%)	Comments
Current Inca One Current Shareholders:	██████████	██████	Inc. 4.5% of Equinox
OCIM Debt Conversion:	██████████	██████	-
Equinox Debt Conversion:	██████████	██████	-
Offering:	██████████	██████	Inc. ██████████
Unsecured Creditors:	██████████	██████	-
Management Buyout:	██████████	██████	Equiv. of ██████████
Total:	██████████	██████	-

Numbers subject to change upon review of Inca One capital structure on a fully-diluted basis and upon potential conversion of debt of Canadian creditors.

OCIM will hold at least ████████ or more of the Common Shares on a post-transaction, basic basis and will participate in the Offering if necessary to achieve this objective.

Equinox will hold ██████████ of the Common Shares on a post-transaction basic shares outstanding basis and may participate in the Offering or convert a portion of its remaining outstanding Equinox Debt (post restructuring) if necessary to achieve this objective.

Use of Proceeds from the Offering: Capex and debt reduction program for Inca One Peru Operations

Hold Period: Pursuant to National Instrument 45-102 *Resale of Securities* and the policies of the TSX Venture Exchange (the "Exchange Policies"), the Units, the Common Shares issuable pursuant to the Offering, the Warrants, the Warrant Shares, the Common Shares issuable to OCIM and Equinox pursuant to the OCIM Debt Conversion and the Equinox Debt Conversion, respectively, and the Common Shares issuable to unsecured creditors or management (collectively, the "Securities") shall be subject to a restricted resale period of four months and one day commencing on the Closing Date. The Securities may not be sold, transferred, hypothecated or otherwise traded until the expiry of such hold period except as permitted by applicable securities laws and stock exchange rules.

Closing Date: As soon as practicable following the Company's acceptance of this Term Sheet and satisfaction of the conditions to closing (the "Closing").

Right to Participate in Future Financings: OCIM and Equinox will each have a pro-rata right, based on its percentage equity ownership in the Company, to participate in subsequent issuance of equity securities of the

Company to maintain an equity interest of [REDACTED] and [REDACTED], respectively.

In addition, OCIM and Equinox will each have a right, should their percentage equity interest decrease to less than [REDACTED] and [REDACTED], respectively, to acquire Common Shares on a private placement basis and/or debt to equity conversion scheme, at a then current market price (plus the applicable full discount permitted under stock exchange policy), in order to increase its percentage interest up to its original percentage interest upon Closing.

Board of Directors:

For as long as OCIM retains a percentage interest in the Common Shares of at least [REDACTED], OCIM will have the right to nominate up to three (3) people to the Company's Board of Directors (the "Board"). Should OCIM's percentage interest in the Common Shares fall below [REDACTED] it will retain the right to nominate two (2) persons to the Board. Should OCIM's percentage interest in the Common Shares fall below [REDACTED] it will retain the right to nominate one (1) person to the Board, and such right will be lost if such percentage interest falls below [REDACTED] provided that OCIM can regain such rights by increasing its interest in the Company above the three above-noted percentage thresholds by way of market purchases, warrant exercises (if applicable) and/or private placement(s) with the Company.

For as long as Equinox retains a percentage interest in the Common Shares of at least [REDACTED], Equinox will have the right to nominate one (1) person to the Board. Such right will be lost if such percentage interest falls below [REDACTED] provided that Equinox can regain such rights by increasing its interest in the Company above the three above-noted percentage threshold by way of market purchases, warrant exercises (if applicable) and/or private placement(s) with the Company.

For as long as an investor in the Offering retains a percentage interest in the Common Shares of at least 7.5%, such investor will have the right to nominate one (1) person to the Company's Board.

The Board will comprise a total of five (5) persons.

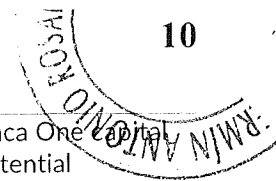
Management:

Upon Closing, the Board will appoint new management.

Inca One Term Loan

OCIM and Equinox will restructure 80% of the portion of the OCIM Debt and the Equinox Debt, respectively, that is not subject to the OCIM Debt Conversion or the Equinox Debt Conversion (approximately [REDACTED] and [REDACTED], respectively), for an aggregate face value of approximately [REDACTED] (the "Inca One Term Loan"), and they will each write off the balance of their respective debts.

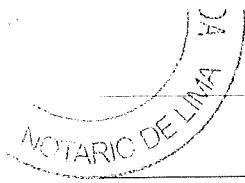
NOTARIC



Numbers subject to change upon review of Inca One capital structure on a fully-diluted basis and upon potential conversion of debt of Canadian creditors.

OCIM will be the senior and lead agent and manager of the Inca One Term Facility.

Term of Inca One Term Loan	60 months from Closing with quarterly principal and interest payments commencing after Grace Period (as defined below).
Grace Period of Inca One Term Loan:	12 months from Closing.
Interest Rate of Inca One Term Loan:	12% per annum.
Cash Sweep re: Inca One Term Loan:	30% of Inca One free cashflow (after capex, sustaining capex, opex, and others as mutually agreed) to prepay debt facility in inverse order of maturity.
Security on Inca One Term Loan:	General security agreement with the Company, mortgage over Chala One and Kori One processing facilities, and floating pledge (second charge) over stockpiles and in-process material at Chala One and Kori One processing facilities and such other security to be determined and set out in the Binding Term Sheet.
Subordination of Inca One Term Loan:	Inca One Term Loan will be subordinated to the Inca One Working Capital Facility (as defined below).
Inca One Working Capital Facility:	<p>Up to [REDACTED] syndicated short term revolving debt structure that will be secured by all stockpile and in-process material as well as export receivable accounts and offtake agreement, if applicable (the "Inca One Working Capital Facility").</p> <p>OCIM will fund [REDACTED] of the Inca One Working Capital Facility (the "Working Capital Committed Funds"). OCIM has secured an additional [REDACTED] to fund the Inca One Working Capital, only subject to completion of satisfactory technical due diligence.</p>
Intercreditor Agreement:	There will be an intercreditor agreement among the creditors under the applicable term loans and working capital facilities.
Inca One Unsecured Creditors:	As of July 11, 2024, the Company owed unsecured creditors (the "Unsecured Creditors") approximately [REDACTED]. The Unsecured Creditors will receive the number of Common Shares resulting from dividing the Canadian equivalent of [REDACTED] by the Conversion Price to be distributed among the Unsecured Creditors on a <i>pro rata</i> basis and write off the balance of their debt upon completion of a claim process and under a plan of arrangement, or other process, pursuant to the <i>Companies'</i>



Creditors Arrangement Act, all subject to any necessary creditor approvals.

Peruvian Unsecured Creditors:

The unsecured creditors at the Peruvian level will get paid a portion of their debt over time, subject to negotiation regarding debt reduction.

Management Buyouts:

A change of control event will trigger existing Change of Control rights in the Company's current management contracts, totaling approximately [REDACTED]. The Company's management will support converting [REDACTED] of that amount into Common Shares at the Conversion Price and write off the balance of their debt under a plan of arrangement, or other process, pursuant to the *Companies' Creditors Arrangement Act*, all subject to any necessary creditor approvals.

Conditions to Closing:

- i. Completion of due diligence including technical, financial, environmental, social and legal, with the satisfaction of such due diligence being determined in the sole discretion of OCIM and Equinox. Due diligence will commence as soon as practical. Technical due diligence must commence by August 15, 2024 in order to be completed by August 19, 2024 (inclusive).
 - ii. The Closing will be contemporaneous with the closing of the Equinox Debt Conversion and the Inca One Working Capital Facility, unless such condition is waived by OCIM and Equinox. For the abundance of clarity, Closing is not conditioned upon closing of the Inca One Working Capital Facility other than to the extent of the Working Capital Committed Funds.
 - iii. The receipt of any required regulatory or other approvals, consents or authorizations including, without limitation, the TSX Venture Exchange.
 - iv. Entering into binding definitive agreements (and ancillary documentations and agreements) containing terms and conditions in keeping with a "strategic" investment of this nature and size, including: (i) those terms set out herein, (ii) "most-favoured nation" provisions that will result in OCIM and Equinox having the benefit of any more favourable or less restrictive terms granted to any other strategic investor in the Company's common shares, and (iii) reasonable covenants of the Company.
 - v. Completion of annual audit (is necessary to be filed by [__], 2024).
 - vi. Resuming listing of the Common Shares on TSX Venture Exchange and the OTCQB.
-

Binding Term Sheet:

Upon completion of technical and financial due diligence, the parties herein will negotiate in good faith a binding term

sheet (the "**Binding Term Sheet**"), substantially in the same form as the Term Sheet, except that: (a) under the Binding Term Sheet, item (i) under "Conditions for Closing" may be removed; (b) the Security on Inca One Term Loan will be further described; and (c) the Binding Term Sheet will contain an exclusivity provision pursuant to which the Company will deal exclusively with OCIM and Equinox in respect of the matters contemplated herein. The parties expect to enter into the Binding Term Sheet by August 23, 2024.

This Binding Term Sheet will be governed by and construed under the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

Definitive Agreements:

The documentation required to formalize all the transactions contemplated hereby will be in form and substance acceptable to OCIM, its counterparties and Equinox, including standard representations, warranties, conditions and covenants (the "**Definitive Agreements**").

The Definitive Agreements shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

Registration Rights:

OCIM and Equinox will receive standard registration and piggy-back rights.

Confidentiality:

Except to the extent required by law, or by any regulatory authority having jurisdiction, neither the Company nor OCIM shall make public disclosure of this Term Sheet or the discussions and negotiations surrounding this Term Sheet without the prior written consent of the other party.

Applicable Law:

This Term Sheet will be governed by and construed under the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

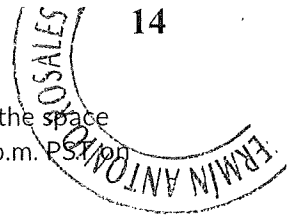
Non-Binding:

Subject to the provisions of the section "Confidentiality" and "Binding Term Sheet" above, which are deemed to be binding upon the parties, it is expressly understood that this Term Sheet is not an offer and does not create any legally binding obligations on any party.

It is expressly understood that neither OCIM, Equinox nor the Company is obligated to proceed with any proposed transaction and that no binding agreement will exist unless and until such time as diligence has been completed, board approvals obtained, and mutually acceptable transaction documentation has been finalized and executed by the parties, which documentation may or may not contain the terms outlined in this Term Sheet.



[Remainder of this page intentionally left blank.]



If the foregoing is in accordance with your understanding, please so indicate by executing in the space provided below and returning such executed copy by PDF copy to OCIM on or before 5:00 p.m. PST on August 16, 2024.

Dated on August ____, 2024.

INCA ONE GOLD CORP.

Per: _____
Bruce Bragagnolo, Chairman

OCIM METALS & MINING SA

Per: _____
Laurent Mathiot, Chairman and CEO

EQUINOX GOLD CORP.

Per: _____
[●]

Rick Pearson

From: Benjamin La Borie <blaborie@bridgehouselaw.ca>
Sent: August 15, 2024 6:25 PM
To: Peter J. Reardon
Cc: 'Lisa Hiebert'; 'Peter Rubin (peter.rubin@blakes.com)'; Ritchie Clark
Subject: RE: Inca One

Peter,

Apologies for the delay in responding but Ritchie is away and I've been tied up on various other matters.

On review of the revised Term Sheet provided by OCIM, which as you say is along the lines of what was previously proposed, we have further comments. It also appears that various items that were raised by our clients in the past remain unaddressed.

1. The new capital looks to be an equity raise of \$1-2M plus at this time a commitment for only \$3M working capital. I am informed that last year operations were at approximately 5000 tonnes per month which allowed the Company to achieve cashflow break even before debt servicing. That means that AT LEAST \$4.3M is required per year for breakeven operations (the calculation from our clients is $5000\text{tpm} \times 0.4\text{oz/t} \times \$2450/\text{oz} \times (1-25\% \text{ discount to gold price}) \times 1.18 \text{ for VAT}$) not including debt service. However, there is the matter of paying back the DIP of \$1M, plus the \$1M Peruvian lines of credit, plus the Term Loan fees, restart costs, capital expenditures, supplies and other payables in Peru of approximately \$1.5M. In short, it appears that the committed capital to date is insufficient to get the Company restarted. Even if the full \$10M is raised, how does OCIM propose to operate this company?
2. Our client have requested that any unsecured debt conversion be at 100% rather than 50%.
3. Our prior comments requested that OCIM make a firm commitment to remaining a public company so that the envisaged equity conversion could be meaningful for those stakeholders. As it stands, our clients do not see how OCIM could ensure any liquidity for the equity holders where there is still a \$3.5M senior debt, inexperienced new management, no go forward plan, insufficient capital, and the reasonable risk that any equity could be wiped out. In contrast, the Company is pursuing the \$25M Westmount transaction for the benefit of all stakeholders, including your client, which it will pay in full upon closing.

If your client has comments with respect to the above, we would be pleased to hear them. With respect to potential due diligence at Chala One, the Company has maintained from the outset of these negotiations that it would entertain due diligence once there was agreement on terms.

Yours truly,

Benjamin La Borie

Lawyer | Bridgehouse Law LLP

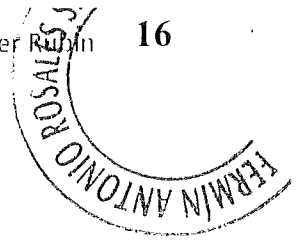
www.bhlvanancouver.com

The information contained in this e-mail is PRIVILEGED AND CONFIDENTIAL and intended only for the use of the party/parties named above.

From: Peter J. Reardon <preardon@nst.ca>
Sent: Wednesday, August 14, 2024 11:52 AM
To: Ritchie Clark <RClark@bridgehouselaw.ca>

This is Exhibit "D" referred to in the Affidavit of Luis Saenz, sworn before me at Lima, Peru, this ____ day of August, 2024.

Cc: Benjamin La Borie <blaborie@bridgehouselaw.ca>; 'Lisa Hiebert' <lhiebert@fasken.com>; 'Peter Rubin (peter.rubin@blakes.com)' <peter.rubin@blakes.com>
Subject: RE: Inca One



EXTERNAL EMAIL

Ritchie and Ben

You will note that the attached proposal requires that due diligence is to commence as soon as practical. Technical due diligence will require site visits to both the Chala One and Kori One facilities and will have to commence very soon to be completed in time for a Binding Term Sheet to be entered into by the August 23rd deadline. The Term Sheet contemplates commencement of Technical Due Diligence by August 15th. If your client has any interest in proceeding with the transaction outlined in the Term Sheet, arrangements for site inspections will have to be made very quickly. I would appreciate your letting me know if and when that can be arranged.

Regards

Peter

Peter J. Reardon*
Associate Counsel
D: 778-328-8940 | E: preardon@nst.ca

Nathanson, Schachter & Thompson LLP
750 - 900 Howe Street, Vancouver, BC V6Z 2M4
P: 604.662.8840 | W: nst.ca

* Law Corporation

From: Peter J. Reardon
Sent: Monday, August 12, 2024 6:04 PM
To: Ritchie Clark <RClark@bridgehouselaw.ca>
Cc: Benjamin La Borie <blaborie@bridgehouselaw.ca>; Lisa Hiebert <lhiebert@fasken.com>; Peter Rubin (peter.rubin@blakes.com) <peter.rubin@blakes.com>
Subject: Inca One

Ritchie

Attached please find a Term Sheet proposed by OCIM and Equinox Gold that outlines a comprehensive restructuring of the total existing Inca One debt owing to OCIM and Equinox and a path forward for the company and its stakeholders.

The proposal, which continues to be along the lines of what was previously proposed, includes:

1. A significant debt to equity conversion package that will dramatically improve Inca One's balance sheet.
2. A restructuring of the balance of the debt into a long-term facility that allows the company sufficient time to repay the balance outstanding.
3. A working capital structure that will be able to grow with Inca One's needs in the future and that is fully committed with the initial US\$3m in working capital facilities required to restart operations.

4. A partially underwritten equity offering to attract fresh capital to restart operations.
5. Fair treatment to unsecured creditors in Canada as well as addressing the management payout which you requested in the past.
6. Addressing a number of points that you outlined previously in response to our term sheet, including the removal of the exclusivity provisions at this stage.



We believe that this proposal should be fairly aligned to your previous stated positions and in the best interest of all stakeholders of Inca One, including current management.

The terms and conditions of this Term Sheet have been fully agreed upon by OCIM and Equinox who are ready to move forward expeditiously to engage in direct negotiations with Inca One management in order to reach agreements well before presenting our respective applications to the Court for the August 26 hearing. Therefore, there are very short timeframes allowed to advance negotiations and for OCIM and Equinox to commence due diligence to meet the deadline of the August 26 hearing. ***For avoidance of doubt, if there is no binding agreement between the parties by August 23rd, as stated in the Term Sheet, OCIM and Equinox will withdraw their intention to proceed with the proposed transaction.***

Whether or not there is agreement to this proposal, it is our intention to bring it to the Court's attention at the hearing on August 26th.

The Term Sheet has been forwarded to the Monitor and its counsel.

We look forward to advancing this proposed transaction as soon as possible with Inca One.

Regards

Peter

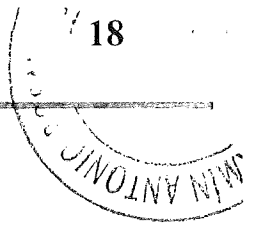
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Rick Pearson

From: Peter J. Reardon
Sent: August 16, 2024 5:41 PM
To: 'Benjamin La Borie'
Cc: 'Lisa Hiebert'; 'Peter Rubin (peter.rubin@blakes.com)'; 'Ritchie Clark'
Subject: RE: Inca One

Ben and Ritchie.

We take your email as a rejection of our client's and Equinox's offer. If that was not you client's intention, the offer is hereby withdrawn.

Regards

Peter

Peter J. Reardon
Associate Counsel
D: 778-328-8940 | E: preardon@nst.ca

This is Exhibit "E" referred to in the Affidavit of Luis Saenz, sworn before me at Lima, Peru, this ____ day of August, 2024.

Nathanson, Schachter & Thompson LLP
750 - 900 Howe Street, Vancouver, BC V6Z 2M4
P: 604.662.8840 | W: nst.ca

A Notary authorized to take oaths in Peru

* Law Corporation

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Sent: Thursday, August 15, 2024 6:25 PM
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Cc: 'Lisa Hiebert' <lhiebert@fasken.com>; 'Peter Rubin (peter.rubin@blakes.com)' <peter.rubin@blakes.com>; Ritchie Clark <RClark@bridgehouselaw.ca>
Subject: RE: Inca One

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Lawyer | Bridgehouse Law LLP

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Subject: RE: Inca One

EXTERNAL EMAIL

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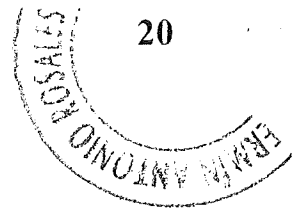
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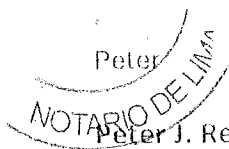
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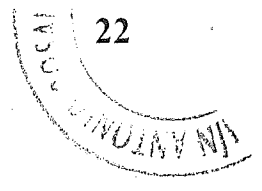


Peter J. Reardon
Associate Counsel
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750 - 900 Howe Street, Vancouver, BC V6Z 2M4
P: 604.662.8840 | W: nst.ca

* Law Corporation

List of suppliers met on August 8-20, 2024:



1. John Leiva Montoya
ID# 79798583
Company Name: Comercializadora Leimon EIRL
RUC (TAX ID) 20602347495
Outstanding Debt: US\$37,000

This is Exhibit "E" referred to in the Affidavit of Luis Saenz, sworn before me at Lima, Peru, this ____ day of August, 2024.

2. Aurora Calienes Gutiérrez
ID# 41980339
Company Name: Aurora Calienes Gutiérrez
RUC (TAX ID) 10419803397
Outstanding Debt: US\$209,000

A Notary authorized to take oaths in Peru

3. Máximo Chamana Sarasi
ID# 25764271
Company Name: Máximo Chamana Sarasi and Machinery Rental SRL
RUC (TAX ID) 10257642718
Outstanding Debt: US\$85,000

4. Julia Guzmán Romero
ID# 80517659
Company Name: Transportes Brayan SAC
RUC (TAX ID) 20604861196
Outstanding Debt: US\$50,000

5. Leónidas Málaga Gutiérrez
ID# 29552230
Company Name: Málaga Gutiérrez Leónidas
RUC (TAX ID) 10295522301
Outstanding Debt: US\$15,000

6. Ángela Ripa Estumbelo
ID# 73053886
Company Name: Ángela Ripa Estumbelo
RUC (TAX ID) 10730538869
Outstanding Debt: US\$58,801.64

Gregory Vasquez

Últ. vez ayer 19:34



Hola Vladimir, las disculpas del caos , estuve en descanso médico.

Editado 15:14

This is Exhibit "G" referred to in the Affidavit Luis Saenz, sworn before me at Lima, Peru, this ____ day of August, 2024.

Por favor comunícate con Manuel, ya trasladé el problema a Canadá.

15:15

A Notary authorized to take oaths in Peru

lun, 10 jun.

Buenas tardes 17:03 ✓

Aún no tengo respuesta hablé con Manuel y quedamos en conversar hoy pero no responde

17:04 ✓

mar, 11 jun.

Hola Vladimir, podríamos reunirnos mañana a las 10:30 am? me confirmas para agendar reunión con manuel y Martín Caba.

09:52

Hola estoy abajo de inca One 09:54 ✓

Tenemos que reunirnos hoy 09:54 ✓

Sube. 09:55

Autoriza. 09:55 ✓

jue, 13 jun.

Hola buen día Gregory. 12:18 ✓

Podrías confirmame la gestión del pago de las facturas del BCP, Manuel quedó en copiarne el correo pero nada

12:19 ✓

El Baco acab de volver a llamarme 12:19 ✓

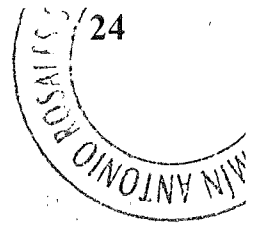
lun, 17 jun.

Buenos días 10:03 ✓

Gregory 10:03

Intento comunicarme contigo desde el jueves 10:12 ✓





Manuel Villalobos Adm Log Incaone
14:00:00 (17/06/2020)

De acuerdo a lo conversado estoy llamándote 16:00

lun, 17 jun.

Buenos días Manuel 16:02

jue, 20 jun.

Hola 16:03

Buenos días Manuel 16:26

No quiero molestar 16:27

Pero no tengo ninguna novedad y la verdad nadie me contesta las llamadas 16:27

Por eso acudo a ti 16:29

Hola Vladimir, tu caso se expuso a Canadá, ellos controlan la caja. Espero tener respuesta pronto.

16:03

mié, 26 jun.

Manuel 16:25

Porfavor puedes atender mi llamas 16:25

Necesito hacerte una consultas de las facturas que estiy emitiendo porfavor 16:26

jue, 27 jun.

Manuel Podrías tomar mi llamad ? 16:48

Manuel 16:08



A Notary authorized to take oaths in Peru

ESPANOL

COMUNICACION INCOMUNICADA

ESPECIAL

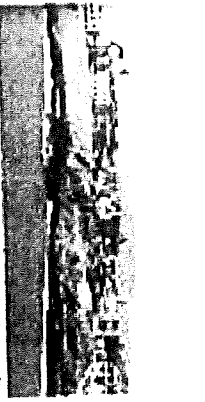
EXPRES

"Yuppies" canadienses hicieron "perro muerto" en Chala



Aurora Cannabis

El grupo de inversionistas canadienses que fundó la empresa Aurora Cannabis, se ha convertido en el más grande inversionista en el sector de cannabis en el mundo. La empresa, fundada en 2013, ha crecido rápidamente y se ha convertido en una de las más valoradas del sector. Los inversionistas incluyen a grandes fondos de inversión y a individuos de alto perfil. La empresa opera en Canadá y tiene planes de expandirse a otros mercados internacionales.

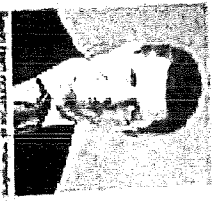


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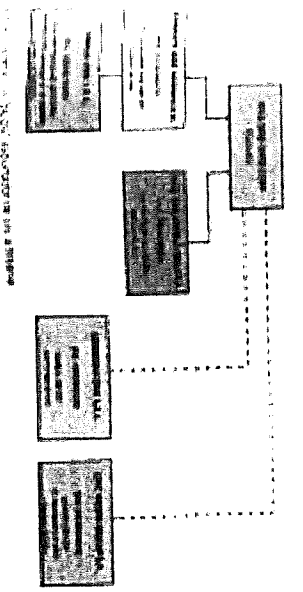
La canalización de Chala

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DE LIMA

Inca One Mining Case: Canadian "Yuppies" Made "Dead Dog" in Chala

Two executives at Inca One Gold in Vancouver have declared default amid rising gold prices, raising fears of bankruptcy in Caraveli.

Published: 11 Aug 2024 7:56 am

By Redacción Expreso

As happened with the previous gold rush (California), the recent "New Gold Rush", is not alien to greed, insanity, daring and why not say it, to events that border on crime, such as in the period 1848-55 known as the "California Gold Rush" following the discovery of gold nuggets in the South Fork American River. Coloma, San Francisco.

Our history of the nineteenth century, in pages not widely disseminated, records the "War of the Skulls" that reveals the violence exercised by the "gringo" colonists (mostly Irish) against "Chilean" miners as Peruvians and Chileans were known (because they ate chili pepper) who had embarked on the ship "Susana" from Callao to San Francisco (11/30/1848) to participate in the boom ("The Gold Rush for the South Americans" by Nicolás Road. 2015: PUCP).

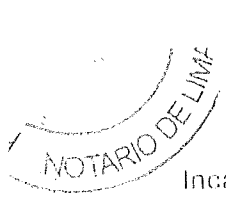
The tragic toll of the brawl for the Latins was: three condemned to death, three to the whipping with the mutilation of the ears and another four only to the whipping. Faced with this, President Ramón Castilla had to send the brig General Gamarra to protect the interests of the countrymen (and replace the sailors who had deserted the Peruvian ships), as reported at the time by El Comercio (10/4/1849).

Almost two centuries later, in the 21st century, although the stages of Sutter's Mill to Caravelí (Arequipa) are changed, and so are the actors, a couple of "Yuppies" from Vancouver have been exercising brutal coercion against Peruvian financiers, suppliers and small miners to whom they owe millions of dollars without a deadline in sight and without any explanation. That is, a "Dead Dog".

The story begins more than a decade ago, with the founding of Inca One Gold Corp (Inca One) in Vancouver (2010), when business administrator Edward "Ed" Kelly, former director of Aurora Cannabis, Inc. (Alberta marijuana sale 2011-2014), took over the management of the Inca One mining company in Arequipa, to which he later added accountant Kevin Hart (2017), former auditor of Galiano Gold 2011-2016 (Asanko deposit, Ghana, Africa), in Arequipa, in the midst of a gold price bonanza that now borders US\$ 2,400 per troy ounce.

However, although it may seem like a fictional series, they have subjected their suppliers to a cessation of payments in Peru, which has placed small businesses in the districts of Chala and Yauca in Arequipa on the verge of bankruptcy.

This financial setback has caused Inca One to enter a debt restructuring process in Canada, due to the fact that OCIM Precious Metals (France), one of its financiers, declared default on its obligations and began the process of foreclosing guarantees.



Inca One obtained from the Supreme Court of British Columbia (3/6/2) the protection under the Canadian Law on Arrangements with Creditors of Companies (CCAA), which applies to insolvent companies (or in the process of bankruptcy) and the company FTI Consulting (firm of Washington DC) has been appointed "monitor" to restructure the company in order to comply with its creditors. The key date is next Monday, August 26, when the monitor must decide whether to opt for the restructuring process or liquidation.

Bread for Vancouver, Crumbs for Peru

As revealed by Inca One's financial statements, the lion's share of the company's revenues has been used for the weekly payment of daily subsistence allowances and disproportionate administrative expenses of the office in Vancouver (Canada), to the detriment of creditors and labor debts in its operations in Peru.

According to an Australian portal, Ed Kelly would be one of the highest-paid executives of junior mining companies Canada (whose stock market value is less than US\$ 200 million-MM) with US\$ 277 thousand per year (36% in bonuses and 64% in salary). "We believe that Inca One's CEO compensation is out of sync with the company's performance" (Simply Wall St 12/8/23).

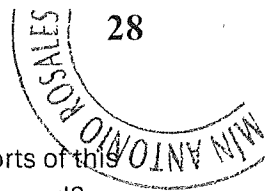
After having diverted the cash to its headquarters in Vancouver and leaving the Peruvian accounts at zero, the company presented a budget greater than US\$ 500 thousand until 7/19/24 to pay salaries, administrative and legal expenses in Canada, to face the bankruptcy process during the hearing (6/12/24).

And what about employees and expenses in Peru? Fine thank you. Having consumed all the income from the sales of May and June, in the following hearing (7/22/24) he presented a budget of US\$ 1 MM requesting an extension until 10/5/24, during which he promised to obtain financing for US\$ 25 MM at an interest of 20% per year, without providing further support, offering the assets as guarantees "that would allow the company to be refloated".

Of this US\$ 1 million, the company has only allocated US\$ 280 thousand to Peru to cover payroll and preventive maintenance costs of its operations; the rest, the majority, stays in the matrix. To date, Inca One has not even complied with paying the rights of validity of the concessions that expired on 6/28/24, which in the recent past, were always up to date and whose amount of obligation barely exceeds S/ 3,500.

Inca One has also not renewed the lease of its Lima office, which ended on 6/30/24, and has not informed staff about any move to another office in the capital. On the other hand, Inca One hired Estudio Rubio in May, with instructions to initiate a bankruptcy protection process before Indecopi.

At this point in the sudden moratorium, it is inexplicable that despite the fact that the exports of Chala One (Inca One's Peruvian subsidiary) during the first half of 2024 amount to US\$ 18.5 million, mainly to the Turkish refinery IGR Metals, and that even sales in the May-June two-month period totaled US\$ 3.7 million, In this period, they have focused on processing stocks in the "field", ceasing to acquire minerals. It is also known, from sources close to the company, that in the first weeks of July the company would have received an IGV refund from Sunat for around S/.1.5 MM from Sunat.



This being the case, the questions immediately arise: What was the money from the exports of the two months of May used if local suppliers were not paid? And how was the Sunat income used? What are Kelly and Hart after? Are you looking for bankruptcy to venture into a new company? Sell the gold plants to some hidden interest? Do they have any other options up their sleeves?

X-ray of the Inca One

Inca One is a mining company based in Vancouver and Lima (San Isidro), trading its shares in the "risk" segment (venture) of the Toronto Stock Exchange – where junior mining companies are listed – whose main business is to buy gold ores from artisanal miners and small producers to process them

To this end, it has two production units: the Chala plant, located in the district of Chala (100 tons (ton)/day) since 2015, and the Kori One plant, located in the district of Yauca (350 tons/day capacity), which it acquired from Anthem United Inc (Canada) for US\$ 12.5 MM (8/21/18).

The subsidiary Chala One SAC (Chala One) operates the Chala plant as a commercial and operational vehicle, because it is the company Corizona One SAC (Corizona One) that has the "concession of benefit" of the Chala plant. In Corizona One, the shareholders are Edward "Ed" Kelly (99.9%) and Kevin Hart (0.1%), CEO and CFO (financial manager) respectively, of Inca One.

The "concession of benefit" of the Kori One plant is held by EMC Green Group SAC, where the shareholders are Ed Kelly (90.14%), Omar Quintanilla Morales (4.93%) and J. Ramírez (4.93%).

According to mining information, both plants, until before the cessation of payments, would have processed no less than 130 thousand ounces of gold, registering sales of around US\$ 200 million. In 2022, Inca One reached a sales record of US\$ 51.6 million.

The cannibalization of Chala

Chala One has suffered several plant stoppages in recent weeks, which has resulted in a significant reduction in production, which had been operating with a production capacity of 100 tons/day continuously, through a crushing, grinding and refining circuit, as well as an extremely large "field" for tailings storage.

During the last 12 months, Chala One has lost the grinding circuit and has almost exhausted the capacity of its tailings facility – due to logistical immobility – which represents an aggravation of operational conditions. In addition, investments have been diverted to operations other than Chala One, to indirectly replace and subtract its operational capabilities.

Chala One has earned international certifications such as Swiss Better Gold, which are a key component of its ESG (Environmental, Social and Governance) sustainability program.

The proper compliance with its mineral purchase procedures is the responsibility of the Chala One sales team, which has been forced to take vacations and/or is in the process of dismissal.

This could significantly undermine Chala One's ability to maintain the standard to meet these certification requests. After the dismissal of its general manager on 5/2/24 (Iván Salas García), to date it has not appointed a new general manager. All decisions have been made remotely from



Vancouver by executives Edward Kelly and Kevin Hart. How and why can a company that obtained international certifications leave or go bankrupt less than six months later?

There are reports that there would be cross-loans between group companies, raising concerns about Chala One's commitment to continue operations.

Likewise, a former executive of the company declares under confidentiality, that there is a clear intention to move assets from the Chala One facilities to other subsidiaries in other locations. It is mentioned that at least five vehicle units have been removed from the Chala One facilities, which limits the operational capacity of the operation.

The reserve of special coal, essential for the operation, has been removed from the facilities and transported to the facilities of another subsidiary that is not under the control of Chala One, as well as a variety of essential equipment, spare parts and supplies, which have been removed from the facilities and transported to the facilities of other subsidiaries that are also not under the orbit of Chala One.

Finally, the workers have warned that the security contractor company does not allow visits without express authorization from the Vancouver office (Inca One).

The Dead Dog to the workers

What increases the tension in the area is that Chala One has unilaterally imposed the departure of more than 40 employees from vacation, including key employees such as those in the commercial area who are responsible for the purchase of 100% of the mineral, without which the operation will stop. As a result of these actions, the company has not acquired new ore since May.

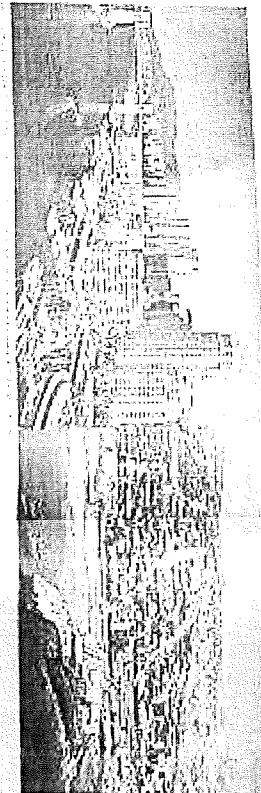
In addition, 85 employees of the group's companies have been dismissed, representing approximately 40% of the workforce (several of them, after having gone on forced vacation). To top it off, according to a source, Chala One paid its workers late in their salary for the month of May. Although all the workers have already been paid, many of them (the majority) have been forced to accept only 70% of the settlement.

Similarly, it cannot be ignored that the labor debt includes compensation, which must be paid immediately after the dismissal as required by Peruvian legislation. Failure to comply with these severance payments could cause employees to file claims with Sunafil, which would result in fines and possible suspension of activities at Chala One. It is rumored, in the vicinity of Chala, that there are at least five employees who are considering this alternative.

The above actions severely undermine Chala One's ability to continue as a going concern, given the nature of its business and the importance of key personnel, such as the commercial team.

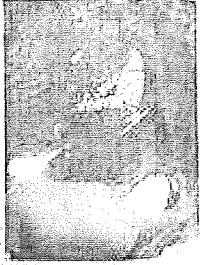
IN ANTONIO ROSA

A Expreso

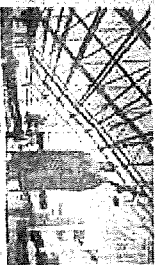


Corte de Vancouver: acreedores peruanos alcanzan su voz

11-JUN UN ASOCIADOR



PERUANA DE INGENIERIA CIVIL S.A. (PERUANA CIVIL ENGINEERING S.A.)



El Director de la Oficina de Asesoría Jurídica del Poder Judicial de Lima, Sr. Juan Carlos Sánchez, ha emitido un dictamen favorable a la solicitud de los acreedores peruanos de la empresa peruana de ingeniería civil PERUANA DE INGENIERIA CIVIL S.A. (PERUANA CIVIL ENGINEERING S.A.) para que se les permita participar en el proceso de liquidación de la empresa.



Los acreedores peruanos de la empresa peruana de ingeniería civil PERUANA DE INGENIERIA CIVIL S.A. (PERUANA CIVIL ENGINEERING S.A.) han solicitado al Poder Judicial de Lima que se les permita participar en el proceso de liquidación de la empresa.

ESPECIAL

Expreso



ALCALDE DE YAUCA DESERIVASCABA A INCA ONE



El alcalde de Yauca, Sr. Juan Carlos Sánchez, ha emitido un dictamen favorable a la solicitud de la empresa peruana de ingeniería civil PERUANA DE INGENIERIA CIVIL S.A. (PERUANA CIVIL ENGINEERING S.A.) para que se les permita participar en el proceso de liquidación de la empresa.

This is Exhibit "I" referred to in the Affidavit of Luis Saenz, sworn before me at Lima, Peru, this ____ day of August 2024

A Notary authorized to take oaths in Peru



Published: 21 Aug 2024 12:28 h

By Redacción Expreso

Vancouver Court: Peruvian creditors raise their voices | Those affected by the Inca One case speak out

The mining area of Chala and Yauca (Arequipa) and in particular the staff and suppliers of the Canadian mining company Inca One, have their sights set on the Supreme Court of British Columbia (Vancouver), which next Monday 26 will decide if they can collect labor debts, commercial debts, in order to reestablish business relations under a fairer and more responsible administration.

A few days before the fate of Inca One Gold (Inca One) is decided in the Supreme Court of British Columbia in Vancouver, next Monday, August 26, the small businessmen who supply the gold activity in the districts of Chala and Yauca in the province of Caravelí in the Arequipa region (600 kilometers south of Lima) are living with anguish, hopelessness and inopia, because in the appointment before the Canada justice system, two fates are at stake for this company: restructuring or liquidation.

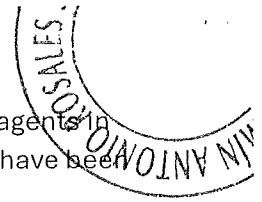
Incredibly, this junior mining company that generated expectations in Peru has led to this extreme situation in the middle of the gold boom (Gold Rush) when the troy ounce exceeds US\$ 2,500 in a peak that has been trending upwards since the beginning of 2024, because without further explanation, CEO Edward "Ed" Kelly, a bachelor of Business and Finance from Western Trinity University, decreed the cessation of payments and other commitments to its suppliers in the area of operations ("Perro Muerto" in Chala EXPRESO (11/8/24).

As recalled, suddenly the Canadian executives of Inca One requested the protection of the Law of Agreements with Creditors of Companies (CCAA) for insolvent companies (or in the process of bankruptcy) and entered a period of suspension of payments "monitored" by the North American FTI Consulting (3/6/24), which safeguards debts registered in Canada, however, merchants, workers and other economic agents related to Inca One in Peru want similar guarantees.

As is known, this company had been acquiring minerals from small producers and artisanal miners to process them in its Peruvian subsidiaries Chala One and EMC Green Group (Kori One), which operate their gold mineral processing plants in the districts of Chala and Yauca in Arequipa, suppliers who are crossing their fingers waiting for the company to continue its march in a restructuring process in order to collect debts and reestablish the commercial relationship.

Until the mid-twentieth century, companies could turn their backs and abandon their obligations in third world mining areas such as: the Kolmannskuppe diamond mine in the former German colony of Namibia (1956), the Wesselton coal mine in South Africa (1995), the Kambele gold mine in Cameroon (1990), and Doe Run (Renco Group) in Peru (1997-2012). with a lawsuit in the Court of St. Louis (Missouri) for 107 children contaminated with lead in their blood; but, in the twenty-first century, the judicial climate has changed: the phenomenon of globalization, the universalization of the struggle for human rights, care for the environment, awareness of good commercial practices

and the communications revolution contribute to the fact that abuses against economic agents in emerging countries do not materialize. since the courts of justice of developed countries have been sentencing with an eye on the areas of operations.



CHEMICAL SUPPLIES SUPPLIER: HANGING BRUSH

EXPRESO tried to communicate with the affected suppliers, without much success, however we were able to contact two of them: one is Cristhiam Granda (47), owner of Labminsur SAC, a company that distributes chemical products to food, paper, mining, paint, fishing, hardware and textile companies that maintained a commercial relationship with Inca One's subsidiaries: Chala One and EMC Green Group (Kori One) uninterruptedly for six years. and he could not have foreseen this misfortune by any means. Granda points out: "They owe us US\$ 140 thousand. The last sale was three months ago (4/5/24)."

Labminsur supplies caustic soda (flakes), rectified ethyl alcohol, steel balls for grinding and sodium cyanide: "We also provided storage and transportation services, my place (Lima) being its free collection center. And storage for all their suppliers, so that they can accumulate the merchandise that we then transported to Chala in our units."

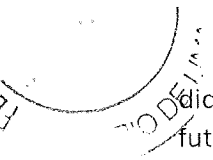
In addition, he adds that they kept part of their merchandise: "The communication was basically by phone and to a lesser extent, by WhatsApp messages. I sent them the message to pick up the unpaid merchandise and extend them a credit note so that their debt would go down, overnight and clean up the rough edges little by little, in favor of restoring good commercial practices." However, he adds, "I did not get any response from them and the little I have learned is that the merchandise is disappearing, selling it, I don't know how... They do not have the right to sell this merchandise, because they are not sellers but buyers, that is, they can buy and consume, but they cannot engage in buying and selling, because they are controlled products, which cannot be marketed without the permission of controlled inputs, unless they are selling it on the black market. Cyanide is a controlled product, it is totally controlled by Sunat, according to national laws."

Granda says that the current situation at the Chala One and Kori One plants is quite bad: "The people who have been able to come there, some acquaintances of mine, have told me that it is a "cemetery", that there is nothing", adding: "For the sale of supplies we had as a contact the head of logistics Gregory Vásquez (or his assistant Brandon Palacios). Vásquez still continues, but he does not answer, he does not answer emails, the man is absent. He doesn't want to show his face."

THE COMPANY THAT PROVIDED FOOD IN THE PLANTS SPEAKS OUT

Another supplier that we were finally able to interview was the company Heysen Production, Design and Consulting for Events EIRL, which had a relationship to provide food to Inca One personnel in the plants for more than three years, from April 2021 to June 20, 2024. Vladimir San Martín, the head of production, tells us that Inca One's non-payments have dragged the company into an unmanageable crisis: "It was our main customer. We supplied power to the two plants, both for Chala One and for EMC Green Group."

"Everything was going normally during the time we have provided food services, sometimes they were delayed, but they always complied. Last year they started with some delays and we decided to start financing with the invoices (factoring) with the Banco de Crédito del Perú (BCP), but they



did not meet the date of the payments and since it was a credit payment, for us it was an uncertain future, but we did not discontinue the provision of the service," he added.

He then pointed out: "The problem worsened in May, when the BCP notified us that more than seven days had passed and the payment had not been complied with. I contacted the company to ask: what was going on? Will I be paid? And they promised to pay the overdue bills and told me not to worry. That he continues to provide the service, that everything was normal and we continued. What's more, at that time they asked me to finance other invoices to be able to pay and we financed ourselves with Klimb (a factoring company). However, they did not comply with paying and given the risk, we had to suspend the service, because overnight they began to reduce the staff in the area towards the end of May and the first weeks of June."

San Martín says that he witnessed this reduction as an exception: "We had 60 or 70 rations for the Chala One plant and 80 daily rations for the EMC Green Group plant. Suddenly, at the end of May, those who were hired began to leave, they began to schedule vacations for the staff, but in our communication they always told us not to worry, that it was a vacation issue. Then, the payroll began to shrink. By the first days of June, with the non-payment and the departure of personnel, they promised to comply with the banks, but I still provided the service, until I had to stop, because they did not respond."

"The scenario was complicated because we have not been paid the latest bills. From May to date, they owe us S/ 500 thousand. Some of it has been under the modality of selling invoices in the accounts we had in the BCP. They have transferred the debt to us. It complicated the outlook for us, because they blocked us in the financial system. The other company, Klimb, also did not receive payment." Adding: "Somehow, they always had some kind of delay, it was like a modus operandi. This situation was derailed in May."

San Martín narrates that he lost communication with Inca One: "Everything was coordinated with Manuel Villalobos... The staff commented that the general manager had resigned. I had renewed the contract in April, but now that the general manager is no longer there, Villalobos does not answer phones or WhatsApp, he assumed responsibility for the company, because I spoke with him, he was the one who promised that the payments were going to be made, with him we have lived through this whole debacle."

He added: "He frequently went to the plants to supervise that the service was in line with his requirements, with the rules. Inca One was our main customer. I did not meet the Canadians Ed Kelly or Kevin Hart but on one of my visits, one of them stayed more than a month in the plants in 2023. Now we are blocked in the financial system, with overdraft, being an EIRL the responsibility reaches beyond the corporate name. With Sunat we are also complicated."

RAMON ANTONIO ROSALES



If the foregoing is in accordance with your understanding, please so indicate by executing in the space provided below and returning such executed copy by PDF copy to OCIM on or before 5:00 p.m. PST on August 16, 2024.

Dated on August ____, 2024.

INCA ONE GOLD CORP.

Per: _____
Bruce Bragagnolo, Chairman

OCIM METALS & MINING SA

Per: _____
Laurent Mathiot, Chairman and CEO

EQUINOX GOLD CORP.

Per: _____
[•]