



This is the 2nd 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 ESTANOTARIA

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. 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 I am authorized to make this affidavit.



3. I previously made an affidavit in this proceeding on August 22nd, 2024 (“**My 1st Affidavit**”).

4. 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 noticed some steel mesh cables of industrial use and several plastic and rubber pipes approximately 20-30 metres from the side of the road. Next to this debris was a ravine which I approached and looked into. There I saw a significant amount of garbage spread out over an area of approximately 30-40 metres. This garbage was unprotected and exposed to the elements, including wind. Attached hereto as **Exhibit “A”** are photographs I took of the debris on both visits on August 8 and 18, 2024. I also have a thirteen minute unedited video recording I took on August 18, 2024, which can be made available to this Honourable Court. During my visit to the garbage site, I noted that:

- (a) there was evidence of tire tracks of earth moving equipment indicating to me that there may have been an effort to cover debris previously left at that location. There might have been garbage below what was visible. I did not investigate further.
- (b) there was general garbage of a personal nature (food wrappers, plastic bottles, old clothes, etc.), business garbage (office supplies, boxes, etc.) and debris from industrial use (air filter masks, work boots and attire) and several other items described below;
- (c) among the garbage there was a piece of clothing that has the Inca One Gold name and logo on it;
- (d) I found a food container with the name Arnold Vivanco who I believe is Arnold Anthony Vivanco Neyra, an employee of the Kori One plant. The container has a reference noted on it indicating that it may have been used during the Father’s Day celebration which took place on June 16, 2024.
- (e) there were empty steel drums that are typically used for the storage of cyanide. Cyanide is used in metallurgy for electroplating, metal cleaning and removing gold



from its ore. It is commonly used in gold processing facilities and is one of the main products used by Kori One in its production cycle. Cyanide is a regulated product in Peru and has specific handling and waste disposal regulations;

- (f) in the sand there was a partially buried used air filter roughly 1 meter in length and 75 cm diameter;
- (g) I found a receipt for services that had the stamp of Inca One Gold dated April 8, 2024;
- (h) I found a 25 kg bag of industrial cement powder. The bag was almost full and open with its contents exposed;
- (i) the area is completely unprotected from the elements so winds have spread out the lighter waste to areas beyond the ravine; and,
- (j) the garbage dump site described above is relatively close to the Kori One facility. The facility can actually be seen from the garbage dump site. There is no other business or facility nearby. I believe this dumping of garbage has been ongoing of at least a couple of months as evidenced by the findings above.

5. I have been advised by a past employee of Chala One SAC that similar methods of garbage disposal are utilized at the Chala One facility, including disposing of garbage in a hole in the ground which is then covered up. This past employee has shared two videos depicting this irregular disposal of garbage at the Chala One facility which can be made available to this Honourable Court. I am reluctant to disclose the name of this employee for fear that some retaliatory action could be taken against him.

6. OCIM fears that the Peruvian regulatory authority, OEFA, the environmental assessment and control agency (in English), may take action if the garbage and waste disposal that appears to have been undertaken by Inca One is discovered. I have obtained a Memorandum from the Lima office of Cuatrecasas, a Peruvian law firm, regarding "Non-authorized disposition of solid waste". Cuatrecasas concludes:



Consequently, if the environmental regulatory authority (OEFA) verifies that EMC Group S.A., a subsidiary of Inca One Gold Corp., has been disposing of its solid waste in an unauthorized manner, it may impose on such companies fines up to US\$ 2 Million dollars, and also order the cessation of activities at the Plant.

A copy of the Memorandum is attached hereto as **Exhibit “B”**.


7. Following publication of a second article about Inca One in the Expreso newspaper on August 21, 2024, a copy of which, in Spanish and English, is attached to My 1st Affidavit as Exhibit “I”, I obtained another opinion from Cuatrecasas regarding the “Non-authorized Transportation of Cyanide”. In that memorandum, Cuatrecasas concludes:

Consequently, if the SUNAT or the Police verify that EMC Group S.A., a subsidiary of Inca One Gold Corp., has been transporting cyanide without the proper IQBF Registry and in violation of applicable regulations, it may not only seizure the product and impose administrative sanctions, such as fines, but also initiate a criminal procedure against such company that could lead to the imposition of penalties such as the deprivation of liberty for its representatives. Moreover, in case such conduct is verified, EMC Group S.A. may be permanently excluded from the IQBF Registry which means that it may not be able to use cyanide again for its operations.

A copy of that memorandum is attached hereto as **Exhibit “C”**.

8. Additionally, Inca One has obtained international certifications such as Swiss Better Gold (<https://www.swissbettergoldassociation.ch>) and planetGold (<https://www.planetgold.org>) which are a key component of its Environmental, Social and Governance program. Appropriate compliance in its mineral ore buying procedures and the maintenance of standards of operations are at risk with prolonged periods of inactivity. This could significantly undermine Inca One’s ability to maintain the standard to comply with the requests to keep these certifications current.

9. On August 18, 2024, I met with Ms. Julia Guzman Romero, owner of Transportes Briyan SAC which they provided general cleaning services for both Inca One facilities as well as the removal of general garbage and hazardous materials. Ms. Guzman advised me that the removal of hazardous materials has been undertaken four times a year at each plant facility. Estimated cost of removal for each facility is US\$2500.00 per quarter. The materials are transported to a designated



storage and disposal facility in the north of Peru. The service includes the pick-up of the hazardous materials and delivery to the disposal facility including payment to such facility. Because of nonpayment of services for hazardous materials, services were suspended at the Chala One plant in November 2023 and for the Kori One plant in February 2024. This company is one of the very few companies that provide this service in the area. Ms. Guzman provided copies of invoices for the last pick up of hazardous materials from the Kori One plant in February 2024. Those invoices are in Spanish. Copies will be available for this Honourable Court and any party upon request. They include the list of the types of materials being retrieved as well as the receipt of the materials at the designated facility in the north of Peru. Many of the materials and debris referred to in paragraph 4 herein are included in the hazardous materials that should have been properly disposed of in the manner described by Ms. Guzman. When I asked if she knew what the company was doing with the garbage since they suspended Transporte Briyan's services, Ms. Guzman responded that it was her understanding that the garbage was being burned at the site.

10. I have spoken to Christian Granda, owner and general manager of Labminsur SAC, supplier of chemicals to Inca One and similar processing facilities. They have mainly provided Inca One with sodium cyanide used in the processing for the extraction of gold from the ore. Mr. Granda advised that Labminsur is owed by Chala One and Kori One a total of approximately US\$130,000.00 for invoices dating in April and May 2024. Mr. Granda advised me that in May, the companies placed unusually high orders for sodium cyanide and other chemicals. Mr. Granda spoke with Gregorey Vasquez of Inca One and proposed that Labminsur recover the sodium cyanide still in inventory with Inca One thus reducing the debt amount by approximately fifty percent. He has received no response to date. Mr. Granda has expressed to me anger and distrust in Inca One management as he believes that the large orders by Inca One were to "stock up" in advance of the liquidity crisis by the company. He further advised me that he has told other cyanide suppliers of Inca One's deceitful practices and warned against doing further business with the company. Mr. Granda has provided copies of the overdue invoices and notary letters he has caused to be sent to Inca One.

11. Maximo Chamana is an Inca One service provider who provides mineral ore and coal transport services as well as heavy equipment rentals. Mr. Chamana advised me as follows: On July 14, 2024, he was contracted by an outside company to pick up some materials from Inca One's Kori One processing facility. Upon arrival, he was surprised to find that the shipment was for



2,135 kg of sodium cyanide which he was to pick up and transport to another location outside of the Kori One premises. The material was provided by the Kori One personnel without proper documentation as is required by law because sodium cyanide is a regulated material with strict protocols for commercialization and transport. This material was released with a simple signed document by the Inca One personnel and was told it was authorized by Mr. Gregory Vasquez from the Inca One office in Lima. On July 22, 2024, Mr. Chamana was contacted again and returned to the Kori One plant a shipment of 1,135 kg of sodium cyanide once again without the proper documentation and protocols. Attached hereto as **Exhibit "D"** are pictures of the release document as well as of the cyanide shipment of July 14, 2024.

12. I believe that public disclosure of the information contained in this affidavit will bring it to the attention of government regulators, including OEFA, and lead to severe penalties being imposed on Chala One SAC and EMC Green Group S.A., the operators of the two processing facilities, and perhaps Inca One Gold, thereby making any restructuring much more difficult if not impossible.

13. Attached hereto as **Exhibit "E"** is an unredacted copy of the restructuring term sheet referred to in paragraph 7 of My 1st Affidavit.

SWORN BEFORE ME
at Lima, Peru,
on __ August, 2024.

A Notary authorized to take oaths in Peru

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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NOTARIA
ROSALES SEPÚLVEDA





No. S-243645
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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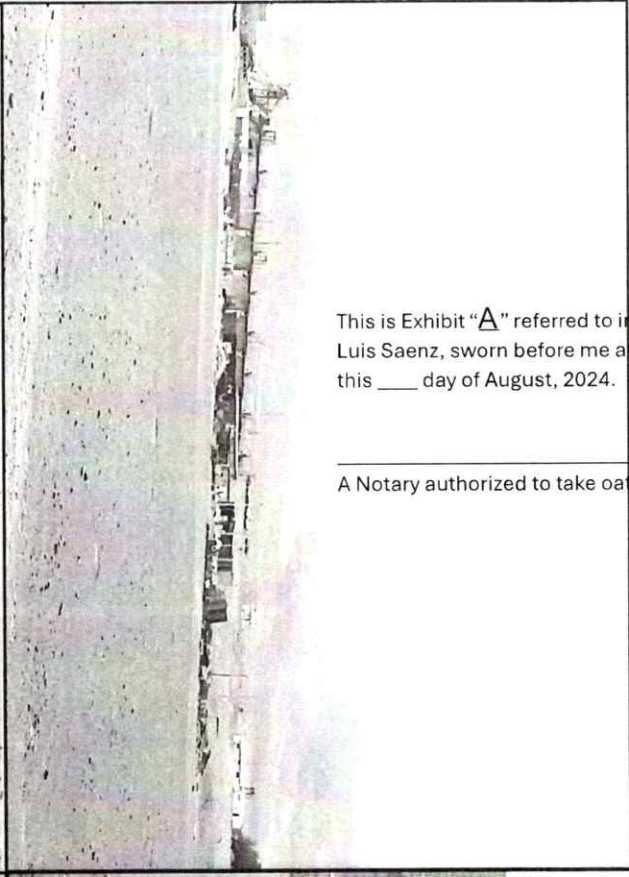
AFFIDAVIT #2 OF LUIS SAENZ

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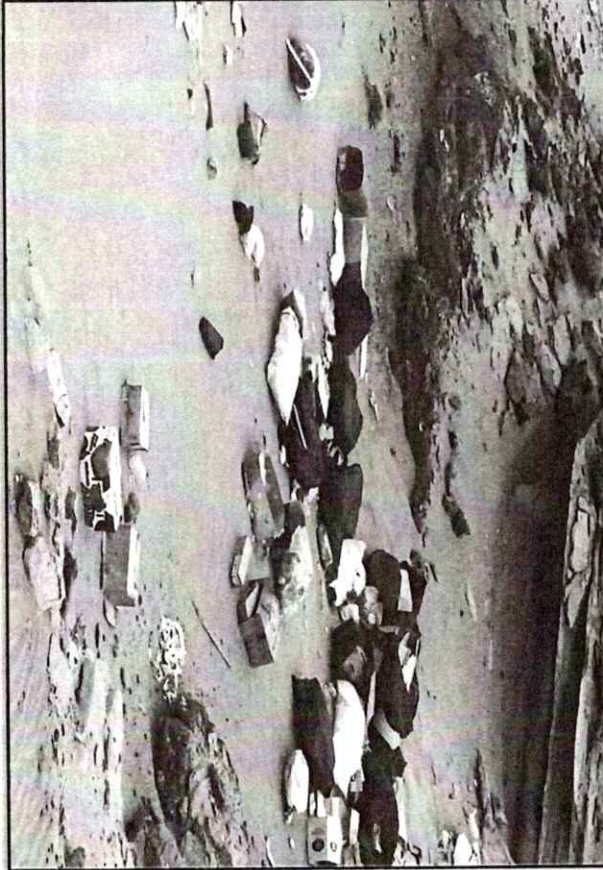


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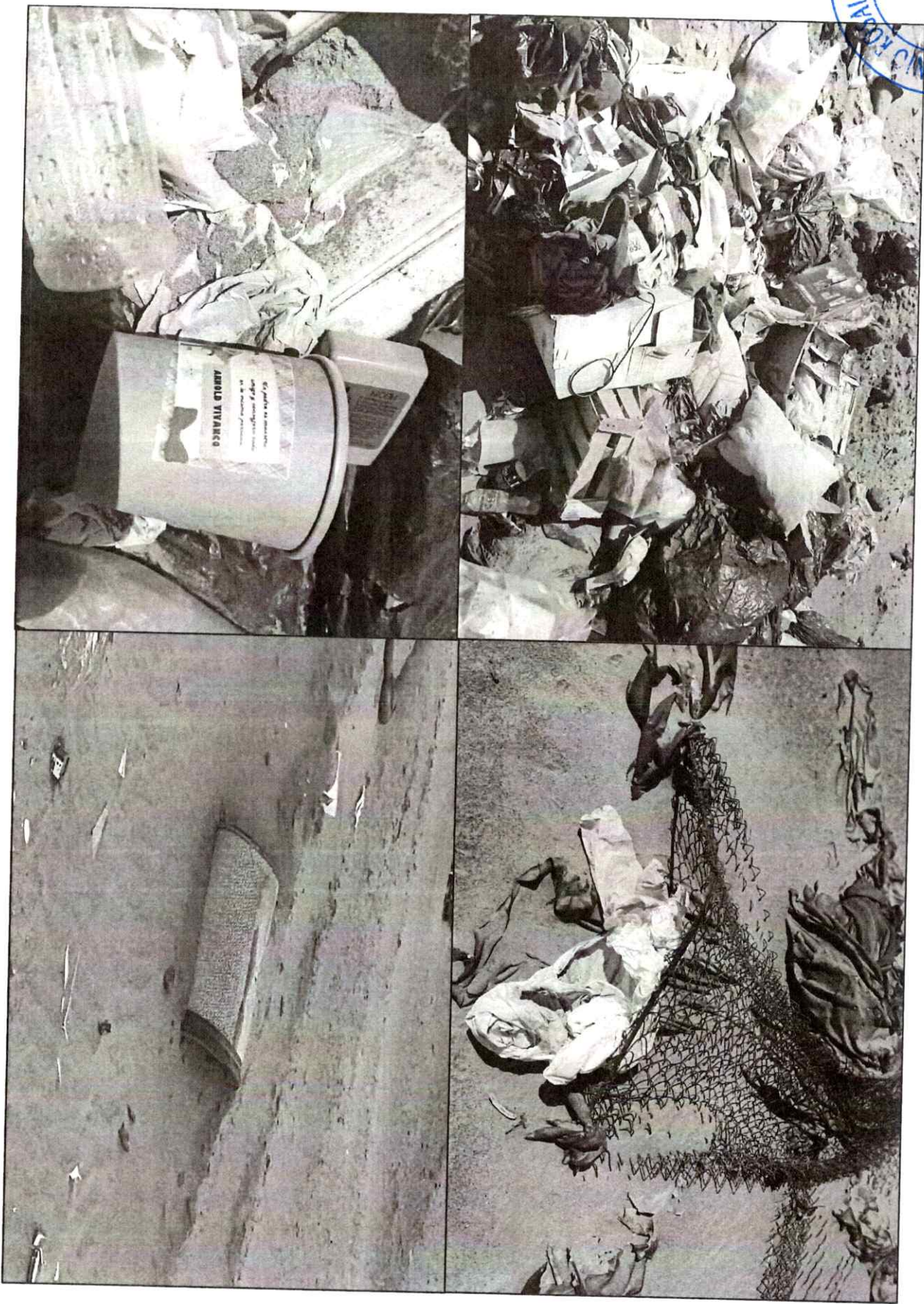


This is Exhibit "A" referred to in the Affidavit of Luis Saenz, sworn before me at Lima, Peru, this ____ day of August, 2024.

A Notary authorized to take oaths in Peru



013065/001/00813094







CUATRECASAS

**MEMORANDUM**

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

To: Ocim Precious Metals S.A. (OCIM)
From: Cuatrecasas (Lima office)
Ref.: Non-authorized disposition of solid waste
Date: August 16, 2024

A Notary authorized to take oaths in Peru

OCIM has informed us that EMC Group S.A., a subsidiary of Inca One Gold Corp., owner of the Kori One Mineral Processing Plant (the "Plant"), has been disposing of the solid waste generated at the Plant in non-authorized locations, as shown in the photos included as Annex 1 of this Memorandum.

In this regard, we have been requested by OCIM to prepare this legal Memorandum analyzing the legal consequences that arise from the management and disposal of solid waste in violation with environmental laws.

In accordance with the provisions of Legislative Decree No. 1278, the Legislative Decree that approves the Law on Comprehensive Solid Waste Management and its Regulations approved by Supreme Decree No. 014-2017-MINAM, we can conclude the following:

1. The generator of solid waste is responsible for its safe, sanitary, and environmentally appropriate management, including all stages from segregation to its final disposal. In the event that a generator of solid waste causes damage to the environment, it must ensure restoration, rehabilitation, or repair, without prejudice to any administrative, civil, or criminal responsibilities that may arise.
2. In this sense, all solid waste generator are obliged to comply not only with all applicable legal provisions but also with their own environmental commitments assumed in their solid waste minimization and management plan contained in their environmental management instruments.
3. The final disposal constitutes the last stage of the management and handling of solid waste, which includes a set of activities aimed at achieving the deposit, confinement, and isolation in a permanent manner.
4. Being a critical link in the chain of integrated waste management that requires special care, the regulations have identified special spaces, such as sanitary landfills, where solid wastes can be disposed to prevent risks to the environment and people's health.
5. In line with the abovementioned, the final disposal of solid waste in non-authorized places is expressly prohibited by the Peruvian legislation, and therefore, it has been classified as an administrative infraction that can lead to the application of administrative fines of up to 1500 UIT (S/ 7,725,000 or approximately US\$ 2,071,046). Additionally, the commission of such an infringing conduct can lead to



CUATRECASAS

the imposition of administrative measures aimed at mitigating the environmental damage caused, such as the cessation of activities.

Consequently, if the environmental regulatory authority (OEFA) verifies that EMC Group S.A., a subsidiary of Inca One Gold Corp., has been disposing of its solid waste in an unauthorized manner, it may impose on such companies fines up to US\$ 2 Million dollars, and also order the cessation of activities at the Plant.



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Anexo 1





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



CUATRECASAS

A Notary authorized to take oaths in Peru

MEMORANDUM

To: OCIM Precious Metals S.A. (OCIM)
From: Cuatrecasas (Lima office)
Ref.: Non-Authorized transport of Cyanide
Date: August 21, 2024

OCIM has informed us that EMC Group S.A., a subsidiary of Inca One Gold Corp., owner of the Kori One Mineral Processing Plant (the "Plant"), has been transporting cyanide without the proper authorizations and in violation of applicable laws.

In this regard, we have been requested by OCIM to prepare this legal Memorandum analyzing the legal consequences that arise from the transport of cyanide in violation with applicable laws.

Based on our review of applicable legislation, we can conclude the following:

1. Legislative Decree 1103, which establishes measures for the control and supervision of the distribution, transport and commercialization of Chemical Inputs and Controlled Goods ("IQBF") that can be used in Illegal Mining, establishes that cyanide is a **controlled chemical input**. Therefore, legal entities that use cyanide must be registered at the Registry of Chemical Inputs and Controlled Goods ("IQBF Registry")¹, in accordance with the provisions of Legislative Decree No. 1126 and its Regulations approved by Supreme Decree No. 044-2013-EF.
2. The National Superintendency of Tax Administration is responsible for controlling and supervising all activity involving IQBF, including the importation, retention, transportation, and exportation of cyanide, with the support of the National Police of Peru (PNP) and the Public Prosecutor's Office.
3. In this regard, in accordance with the provisions of the applicable regulations, the transportation of cyanide can only be carried out by legal entities that are registered in the IQBF Registry. Moreover, they must also have the documentation required by the Payment Receipts Regulation² and must carry out such transportation through the authorized Fiscal Routes³.

¹ The IQBF Registry includes, among other aspects, information on the controlled chemical input, the quantity used, and the details of the activities that are subject to control (namely, importation, exportation, production, use, transportation, and storage).

² According to Article 4 of Legislative Decree 1103 and Article 30 of Legislative Decree 1126, the required documentation will be as specified in the Payment Receipts Regulation (i.e., delivery notes that support the transportation of controlled goods).

³ Fiscal Routes are mandatory transportation routes authorized by the Ministry of Transport and Communications, proposed by SUNAT. The establishment of the Fiscal Routes is progressively approved by



4. Additionally, anyone transporting Cyanide must also comply with the provisions of the National Regulation for the Transportation of Hazardous Materials and Waste, approved by Supreme Decree No. 021-2008-MTC ("Transportation Regulation"), which regulates the standards and procedures related to the activities, processes, and operations of land transportation of cyanide as a hazardous material.
5. In general terms, it is noted that anyone transporting cyanide must primarily comply with the following: (i) classify and identify hazardous materials; (ii) label and tag the product according to the United Nations Orange Book, specifying safety aspects for its use; (iii) obtain vehicle insurance; (iv) implement a contingency plan in case of emergencies; (v) train personnel involved in the transportation operation; (vi) comply with specific safety provisions for transportation; among others.
6. In addition to complying with the general provisions mentioned above, a legal entity that transports hazardous material by land must be registered in the National Registry of Hazardous Materials and/or Waste Transportation ("National Transportation Registry") and obtain a Special Operation Permit to carry out the activity of transporting hazardous materials and/or waste. The transportation can be performed by the registered legal entity or by authorizing a third parties that provides the transportation service. In both cases, the National Transportation Registry and the Special Operation Permit are required.
7. Finally, the vehicles used in the transportation activity, as well as the driver, must also have the following authorization: the Special Vehicle Qualification Certificate and the Special Category Driver's License, respectively. Additionally, the vehicle must have an insurance policy.

As described in the preceding paragraphs, the transportation of cyanide is an intensely regulated activity, and those who carry it out must obtain various permits and comply with a series of obligations. Non-compliance leads to the imposition not only of administrative sanctions but also criminal penalties, as detailed below.

In accordance with the provisions of Legislative Decree 1103, failure to comply with obligations related to the control and supervision of the transportation of chemical inputs (cyanide) can result in the seizure and confiscation of goods⁴ by the authority.

Furthermore, according to the Transportation Regulations, non-compliance with the provisions related to the transportation activity of cyanide as a hazardous material can result in the application of additional administrative fines of up to 5 Tax Units (approximately S/ 25,750 or US\$ 6,885), as well as the imposition of administrative measures, such as the halting of activities, retention of the vehicle, suspension of the driving license, among others.

Ministerial Resolution. Currently, the Fiscal Routes are provided for in Ministerial Resolution No. 350-2013-MTC-02 and Ministerial Resolution No. 360-2012-MTC-02.

Individuals transporting controlled goods are required to present themselves at Mandatory Control Posts located on the corresponding Fiscal Route to undergo control and verification of requirements in accordance with the provisions of Superintendency Resolution No. 162-2012-SUNAT.

⁴ The seizure and confiscation also include the means of transport used. Transport units that are registered must have mandatory use of GPS.



Finally, failure to comply with obligations related to the control and supervision of the transportation of chemical inputs (cyanide) could be considered as a crime of *Illicit Trade* typified in Article 272 of the Penal Code, which triggers a penalty of deprivation of liberty for no less than 1 year but no more than 3 years⁵. In the case of legal entities, such penalty is enforced against their legal representative who order such conduct. It shall be pointed out that a legal entity who is found guilty of committing this crime will not be able to legally deal with IQBFs, such as cyanide ever again in Peru, considering that the commission of this crime will result in permanent disqualification from the IQBF Registry, as well as a permanent denial of registration⁶.

Consequently, if the SUNAT or the Police verify that EMC Group S.A., a subsidiary of Inca One Gold Corp., has been transporting cyanide without the proper IQBF Registry and in violation of applicable regulations, it may not only seizure the product and impose administrative sanctions, such as fines, but also initiate a criminal procedure against such company that could lead to the imposition of penalties such as the deprivation of liberty for its representatives. Moreover, in case such conduct is verified, EMC Group S.A. may be permanently excluded from the IQBF Registry which means that it may not be able to use cyanide again for its operations.

* * * * *

⁵ *“Illicit Trade*
Article 272. - *Anyone who engages in the following conduct shall be punished with imprisonment for not less than 1 (one) year and not more than 3 (three) years, and with a fine of 170 (one hundred seventy) to 340 (three hundred forty) day-fines:*
Engages in a commercial activity subject to authorization without having met the requirements demanded by laws or regulations.

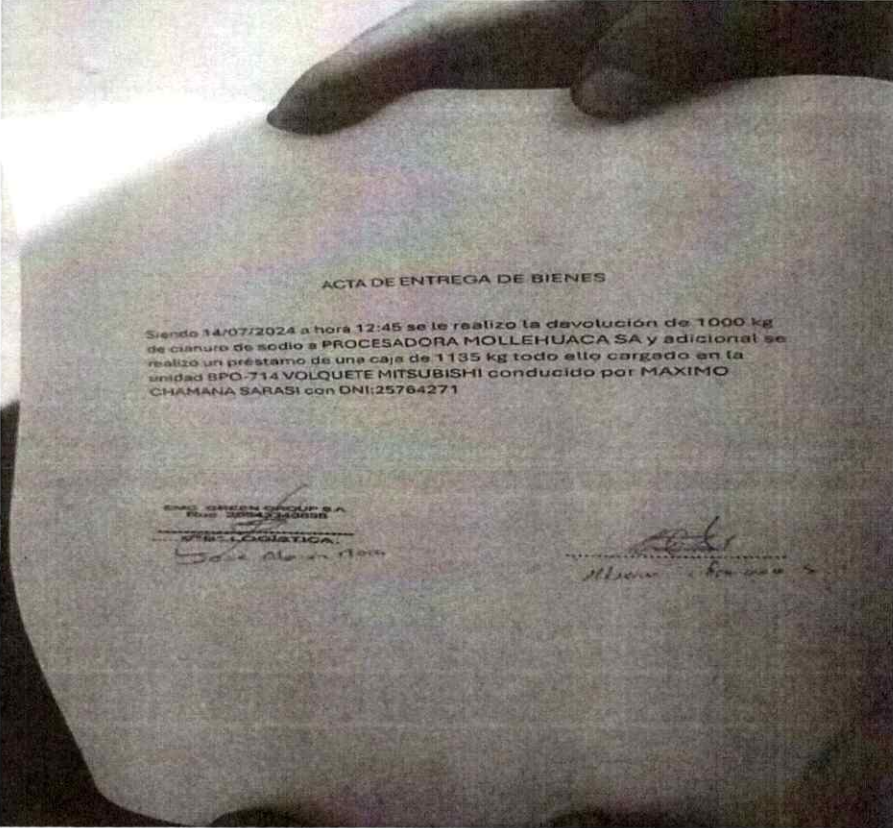
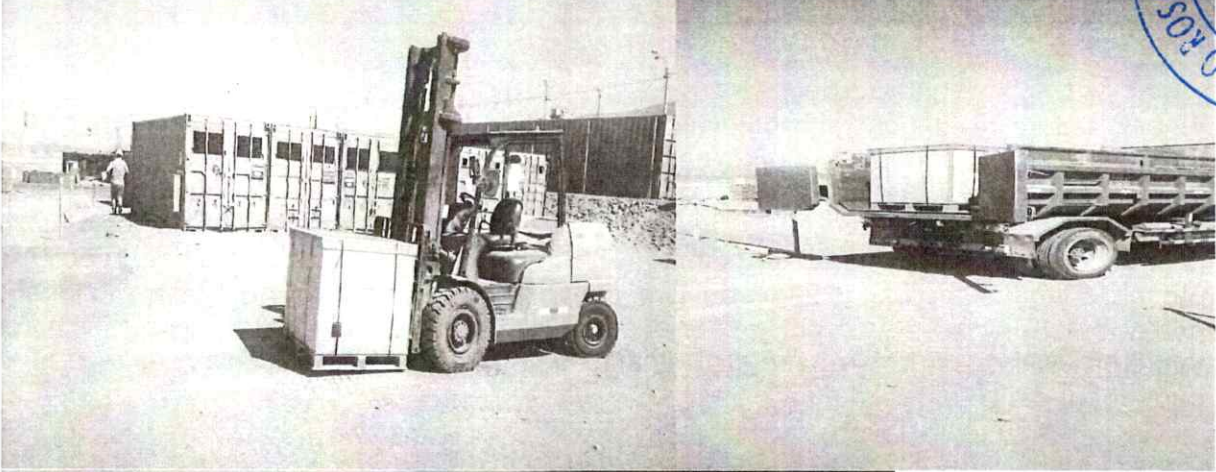
1. *Employs, expends, or circulates goods and products without the corresponding stamp or seal, when they are required to have one, or without proving the payment of the tax.*
2. *Uses goods exempted from taxes for purposes other than those provided for in the respective exempting law.*
3. *Evades fiscal control in the marketing, transport, or transfer of goods subject to control and oversight by special regulations.*
4. *Uses routes other than the fiscal routes for the transport or transfer of goods, inputs, or products subject to control and oversight.*

In the cases provided for in subsections 3), 4), and 5), the following are considered aggravating circumstances and are punished with imprisonment for not less than five years and not more than eight years, and with a fine of 365 (three hundred sixty-five) to 730 (seven hundred thirty) day-fines, when any of the described conduct is carried out:

- a) *By the Direct Consumer in accordance with the provisions of tax regulations;*
- b) *Using a false or forged document; or*
- c) *By a criminal organization;*
- d) *In the cases of 4) and 5), if the conduct is carried out on two or more occasions within a period of 10 years.”*

⁶ The definitive cancellation from the IQBF Registry is appropriate when the user, or any of their shareholders, partners or members, legal representatives, directors, or those responsible for the management of the controlled goods, has a final conviction for the crime of illicit trade, the crime of illicit drug trafficking and related offenses, as well as crimes of document forgery, procedural fraud, among others.

MIN ANTONIO ROSALES SEPÚL
7



This is Exhibit "D" 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

This is Exhibit "E" 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:	US\$8,000,000, 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:	C\$0.09 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 19.99% of the Common Shares on a post-transaction basis, being approximately US\$2,500,000.
Equinox Debt Conversion Price:	C\$0.09 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:	<p>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 <i>Prospectus Exemptions</i> in the provinces of British Columbia and to other jurisdictions under applicable private placement exemptions.</p> <p>Each Unit shall consist of one Common Share and one common share purchase warrant (each, a "Warrant").</p> <p>OCIM will participate in the Offering for a minimum amount of US\$1,000,000. 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 51% ownership in the total issued and outstanding Common Shares on a fully-diluted basis.</p> <p>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 19.99% ownership in the total issued and outstanding Common Shares on a basic basis</p>
Offering Amount:	At least US\$1,000,000 and up to US\$2,000,000.
Offering Price:	C\$0.09.
Warrant Terms:	<p>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 C\$0.15 (the "Exercise Price") at any time up to 24 months following Closing.</p> <p>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.).</p>

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

Common Shares Outstanding:	Value (US\$)	Ownership (%)	Comments
Current Inca One Current Shareholders:	4,000,000	22.47	Inc. 4.5% of Equinox
OCIM Debt Conversion:	8,000,000	44.94	-
Equinox Debt Conversion:	2,500,000	14.04	-
Offering:	2,000,000	11.24	Inc. US\$1M of OCIM
Unsecured Creditors:	800,000	4.49	-
Management Buyout:	500,000	2.81	Equiv. of C\$660,000
Total:	17,800,000	100.00	-

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 50.5% or more of the Common Shares on a post-transaction, basic basis and will participate in the Offering if necessary to achieve this objective.

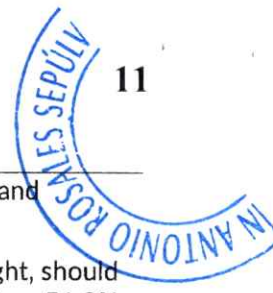
Equinox will hold 19.99% of the Common Shares on a post-transaction basic shares outstanding basis and may participate in the Offering or convert a portion of its remaining outstanding Equinox Debt (post restructuring) if necessary to achieve this objective.

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 51.0% and 19.99%, respectively.

In addition, OCIM and Equinox will each have a right, should their percentage equity interest decrease to less than 51.0% and 19.99%, 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 50.0%, 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 50.0% it will retain the right to nominate two (2) persons to the Board. Should OCIM's percentage interest in the Common Shares fall below 19.9% 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 9.9% 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 9.9%, Equinox will have the right to nominate one (1) person to the Board. Such right will be lost if such percentage interest falls below 9.9% 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 US\$1,360,000 and US\$2,160,000, respectively), for an aggregate face value of approximately **US\$3,520,000** (the "**Inca One Term Loan**"), and they will each write off the balance of their respective debts.



	<p>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.</p> <p>OCIM will be the senior and lead agent and manager of the Inca One Term Facility.</p>
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 US\$10,000,000 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 US\$1,000,000 of the Inca One Working Capital Facility (the "Working Capital Committed Funds"). OCIM has secured an additional US\$2,000,000 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 US\$1,600,000. The Unsecured Creditors will receive the number of Common Shares resulting from dividing the Canadian equivalent of US\$800,000 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 C\$1,320,000. The Company's management will support converting C\$660,000 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.
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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.



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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: _____

