

This is the 4th Affidavit of Edward Kelly
made on August 22, 2024

No. S243645
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.**

**AFFIDAVIT OF EDWARD KELLY
(Affirmed August 22, 2024)**

I, Edward Kelly, with a service address of 9th floor, 900 West Hastings Street, British Columbia, AFFIRM THAT:

I. INTRODUCTION

1. I am the President and Chief Executive Officer of Inca One Gold Corp. ("**Inca One**" or the "**Company**"). I am responsible for and have overseen Inca One's restructuring efforts to date. As such, I have knowledge of the matters hereinafter deposed to save and except where stated to be on information provided to me, in which case I believe the same to be true.
2. On June 3, 2024, the Honourable Madam Justice Fitzpatrick granted an initial order (the "**Initial Order**") in respect of Inca One under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Among other things, the Initial Order established a stay of proceedings against Inca One for an initial period of ten (10) days (the "**Stay Period**"). FTI Consulting Canada Inc. ("**FTI**") was appointed as the monitor (the "**Monitor**") of Inca One.

3. On June 13, the Honourable Madam Justice Fitzpatrick pronounced the Amended and Restated Initial Order, which extended the Stay Period to July 22, 2024 and increased the Administration Charge thereunder to \$220,000.
4. On July 22, 2024, the Honourable Madam Justice Fitzpatrick pronounced an Order extending the Stay Period to July 25, 2024.
5. On July 25, 2024, the Honourable Madam Justice Fitzpatrick pronounced Second Amended and Restated Initial Order (the “**Second ARIO**”), which extended the Stay Period to August 26, 2024 and authorized an interim financing facility (the “**Interim Financing Facility**”) from 401601 B.C. Ltd. (the “**Interim Lender**”) and an Interim Financing Charge.
6. As detailed in my 3rd Affidavit, Inca One obtained a term sheet (the “**Replacement Financing Term Sheet**”) with Westmount Capital (“**Westmount**”) to provide Inca One with a \$25,000,000 USD replacement financing facility (the “**Replacement Facility**”) to close no later than September 30, 2024
7. This affidavit is made in support of extension of the Stay Period to October 5, 2024. The extension and the other relief is necessary for the purpose of closing the Replacement Facility and putting forward a Plan of Arrangement (the “**Plan**”) to creditors, which will allow for the repayment of OCIM Metals and Mining S.A. (“**OCIM**”), Inca One’s senior secured creditor, among other provisions..
8. As described in further detail herein, Inca One has, and continues to make progress towards a Plan during the Stay Period by:
 - a. Closing the Interim Financing Facility;
 - b. Working with Westmount to advance the Replacement Facility;
 - c. Continuing to secure and maintain Inca One’s assets; and
 - d. Working with the Monitor on projections and ongoing issues.
9. At this time, the terms of a Plan to be presented to Inca One’s creditors have not been fully developed. However, Inca One’s expectations are that the Plan will:

- a. allow for the payment to OCIM and provide Equinox and other creditors with equity or otherwise according to a Plan;
- b. preserve the current management and organizational structure of Inca One, including its employees in Canada and Peru; and
- c. allow for sufficient working capital to recommence Plant operations, purchase gold inventory for the Plants, and achieve profitability.

10. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the affidavit I swore on June 3, 2024 (the "**Initial Affidavit**"), which was filed in these proceedings. Unless otherwise noted, all references to monetary amounts in this affidavit are in Canadian dollars ("CAD").

II. PETITIONER'S ACTIVITIES

Canadian Activities

11. Other than the refinancing activities outlined below, Inca One has been:

- a. Working with the Monitor with respect to variations on cash flows;
- b. Working with corporate counsel with respect to TSX-V listing requirements; and
- c. Responding to Canada Revenue Agency with respect to a payroll audit.

12. The Loan Agreement for the Interim Financing Facility was signed on July 31, 2024, and the first draw down thereunder of USD\$750,000 was made shortly thereafter.

Peruvian Activities

Plant Operations/Maintenance

13. As advised previously, Inca One has wound down its operations in Peru and both Chala One and Kori One continue to be on a care and maintenance program. At present, the plants have 17 workers helping with plant operations, maintenance, logistics, laboratory and health & safety.

14. Inca One's security contractor G4S continues to provide security for both Plants. Each plant has four guards, operating in two man shifts, 24 hours per day. At any given time, one guard is stationed at the gate and another mobile guard overseeing activities in the plant.
15. For the month of July, Inca One's maintenance focus was at Chala One, which had not been in production for the previous twelve months while production was centralized at Kori One. I am informed by Inca One's operations Mark Wright that the maintenance included:
- a. general cleanup;
 - b. removing piping and ductwork;
 - c. cleaning, sealing and repainting;
 - d. repair of equipment.
16. Attached as Exhibit "A" is a report from Mark Wright which details various aspects of the Plants, including their maintenance program.

Confirming Lines of Credit

17. Inca One has negotiated an extension until the end of August with one of its Peruvian line of credit providers. With regards to its other confirming line partner Pactum Capital, Inca One has reached out to them on several occasions to try and work out a similar extension but there has not been agreement on terms.

News Article

18. On August 11, 2024, an Inca One employee brought to management's attention an article (the "Article") that had been posted on www.espresso.com.pe, a website that publishes paid content, that made certain false allegations with respect to Inca One's Peruvian operations. Attached as Exhibit "B" is a copy of the Article along with an English translation. The false allegations involve various issues which will be addressed herein.

Concession Rights

19. The Article alleges that Inca One has failed to pay its concession rights for the Plants. Inca one delayed paying its 2024 concession fees in June in order to conserve funds until Interim Financing was available. As the Interim Financing Facility was not advanced until August, we missed the last payment date for the year on June 30, 2024. INGEMMET, the body that collects the concession fees in Peru, closes the payment window during July to December every year. Nonetheless, the concessions remain in good standing and Inca One has two years to make the payments. We are scheduled to make the payments in January 2025. To provide extra assurance, we asked Peruvian counsel to confirm our understanding. Inca One's Peruvian counsel has confirmed that the concessions are in good standing and would only be in jeopardy if payment is delayed for more than two years.

Office Lease

20. The Article alleges that Inca One SAC has not renewed its office lease in Lima. Currently, Inca One SAC is on a month to month rent in the same office until a smaller location can be arranged or refinancing is completed.

Sales Profits

21. The Article alleges that Inca One has funneled \$3.7M in profit from the Plants to other purposes. The noted \$3.7M in the Article was revenue from the Plants and not profit. This revenue was used for operational invoices and payroll (including severance).

International Certification

22. The Article alleges that Inca One's international certifications are at risk due to its diminished operations. Inca One does not see any event or reason that would trigger a change in status with respect to those certifications.

Removal of Assets

23. The Article alleges that key assets have been removed from Chala One. Chala One's equipment is at the Chala One Plant with the exception of several old inoperable pickup trucks that are being stored at Kori One. These trucks have been at the Kori Plant for 6-12 months and are registered as security under the OCIM agreement. Inca One has made several requests to OCIM over the past year for permission to sell the trucks for scrap and to use the proceeds to pay OCIM. There has been no response.
24. There are approximately 22 leased trucks parked at the Kori One, that were being used for the benefit of Chala One. However, the lease agreement is with Inca One's other subsidiary Inca One Metals Peru SA.
25. There was minor computer equipment that was leased by Inca One Metals SA that was moved from Chala One to Kori One. Additionally, over the past months there have been commercial files relevant to Chala One that were transferred to the Inca One Metals Peru SA office in the normal course.

Dismissal Claims

26. The Article alleges that Peruvian dismissal claims may threaten future operations. The allegation is false and speculative. No claims currently exist, and Inca One has appropriate security and legal counsel to deal with any potential claims. All dismissals have been completed in accordance with Peruvian law in consultation with Inca One's legal counsel.

OCIM

27. As stated in my last Affidavit, prior to the Interim Financing and Replacement Financing Term Sheet were obtained, good faith negotiations took place with OCIM as to a path whereby OCIM could take over Inca One and at the same time potentially preserve some value to unsecured and equity stakeholders. However, no agreement was reached.

28. OCIM has recently re-presented its offer (the “OCIM Offer”) to Inca One prior to this hearing and advised that it will be presented to Court. Inca One has attempted to negotiate with OCIM to determine what possibilities exist with respect to the OCIM Offer. However, Inca One remains of the view that the OCIM Offer:
- a. Does not provide enough working capital to Inca One for operations and debt service; and
 - b. Although it offers a discounted equity conversion for Inca One’s unsecured creditors, the reality is that the liquidity for remaining shareholders will be low to zero.
29. When presented with these questions, OCIM withdrew the OCIM Offer. Attached as Exhibit “C” is a copy of the more recent OCIM Offer. Attached as Exhibit “D” is a copy of email correspondence concerning the OCIM Offer.

Westmount Update

30. Since the last hearing on July 25, 2024, Inca One has been working diligently with Westmount on obtaining the Replacement Facility. Inca One met with Westmount on August 6th, 12th, and 19th to discuss and plan next steps, which include:
- a. completion of a detailed project/marketing plan and timeline;
 - b. due diligence;
 - c. subscription and loan agreements;
 - d. development of a hedging program;
 - e. confirmation of the marketing list;
 - f. results of initial out reach program;
 - g. presentation to first group of interested parties.
31. The project timeline considers completion by September 30, 2024. The most important piece is the outreach to potential investors with an executive summary. We are informed that Westmount and parties in interest have reached out to 142 potential investors consisting of family offices and high-net-worth individuals. The majority of these targets are in Switzerland,

Italy, United Kingdom, USA, and Canada.. We understand that Westmount completed their outreach by August 19, 2024 and received replies from 16 potential investors to date.

32. Inca One further understands that there will be a follow up to the initial outreach to invite prospective investors to a meeting with Inca One to answer any questions. Interested parties will then receive a subscription agreement. We expect the first phase to be completed in a few weeks. Depending on progress, a second phase could be started and completed during September.
33. Westmount has indicated to Inca One that they have completed their due diligence. It is possible that potential investors may want to do some of their own, but Inca One's understanding is that in most cases, those investors will be relying on Westmount. In any event, Inca One has updated its marketing materials and data room and is ready to give access to any of the investors that require it.
34. Current documentation consists of the subscription agreement, loan agreement and security documents. The subscription agreement has been finalized, after review by our corporate securities counsel and Westmount's securities counsel. A loan agreement is in the process of being drafted. Security agreements will be started once the loan agreement is near final.
35. As the Westmount loan is a gold loan, Inca One will require a hedging program to protect against fluctuations in the gold price. Inca One has drafted a Request-for-Proposals and has identified 4-5 groups to quote on managing that hedging program once the loan is in place. Inca One is asking for those proposals to be submitted on or before September 7, 2024.
36. Inca One understands that the next steps include following up with investors after the summer break. Inca One understands that the minimum investment size would be US\$250,000 but Westmount has noted that they expect any individual investor group would subscribe for larger amounts.

III.RESTRUCTURING MATTERS

Claims Process

37. In light of the anticipated closing of the Replacement Facility, Inca One has, with the support of the Monitor, developed a claims process. A claims process is required to provide Inca One with certainty as to claims that may be asserted against them. As outlined in the First Kelly Affidavit, there are relatively few creditors of Inca One and any process can likely be expedited with the assistance of the Monitor. Conducting a claims process at this time will permit potential claims to be assessed efficiently, effectively, and with the institutional knowledge and input of Inca One's management.

38. Inca One and the Monitor agree that running a claims process at this time will help to avoid or reduce delays in any distributions that may be made upon the closing of the Replacement Facility. Inca One has worked with the Monitor to develop the "**Claims Process**" summarized below. Inca One is of the view that implementing the Claims Process at this time is appropriate in the circumstances and that the terms of the proposed Claims Process are fair and reasonable.

Summary Of Proposed Claims Process

39. The Claims Process is designed to give certainty to the Applicants regarding the nature of the Claims that may be made against them. The specifics of the Claims Process are set out in the Claims Process Order but I have summarized certain aspects below.

40. The proposed Claims Process Order includes a broad definition of the Claims and the Claims that will be subject to the Claims Process include the following:

- a. Pre-Filing Claims (secured and unsecured);
- b. Director/Officer Claims;
- c. Restructuring Claims; and
- d. Intercompany Claims.

41. The Claims Process provides certainty to Inca One as to any existing Claims. This includes the Claims of OCIM and Equinox, who remain Inca One's senior secured creditors. Potential Director and Officer Claims and Restructuring Claims (Claims that arise as a result of the CCAA proceedings alone) are included for certainty but Inca One is not aware of any at present. Any intercompany Claims will be determined at a later date as necessary and pursuant to court order.

42. The Unaffected Claims under the Claims Process include the charges secured under the Second ARIO, those claims that are unable to be compromised under the CCAA, and any pos-filing Claims.

Implementation

43. The proposed Claims Process is a "negative claims process", intended to identify and adjudicate all Claims. Where the Company or the Monitor has sufficient information to make a reasonable assessment of a Claim, the creditor will be sent a "Known Claim Value Claims Package" which will include a "Claims Notice" that will set out the value of that Claim. If the Creditor does not dispute the Claims Notice, they shall be deemed to have accepted the Claim. If the Creditor wishes to dispute the Claims Notice they must submit a Proof of Claim Form to the Monitor. As there are relatively few creditors, Inca One has already identified the Known Value Claim Creditors and to determine their Claims based on Inca One's records.

44. Where neither Inca One nor the Monitor can make an assessment of a Claim, the creditor will receive an "Other Creditor Claims Package", which will include a Proof of Claim Form that the creditor must submit to the Monitor with respect of their Claim.

45. Any creditor wishing to assert a Director/Officer Claim against either of the Applicants' Directors or Officers must submit a Director/Officer Claim Form to the Monitor.

46. If a creditor disputes their Claim as above, or filed a Director or Officer Claim, they must do so prior to the "Claims Bar Date" of September 13, 2024, or such other date as may be ordered by the Court. Inca One is seeking an abbreviated Claims Process given the short timelines necessary for the Replacement Facility. As the Claims Process is a negative process, there are few creditors, and any will likely have been aware of these CCAA proceedings since June 2024, Inca One views the proposed Claims Bar Date as reasonable.
47. There is provision for a "Restructuring Claim" under the proposed Claims Process Order but and a separate claims bar date but as above, Inca One does not anticipate any such Claims.
48. Once Claims have been submitted, Inca One and the Monitor will review and adjudicate the Claims as follows: The process by which Claims will be adjudicated is summarized as follows:
- a. If the Monitor receives a Proof of Claim Form (either disputing a Claims Notice sent to a Known Claim Value Creditor or asserting a Claim of an Other Creditor) or a Director/Officer Claim Form, the Monitor may, in consultation with Inca One, accept the Claim, revise the Claim, or disallow the Claim:
 - i. should the Monitor revise or disallow the Claim, it shall; within 5 business days of the Claims Bar Date or the Restructuring Bar Date, send a Notice of Revision or Disallowance to the Creditor; and
 - ii. any Creditor who receives a Notice of Revision or Disallowance with respect to their Claim that it wishes to dispute must (a) deliver to the Monitor a completed Notice of Dispute or Revision or Disallowance within 5 Business Days, and (b) file and serve on the Monitor, the Applicants, and any Director or Officer against whom a Claim is asserted, as applicable, a Notice of Application and supporting affidavit material appealing the Notice of Revision or Disallowance within 10 Business Days.

49. The Claims Process Order contains provisions aimed at giving the Monitor certain flexibility and discretion as to the implementation of the Claims Process, such as the ability to refer a Claim for resolution to the Court where in the Monitor's discretion such a referral is preferable or necessary for the resolution or valuation of the Claim, or to extend various time periods.

50. The Company has prepared the proposed Claims Process Order in consultation with the Monitor and understands that the Monitor supports the approval of the Claims Process Order.

Stay Period

51. Inca One seeks the approval of an extension of the Stay Period up to and until October 5, 2024, 2024. The extension of the Stay Period is critical to Inca One's ability to restructure, providing breathing room while Inca One develops the Plan for the benefit of its stakeholders. In particular, Inca One and Westmount require an extension until at least September 30, 2024 to complete the Replacement Facility.

52. Given the approved Interim Financing, Inca One is anticipated will have sufficient liquidity to satisfy its obligations during the proposed extended Stay Period. This would allow Inca One to present a Plan to creditors and hold a meeting prior to closing the Replacement Facility.

53. I believe that Inca One has acted, and is continuing to act, in good faith and with due diligence with respect to these proceedings.

This is Exhibit " A " referred to in the
Affidavit of Edward Kelly
sworn (or affirmed) before me at
Vancouver B.C.
this 22 day of August 2024.


A Commissioner/Notary Public for the
Province of British Columbia



Memorandum

To: Edward Kelly & Kevin Hart
 From: Mark Wright
 Date: August 19th 2024
 Subject: Operational Update July & August

Plant Operations

Having managed a phased and controlled shut down and complete clean-out of the Kori plant and with the remaining skeleton staff we embarked on a comprehensive program of maintenance. We assembled a team of 17 workers including 6 from the commercial sales team who we want to keep on board to help with scaling operations back up along with skilled representatives from plant operations, maintenance, logistics, laboratory and Health & Safety.

PERSONAL OPERATIVO PLANTAS KORI Y CHALA

	APellidos y Nombres	Area
1	GONZALES GALLEGOS JUAN LUIS	COMERCIAL
2	MONTOYA QUISPE RYLER RENE	COMERCIAL
3	PUMA SAMANEZ SIXTO	COMERCIAL
4	QUISPE QUISPE AMADO CLAUDIO	PLANTA
5	GUTIERREZ RUBIO ROBERTO CARLOS	MANTENIMIENTO
6	ACOSTA REGALADO IVONNE ESTHER	SSOMA
7	MONROY CABRERA MARILYN KATHERINE	CAMPAMENTOS
8	QUISPE MOLLEAPAZA DEYSI GABRIELA	COMERCIAL
9	ARIAS HUARANGA ANGELA MARIA	COMERCIAL
10	RIOS CANAZA ABRAM	PATRIMONIAL
11	CHUCTAYA LOPEZ ERICK JONNY	LABORATORIOS
12	YAUICAZA CONISLLA ANGEL JAVIER	MANTENIMIENTO
13	CANO RIOS ELMER ALEX	MANTENIMIENTO
14	DEL AGUILA RAMIREZ JIMMY	LABORATORIOS
15	LOPEZ MARCOS ALEJO EDGAR	LABORATORIOS
16	ORTIGAS SALHUANA IVAN ENRIQUE	COMERCIAL
17	ALARCON MORA JOSE ALBERTO	ALMACEN

G4S continue to provide security for both plants with one guard stationed at the gate and another mobile guard overseeing activities in the plant working in 2 shifts operating 24/7. A total of 8 guards, Four on site at each plant at any given point in time

For the month of July the maintenance focus was the Chala One plant. Having not been in production for the previous twelve months while production was centralized at Kori there was quite a lot of work that needed completing on top of the regular maintenance.



The maintenance commenced with teams tackling general cleanup and removing piping and ductwork to clear the decks to tackle the project. Some of the crew focused on cleaning off corrosion and starting to seal and repaint structures while others were focussed on breaking down and repairing equipment.

The crushing circuit, which has been in continuous use while Chala was receiving mineral, was completely overhauled starting with the jaw crusher. The crush plate was replaced and new transmission belts were installed. The conveyor belts were changed along with a lot of the pulleys and rollers due to excessive wear. The vibrating screener was maintained and the screen replaced. The conical crusher was taken apart and the mantle and belts were changed. The rings were replaced on all the drive motors and the entire system including the hoppers, supports and inspection platforms were sanded to remove corrosion, sealed and painted. The grinding circuit was approached in a similar fashion, taking apart all the feed conveyor belts replacing any worn pulleys and rollers and replaced all the belts which were worn out. Both ball mills had the jackets and anchor bolts replaced due to excessive wear. All the motors were maintained and had their rings replaced and the entire system was sanded, sealed and painted including hoppers, pumps, inspection platforms and safety guards.

The tank farm having been standing empty required a great deal of work. All the tanks showed a great deal of corrosion partly due to their age and use to contain corrosive chemicals and partly continuous exposure to the salt air. All of the bearings and seals were replaced on the engines and reducer gears as were the drive belts which degrade over time. The draft tubes and impellers were visually verified and maintained as required and all nine tanks were sanded, sealed and re-painted. The gantry and walkways and stairs have all been repaired where necessary, sealed and painted.

The harvesting system had the charcoal mesh replaced and the engine and pump were broken down, rings replaced and re-assembled. As with all other areas the equipment was sanded sealed and re-painted.

The Desorption and Foundry areas, which again have been in continuous use, required minimal work to verify their current operational status and were cleaned and generally maintained. The fencing around the tailings dam was painted to highlight the hazard. Signage around the entire facility was cleaned and replaced where necessary and cosmetic and safety work like painting the rocks to highlight the roadway was completed.

The laboratory space, offices, security camera system, worker accommodations and warehouses were all cleaned, maintained, painted where necessary and generally brought up to standard.



During August, the team was moved to the Kori Plant and the process is repeating itself. The crushing circuit was in full working order and required minimal repair work and was merely inspected and maintained and will be repainted by the end of the month.

The mills have been inspected, cleaned and are being resealed and repainted. The conveyors have been inspected and cleaned, the hoppers are being repainted and the whole area tidied and the gutters emptied out. The pumps were broken down and maintained in June and are receiving new paint along with the collection hoppers and protective guards.

The tank farm requires a bit more work, again simply because of the corrosive nature of the process. The impellers are being removed, maintained and repaired. The draft tubes being repaired, reinforced or replaced. The motors and pumps are being inspected and maintained and all of the walkways and gantries inspected and repainted. The carbon harvesting area is in good working order but is being taken apart, inspected, maintained and repainted.

The hydro-cyclone tower was already cleaned out in June but is being inspected and repainted. The warehouse and logistics areas have been straightened up. The laboratory is already in good order with the equipment in a state of readiness and tested. The office space is tidy and the worker accommodations is likewise in good order. Cosmetic work is scheduled to be performed once the rest of the works are complete.

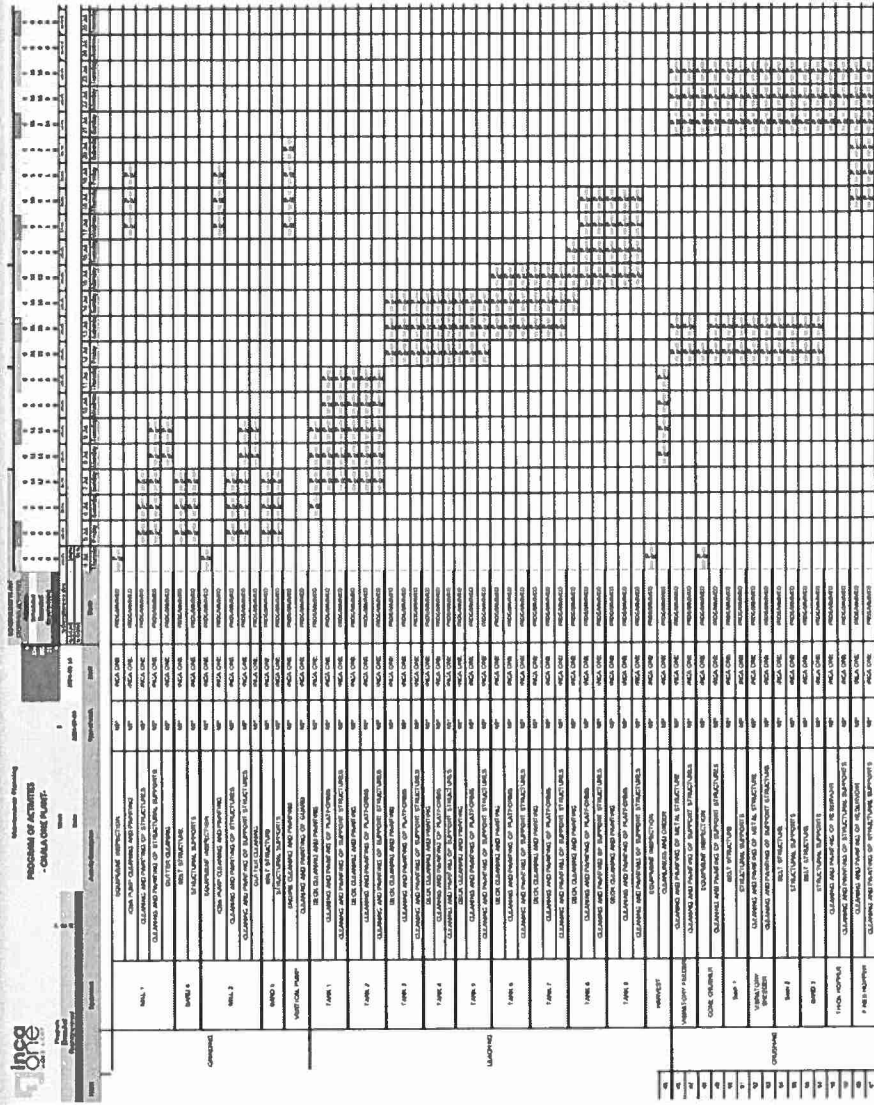
Attached as an Appendix is a PowerPoint presentation detailing the specifics of the processes undertaken and the timescales hyperlinked to documents, spreadsheets, Gantt charts and photos in drop box for ease of communication.



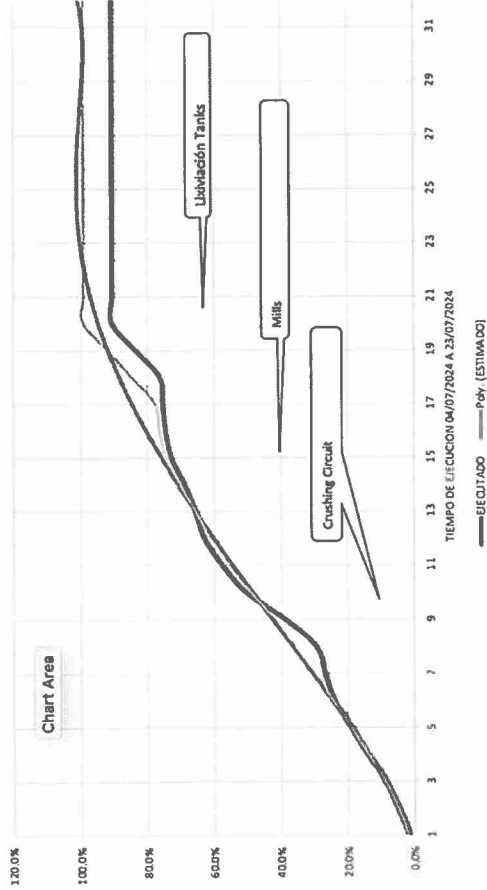
Care & Maintenance

July & August 2024

July 1 – 23 Chala Plant Maintenance



CHALA ONE PLANT MAINTENANCE

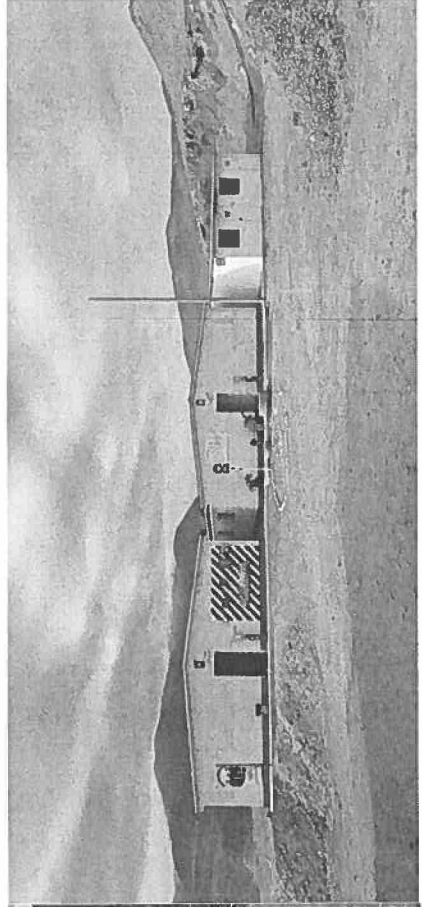
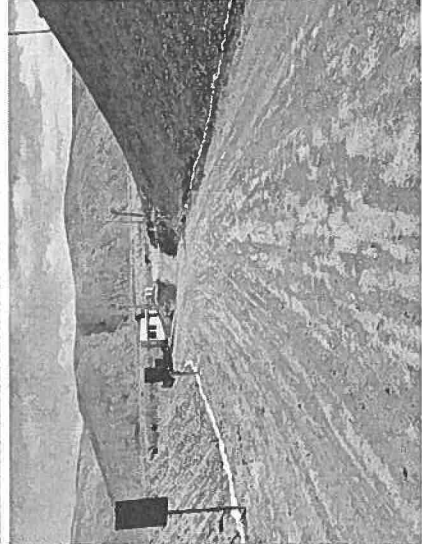
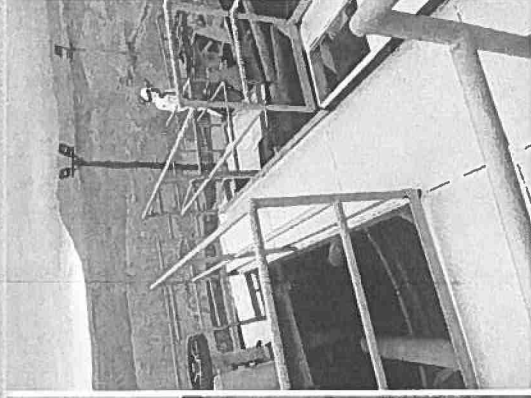
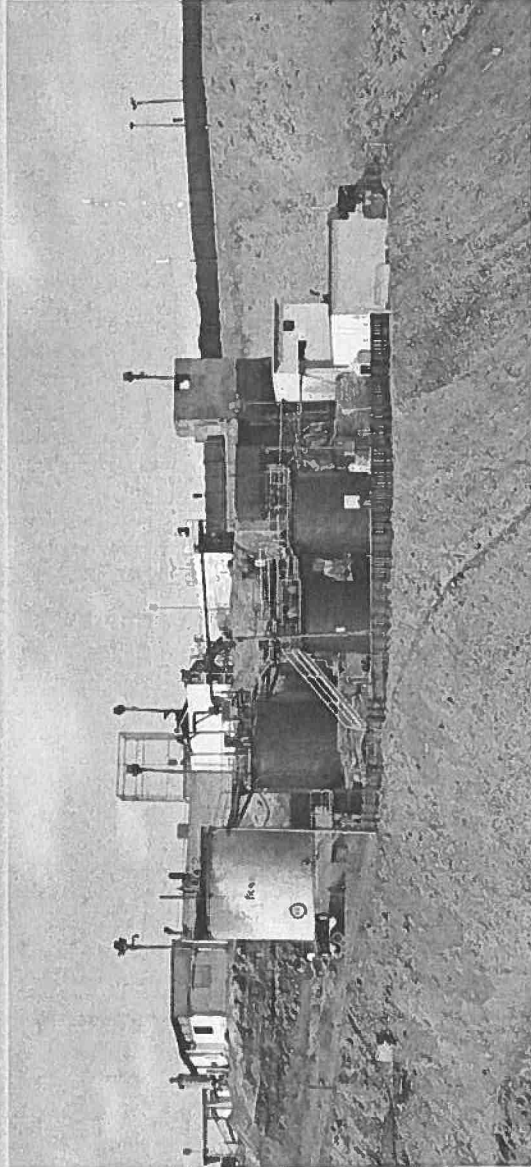
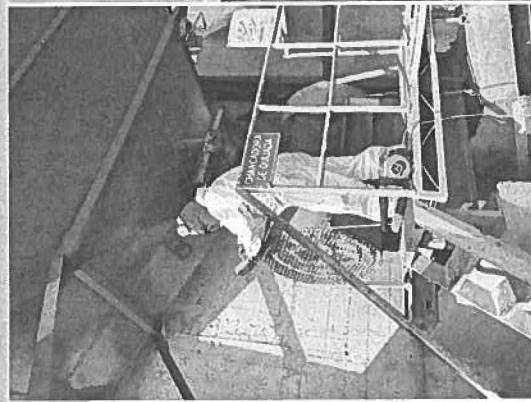


* For responses, visit us in www.incaone.com

July 1 – 23 Chala Plant

ITEM	AREA	EQUIPMENT/INSTRUMENT NAME	SPARE PARTS / EQUIPMENT PARTS	DESCRIPTION OF EQUIPMENT / JOB	ST. NO.	RQ #	AFFECTS THE PROCESS	% DONE	NECESSARY PERSONNEL	WORK DAYS	BEFORE	AFTER
1			TOGGLE PLATE	CHANGE DUE TO WEAR				0%	2	0.12		
2			TRANSMISSION BELTS	REPLACEMENT DUE TO WEAR / GUARD INSTALLATION			YES	0%	1	0.0625		
3			TRANSMISSION PULLEYS	MAINTENANCE				0%	2	0.0625		
4			MOVABLE AXLE	MAINTENANCE				100%	2	0.125		
5		JAW CRUSHER	FIXED WHEEL	CHANGE DUE TO WEAR				100%	2	0.125		
6			MOVABLE GRINDER	CHANGE DUE TO WEAR				100%	2	0.125		
7			ENGINE	MAINTENANCE				0%	1	0.0625		
8			SUPPORTS	COATING				100%	1	0.0625		
9			STAIRS	COATING OR IMPLEMENT IMPROVEMENT				100%	1	0.125		
10			STRUCTURAL SUPPORTS	COATING OR IMPLEMENT IMPROVEMENT				100%	1	0.125		
11			ENGINE	MAINTENANCE / CHANGE OF RINGS				100%	1	0.125		
12			LOADING LINES	CHANGE DUE TO WEAR				0%	2	0.125		
13			RETURN ROLLERS	CHANGE DUE TO WEAR				0%	2	0.125		
14			HEAD PULLEY	CHANGE DUE TO WEAR				0%	2	0.125		
15			TAIL PULLEY	CHANGE DUE TO WEAR				0%	2	0.125		
16			GUIDELINES	CHANGE DUE TO WEAR				0%	1	0.125		
17		BAND 01	BACKSTAGE	REINFORCEMENT OR CHANGE			YES	0%	1	0.125		
18			CONVEYOR BELT	CHANGE DUE TO WEAR				0%	2	0.125		
19			EMERGENCY CORD	NEW INSTALLATION				0%	1	0.175		
20			HEAD PILLOW	MAINTENANCE				0%	1	0.0625		
21			TAIL POKET	MAINTENANCE				0%	1	0.0625		
22			BELT STRUCTURE	MAINTENANCE				100%	1	0.0625		
23			STRUCTURAL SUPPORTS	COATING OR IMPLEMENT IMPROVEMENT				100%	1	0.0625		
24			ENGINE	MAINTENANCE / CHANGE OF RINGS				0%	1	0.125		
25			SHAKE	MAINTENANCE				0%	2	0.0625		
26			SHEETING MESH	REINFORCEMENT OR CHANGE				0%	1	0.125		
27		VIBRATORY SHEEDER	TRANSMISSION BELT	MAINTENANCE			YES	0%	1	0.0625		
28			TRANSMISSION PULLEY	MAINTENANCE				0%	2	0.0625		
29			SPRINGS	MAINTENANCE				0%	2	0.0625		
30			SHAKE STRUCTURE	COATING OR IMPLEMENT IMPROVEMENT				100%	1	0.125		
31			STRUCTURAL SUPPORTS	MAINTENANCE / CHANGE OF RINGS				100%	1	0.0625		
32			ENGINE	CHANGE DUE TO WEAR				0%	1	0.125		
33			LOADING LINES	CHANGE DUE TO WEAR				0%	2	0.0625		
34			RETURN ROLLERS	CHANGE DUE TO WEAR				0%	2	0.0625		
35			HEAD PULLEY	CHANGE DUE TO WEAR				0%	2	0.0625		
36			TAIL PULLEY	CHANGE DUE TO WEAR				0%	2	0.0625		
37			GUIDELINES	CHANGE DUE TO WEAR				0%	1	0.125		
38		BAND 02	BACKSTAGE	REINFORCEMENT OR CHANGE			YES	0%	1	0.125		
39			CONVEYOR BELT	CHANGE DUE TO WEAR				0%	2	0.125		
40			EMERGENCY CORD	NEW INSTALLATION				0%	1	0.125		
41			HEAD PILLOW	MAINTENANCE				0%	1	0.125		
42			TAIL POKET	MAINTENANCE				0%	1	0.0625		
43			TAIL POKET	MAINTENANCE				0%	1	0.0625		

Photo Gallery



NO.	AREA	NO. OF INSPECTIONS	DATE	START	END	STATUS	REMARKS	DATE	STATUS	DATE	STATUS	REMARKS	DATE	STATUS	REMARKS	DATE	STATUS	REMARKS	
5	CENTRAL	PRIMARY CELEBRE	2024-07-24	OPERATIONS AT REG. EC. EL.	2024-08-07	YES	IT WAS FOUND IN GOOD CONDITION. THE LUBRICATION WAS IN ORDER. THE PUMP IS WORKING.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.
		BAÑO 1	2024-07-24	OPERATIONS AT REG. EC. AD.	2024-08-07	YES	IT WAS FOUND IN GOOD CONDITION.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.
		VERIFICACIÓN SERVIDOR	2024-07-24	OPERATIONS AT REG. EC. AD.	2024-08-07	YES	IT WAS FOUND IN GOOD CONDITION.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.
		BAÑO 2	2024-07-24	OPERATIONS AT REG. EC. AD.	2024-08-07	YES	IT WAS FOUND IN GOOD CONDITION.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.	2024-08-21	YES	OPERATIONS AT REG. EC. EL.
6	CENTRAL	CELEBRE	2024-07-24	OPERATIONS AT REG. EC. AD.	2024-08-07	NO	ALZA WAS FOUND IN THE LUBRICATION. THE LUBRICATION IS IN ORDER. THE PUMP IS WORKING.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.
		BAÑO 1	2024-07-24	OPERATIONS AT REG. EC. AD.	2024-08-07	NO	ALZA WAS FOUND IN THE LUBRICATION. THE LUBRICATION IS IN ORDER. THE PUMP IS WORKING.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.
		BAÑO 2	2024-07-24	OPERATIONS AT REG. EC. AD.	2024-08-07	NO	ALZA WAS FOUND IN THE LUBRICATION. THE LUBRICATION IS IN ORDER. THE PUMP IS WORKING.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.
		CELEBRE	2024-07-24	OPERATIONS AT REG. EC. AD.	2024-08-07	NO	ALZA WAS FOUND IN THE LUBRICATION. THE LUBRICATION IS IN ORDER. THE PUMP IS WORKING.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.	2024-08-21	NO	OPERATIONS AT REG. EC. EL.

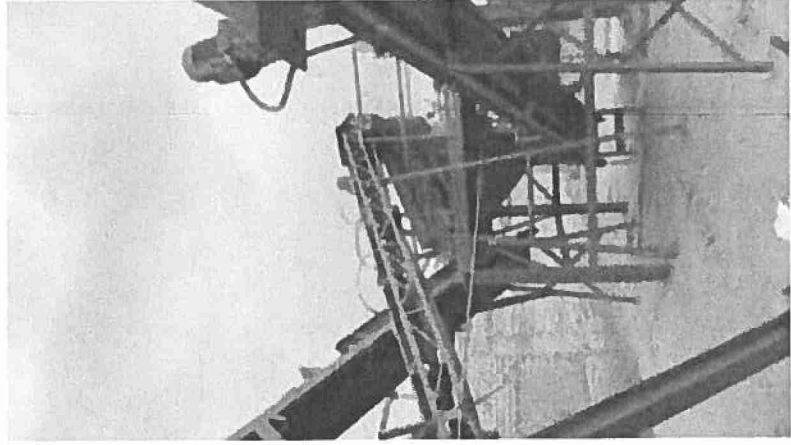
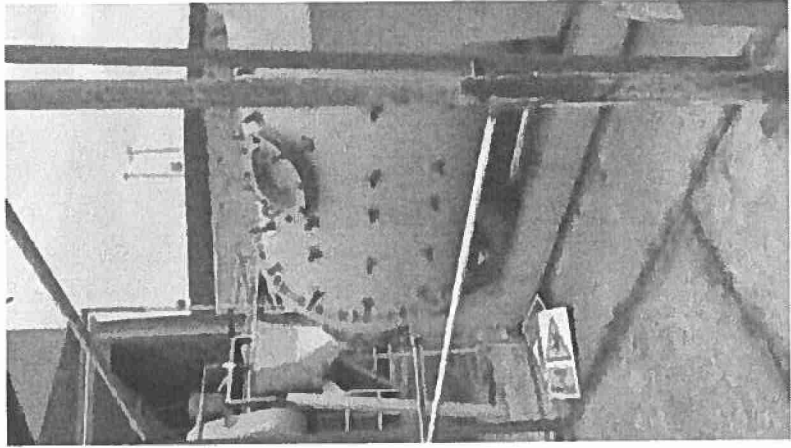
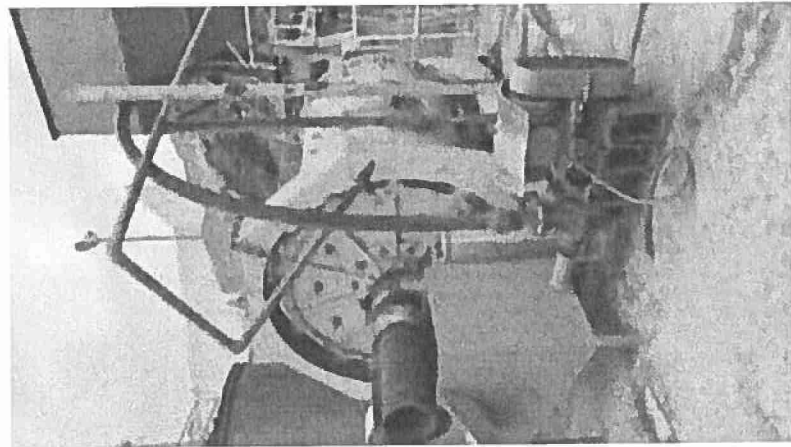
Plant Operations Team
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 Roberto Gallo
 Daniel Cordero
 Alexander Cordero
 Daniel Cordero
 Major Jarama

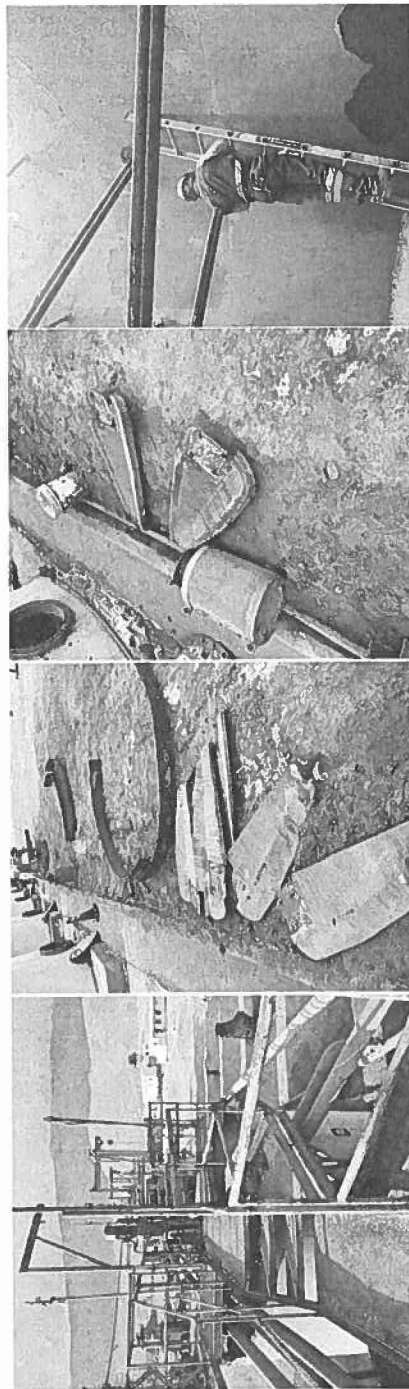
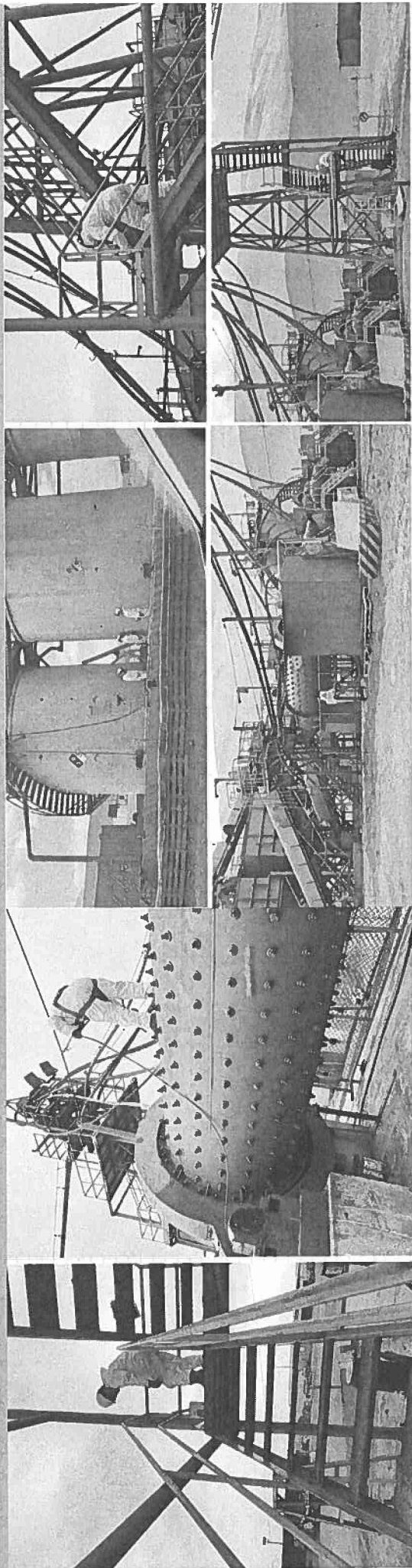
Supervisor Inspections de Planta
 OSCAR LOPEZ MAMCOS

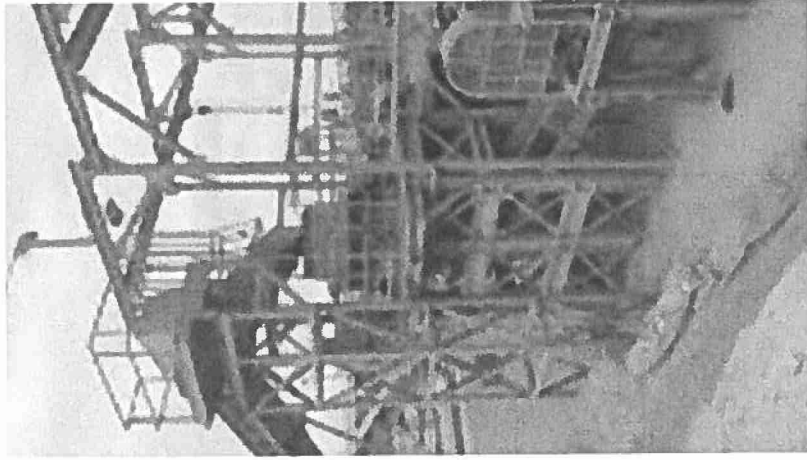
Supervisor Inspections de Planta
 OSCAR LOPEZ MAMCOS

Supervisor Inspections de Planta
 OSCAR LOPEZ MAMCOS

On-going Equipment Re-Start Program







This is Exhibit " B " referred to in the
Affidavit of Edward Kelly
sworn (or affirmed) before me at
Vancouver, B.C.
this 27 day of August 2024.


A Commissioner/Notary Public for the
Province of British Columbia

Caso minera Inca One: "Yuppies" canadienses hicieron "perro muerto" en Chala

Dos ejecutivos de Inca One Gold en Vancouver declaran cesación de pagos en plena alza del oro, generando temores de quiebra en Caravelí.



Caso minera Inca One: "Yuppies" canadienses hicieron "perro muerto" en Chala.



Publicado: 11 Ago 2024 7:56 h

Por Redacción Expreso

Tal como sucedió con la fiebre del oro anterior (California) la reciente "New Gold Rush", tampoco se encuentra ajena a la codicia, vesania, osadía y por

qué no decirlo, a eventos que lindan con el delito, como en el período 1848-55 conocido como "California Gold Rush" a raíz del descubrimiento de pepitas de oro en el South Fork American River, Coloma, San Francisco.

Nuestra historia del siglo XIX, en páginas no muy difundidas, consigna la "Guerra de las Calaveras" que revela la violencia que ejercieron los colonos "gringos" (en gran mayoría irlandeses) contra mineros "chilenos" como se conocían a ^Q peruanos y chilenos (porque comían con ají o chile) que habían embarcado en la nave "Susana" desde el Callao a San Francisco (30/11/1848) para participar del boom ("La Fiebre del Oro para los Sudamericanos" de Nicolás Camino. 2015: PUCP).

El saldo trágico de la reyerta para los latinos fue: tres condenados a muerte, tres al azote con la mutilación de las orejas y otros cuatro solo al azote. Ante lo cual, el presidente Ramón Castilla tuvo que enviar el bergantín General Gamarra para proteger los intereses de los connacionales (y reemplazar a los marineros que habían desertado de los barcos peruanos), según informó en aquel entonces El Comercio (10/4/1849).

Casi dos siglos después, en pleno Siglo XXI, si bien se trocan los escenarios de Sutter's Mill a Caravelí (Arequipa), y también los actores, un par de "Yuppies" de Vancouver vienen ejerciendo una brutal coacción contra financistas, proveedores y pequeños mineros peruanos a los que les deben sin plazo a la vista y sin ninguna explicación sumas millonarias. Es decir, un "Perro Muerto".

Cana en Canadá

La historia comienza hace más de una década, con la fundación de Inca One Gold Corp (Inca One) en Vancouver (2010), cuando el administrador de empresas Edward "Ed" Kelly, exdirector de Aurora Cannabis, Inc. (venta de marihuana de Alberta 2011-2014), asumió la conducción de la minera Inca One en Arequipa, a la que luego sumó al contador Kevin Hart (2017), exauditor de Galiano Gold 2011-2016 (yacimiento Asanko, Ghana, África), en Arequipa, en plena bonanza del precio del oro que ahora bordea los US\$ 2,400 la onza troy.

Sin embargo, aunque parezca una serie de ficción, han sometido a una cesación de pagos a sus proveedores en el Perú, que ha colocado al borde viene de la quiebra a pequeñas empresas en los distritos de Chala y Yauca en Arequipa.

Este zafarrancho financiero ha provocado que Inca One ingrese a un proceso de reestructuración de deuda en Canadá, debido a que OCIM Precious Metals (Francia), uno de sus financistas, declaró el incumplimiento de sus obligaciones y comenzó el proceso de ejecución de garantías.

Inca One obtuvo de la Corte Suprema de British Columbia (3/6/2) la protección de acuerdo a la ley canadiense sobre Arreglos con los Acreedores de Compañías (CCAA por sus siglas en inglés), que aplica para empresas

insolventes (o en vía de bancarrota) y se ha nombrado "monitor" a la empresa FTI Consulting (firma de Washington DC) para reestructurar la empresa con el fin de que cumpla con sus acreedores. La fecha clave es el próximo lunes 26 de agosto, cuando el monitor debe pronunciarse si opta por el proceso de reestructuración o por la liquidación.

El pan para vancouver, las migajas para Perú

Según revelan los estados financieros de Inca One, la parte del león de los ingresos de la empresa se han utilizado para el pago semanal de dietas y desproporcionados gastos administrativos de la oficina en Vancouver (Canadá), en detrimento de los acreedores y de las deudas laborales en sus operaciones en el Perú.

Según un portal australiano, Ed Kelly sería uno de los ejecutivos mejor pagados de las mineras junior Canadá (cuyo valor bursátil es menor a US\$ 200 millones-MM) con US\$ 277 mil anuales (36% en bonos y 64% en sueldo). "Creemos que la remuneración del CEO de Inca One no está sincronizada con el desempeño de la empresa" (Simply Wall St 8/12/23).

Luego de haber desviado el efectivo a su matriz en Vancouver y dejar las cuentas peruanas en cero, la empresa presentó un presupuesto mayor a US\$ 500 mil hasta el 19/7/24 para pagar sueldos, gastos administrativos y legales en Canadá, para afrontar el proceso de bancarrota durante la audiencia (12/6/24).

¿Y los empleados y gastos en el Perú? Bien, gracias. Habiendo consumido todos los ingresos por las ventas de mayo y junio, en la siguiente audiencia (22/7/24) presentó un presupuesto de US\$ 1 MM solicitando una extensión hasta el 5/10/24, durante el cual, se comprometió a conseguir un financiamiento por US\$ 25 MM a un interés de 20% anual, sin brindar mayor sustento, ofreciendo los activos como garantías “que permitirían reflotar la empresa”.

De este US\$ 1 MM, la empresa solamente ha destinado US\$ 280 mil al Perú para cubrir planillas y costos de mantenimiento preventivo de sus operaciones; el resto, la mayor parte, se queda en la matriz. A la fecha, Inca One ni siquiera ha cumplido con pagar los derechos de vigencia de las concesiones que vencían el 28/6/24, que en el pasado reciente, siempre anduvieron al día y cuyo monto de obligación apenas supera los S/ 3,500.

Inca One tampoco ha renovado el contrato de arrendamiento de su oficina de Lima, que finalizó el 30/6/24, y no ha informado al personal sobre algún traslado a otra oficina en la capital. Por otro lado, Inca One contrató en mayo al Estudio Rubio, con instrucciones de iniciar un proceso de protección por quiebra ante Indecopi.

A estas alturas de la súbita moratoria, resulta inexplicable que pese a que las exportaciones de Chala One (filial peruana de Inca One) durante el primer semestre de 2024 ascienden a US\$ 18.5 MM, principalmente a la refinería turca IGR Metals, y que incluso, las ventas del bimestre mayo-junio sumaron US\$ 3.7 MM, en dicho período se han enfocado en procesar los stocks en “cancha”, dejando de adquirir minerales. También se conoce, por fuentes cercanas a la empresa, que en las primeras semanas de julio la empresa habría recibido un reintegro de IGV de la Sunat por alrededor de S/.1.5 MM de la Sunat.

Siendo así las preguntas brotan de inmediato ¿En qué se utilizó el dinero de las exportaciones de este bimestre mayo si no se llegó a pagar a los proveedores locales? ¿Y en que se utilizó el ingreso de la Sunat? ¿Qué persiguen Kelly y Hart? ¿Buscan la quiebra para aventurarse con una nueva empresa? ¿Vender las plantas auríferas a algún interesado oculto? ¿Tienen alguna otra opción bajo la manga?

Radiografía del Inca One

Inca One es una empresa minera con sede en Vancouver y Lima (San Isidro), cotizando sus acciones en el segmento de “riesgo” (venture) de la Bolsa de Toronto –donde listan las mineras juniors– cuyo giro principal es

comprar minerales auríferos de mineros artesanales y pequeños productores para procesarlos

Para ello cuenta con dos unidades productivas: la planta Chala, ubicada en el distrito de Chala (100 toneladas (ton)/día) desde el 2015, y planta Kori One, ubicada en el distrito de Yauca (350 ton/día de capacidad), que adquirió a Anthem United Inc (Canadá) por US\$ 12.5 MM (21/8/18).

La filial Chala One SAC (Chala One) opera la planta Chala como vehículo comercial y operacional, porque es la empresa Corizona One SAC (Corizona One) la que cuenta con la "concesión de beneficio" de la planta Chala. En Corizona One los accionistas son Edward "Ed" Kelly (99.9%) y Kevin Hart (0.1%), CEO y CFO (gerente financiero) respectivamente, de Inca One.

La "concesión de beneficio" de la planta Kori One la tiene EMC Green Group SAC, donde los accionistas son Ed Kelly (90.14%), Omar Quintanilla Morales (4.93%) y J. Ramírez (4.93%).

MÁS INFORMACIÓN: Poder Judicial evaluará el caso de Rafael Vela: ¿Se anulará su suspensión como fiscal superior?

Según la información minera, ambas plantas, hasta antes de la cesación de pagos, habrían procesado nada menos que 130 mil onzas de oro, registrando ventas que bordean los US\$ 200 MM. En el 2022, Inca One alcanzó un récord de ventas por US\$ 51.6 MM.

La canibalización de Chala

Chala One ha sufrido varias paralizaciones de planta durante las últimas semanas, lo que ha devenido en una sensible reducción de la producción, que venía operando con una capacidad de producción de 100 ton/día en de forma continua, mediante un circuito de chancado, molienda y refinación, así como con una "cancha" sumamente amplia para almacenamiento de relaves.

Durante los últimos 12 meses, Chala One ha perdido el circuito de molienda y casi ha agotado la capacidad de su instalación de relaves –por la inmovilidad logística–, lo que representa un agravamiento de las condiciones operativas. Además, se han desviado inversiones a operaciones distintas de Chala One, para indirectamente, reemplazar y restar sus capacidades operativas.

Chala One ha obtenido certificaciones internacionales como Swiss Better Gold, que son un componente clave de su programa de sostenibilidad ESG (siglas en inglés de Ambiente, Social y Gobernanza).

El adecuado cumplimiento de sus procedimientos de compra de mineral es responsabilidad del equipo comercial de Chala One, el cual se ha visto obligado a tomar vacaciones y/o se encuentra en proceso de despido.

Esto podría socavar, significativamente, la capacidad de Chala One para mantener el estándar para cumplir con las solicitudes estas certificaciones. Luego del cese de su gerente general el 2/5/24 (Iván Salas García), a la fecha no ha nombrado nuevo gerente general. Todas las decisiones las viene

tomando de forma remota desde Vancouver los ejecutivos Edward Kelly y Kevin Hart. ¿Cómo y por qué una empresa que obtuvo certificaciones internacionales, puede irse o llevarse a la quiebra menos de seis meses después?

Hay información de que existirían préstamos cruzados entre compañías del grupo, lo que incrementa la preocupación sobre el compromiso de continuar con las operaciones de Chala One.

Asimismo, un ejecutivo de la empresa declara bajo reserva, que existe la clara intención de trasladar activos de las instalaciones de Chala One a otras subsidiarias en otras ubicaciones. Se menciona que al menos, cinco unidades vehiculares han sido retiradas de las instalaciones de Chala One, lo que limita la capacidad operativa de la operación.

La reserva de carbón especial, esencial para la operación, ha sido retirada de las instalaciones y transportada a las instalaciones de otra filial que no está bajo el control de Chala One, así como una variedad de equipos, repuestos y suministros esenciales, que han sido retirados de las instalaciones y transportados a las instalaciones de otras filiales que tampoco están bajo la órbita de Chala One.

Finalmente, los trabajadores han advertido que la compañía contratista de seguridad no permite visita sin autorización expresa de la oficina de Vancouver (Inca One).

El Perro Muerto a los trabajadores

Lo que acrecienta la tirantez en la zona es que Chala One ha impuesto unilateralmente, la salida de vacaciones a más de 40 empleados, incluyendo empleados clave como los del área comercial que son responsables de la compra del 100% del mineral, sin el cual la operación se detendrá. Como

resultado de estas acciones, desde mayo la empresa no ha adquirido nuevo mineral.

Asimismo, se ha despedido a 85 empleados de las empresas del grupo, que representa aproximadamente el 40% de la plantilla (varios de ellos, después de haber pasado por vacaciones forzadas). Para remate, según una fuente, Chala One pagó con atraso a sus trabajadores el sueldo del mes de mayo. Si bien ya se ha pagado a todos los trabajadores, a muchos de ellos (la mayoría) se han visto forzados a aceptar apenas el 70% de la liquidación.

De igual manera, no se puede soslayar que la deuda laboral incluye indemnizaciones, que deben pagarse inmediatamente después del despido como lo exige la legislación peruana. El incumplimiento de estos pagos de indemnización podría causar que los empleados presenten reclamos ante Sunafil, que devendría en multas y posible suspensión de actividades en Chala One. Se rumorea, en las inmediaciones de Chala, que existen por lo menos cinco empleados que se encuentran considerando esta alternativa.

Las acciones anteriores socavan gravemente la capacidad de Chala One para continuar como una empresa en funcionamiento, dada la naturaleza de su negocio y la importancia del personal clave, como el equipo comercial.

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

Two executives at Inca One Gold in Vancouver have defaulted on gold surges, raising fears of bankruptcy in Caravelí.

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 that are not widely disseminated, records the "War of the Skulls" that reveals the violence exercised by the "gringo" settlers (mostly Irish) against "Chilean" miners as Peruvians and Chileans were known (because they ate chili pepper or chili) 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 Camino. 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".

Cane in Canada

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 that period they have focused on processing

stocks in "cancha", 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 this 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.

This is Exhibit " C " referred to in the
Affidavit of Edward Kelly
sworn (or affirmed) before me at
Vancouver B.C.
this 22 day of August 2024.


A Commissioner/Notary Public for the
Province of British Columbia

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

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	-
	<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 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.</p> <p>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.</p>		
Use of Proceeds from the Offering:	Capex and debt reduction program for Inca One Peru Operations		
Hold Period:	<p>Pursuant to National Instrument 45-102 <i>Resale of Securities</i> 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.</p>		
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>

	<i>Creditors Arrangement Act</i> , 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 <i>Companies' Creditors Arrangement Act</i> , all subject to any necessary creditor approvals.
Conditions to Closing:	<ul style="list-style-type: none"> 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: _____
[]

This is Exhibit "D" referred to in the
Affidavit of Edward Kelly
sworn (or affirmed) before me at
Vancouver, B.C.
this 22 day of August 2024.


A Commissioner/Notary Public for the
Province of British Columbia

From: Peter J. Reardon <preardon@nst.ca>
Sent: Friday, August 16, 2024 5:41 PM
To: Benjamin La Borie <blaborie@bridgehouselaw.ca>
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

EXTERNAL EMAIL

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

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

* Law Corporation

From: Benjamin La Borie <blaborie@bridgehouselaw.ca>
Sent: Thursday, August 15, 2024 6:25 PM
To: Peter J. Reardon <preardon@nst.ca>
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

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 $5000\text{tpm} \times 0.4\text{oz/t} \times \$2450/\text{oz} \times (1-25\% \text{ discount to gold price}) \times 1.18$ 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>

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

Peter J. Reardon*

Associate Counsel

D: 778-328-8940 | E: preardon@nst.ca

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