Lupaka Gold Corp.

Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2012 and 2011
(expressed in Canadian Dollars)

(Unaudited)

Lupaka Gold Corp.

Consolidated Interim Statements of Financial Position (Unaudited)

As at September 30, 2012 and December 31, 2011

(expressed in Canadian Dollars)

	September 30, 2012 $	December 31, 2011 $
Assets		
Current assets		
Cash and cash equivalents (Note 10)	1,861,299	13,477,024
Trade and other receivables	116,821	163,769
Prepaid expenses and deposits	101,898	81,973
	2,080,018	13,722,766
Non-current assets		
Equipment (Note 5)	376,821	266,417
Deferred transaction costs (Note 12)	263,584	–
Mineral properties (Note 6)	16,337,482	16,504,191
Total assets	19,057,905	30,493,374
Liabilities		
Current liabilities		
Trade and other payables	831,304	275,700
Due to related parties (Note 7(c))	–	222,248
Due to non-controlling shareholders (Note 6)	–	2,819,016
	831,304	3,316,964
Non-current liabilities		
Due to related parties (Note 7(c))	–	66,105
	831,304	3,383,069
Equity		
Common shares (Note 8(a))	29,889,421	24,602,786
Share purchase warrants	801,809	801,809
Share options (Note 8(b))	1,825,507	1,289,511
Share-based contingent consideration (Note 6)	598,045	598,045
Deficit	(14,961,573)	(6,202,525)
Accumulated other comprehensive income	73,392	262,442
Total equity attributable to equity owners of the parent	18,226,601	21,352,068
Non-controlling interest	–	5,758,237
Total equity	18,226,601	27,110,305
Total liabilities and equity	19,057,905	30,493,374

Commitments and contingencies (Notes 6 and 11)

Subsequent Event (Note 12)

Approved and authorized for issue by the Board on November 8, 2012.

"signed" John Graf — Director

"signed" Eric Edwards — Director

The accompanying notes are an integral part of these consolidated financial statements.

Lupaka Gold Corp.

Consolidated Statements of Loss and Comprehensive Loss (Unaudited)
For the three and nine months ended September 30, 2012 and 2011

(expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2012	**2011**	**2012**	**2011**
	$	**$**	**$**	**$**
Operating expenses				
Exploration				
Camp and related costs	445,858	145,709	1,008,537	360,102
Project administration	293,377	158,514	954,793	386,008
Drilling	552,554	241,084	669,265	606,963
Technical reports and assays	167,901	131,778	267,137	218,031
Transportation	48,343	9,491	140,385	78,236
Reclamation	90,670	–	123,468	–
Consulting and professional fees	25,537	25,076	118,186	41,148
	1,624,240	711,652	3,281,771	1,690,488
General and administration				
Salaries and benefits	185,506	149,187	793,126	789,821
Shareholder and investor relations	109,211	96,232	458,210	301,586
Professional and regulatory fees	27,623	35,605	198,141	234,331
Office and general	51,137	48,400	160,927	118,537
Corporate development	10,845	–	75,343	–
Travel	3,588	8,179	23,694	70,315
	387,910	337,603	1,709,441	1,514,590
Operating loss	2,012,150	1,049,255	4,991,212	3,205,078
Finance expense – accretion	–	122,856	22,381	549,229
Finance income – interest	(4,204)	(43,564)	(23,685)	(43,564)
Foreign exchange loss (gain)	7,059	36,240	28,458	(118,017)
Loss for the period	2,015,005	1,164,787	5,018,366	3,592,726
Loss attributable to:				
Equity owners of the parent	2,015,005	909,234	4,990,294	3,047,452
Non-controlling interest	–	255,553	28,072	545,274
	2,015,005	1,164,787	5,018,366	3,592,726
Foreign currency translation	602,355	(239,546)	203,913	(231,457)
Comprehensive loss	2,617,360	925,241	5,222,279	3,361,269
Comprehensive loss attributable to:				
Equity owners of the parent	2,617,360	765,508	5,179,344	2,908,579
Non-controlling interest	–	159,733	42,935	452,690
Weighted average number of shares outstanding, basic and diluted	44,762,451	39,462,451	44,358,254	30,217,175
Loss per share - Basic and diluted	$0.05	$0.02	$0.11	$0.10

The accompanying notes are an integral part of these consolidated interim financial statements.

Lupaka Gold Corp.

Consolidated Statements of Cash Flows (Unaudited)
For the three and nine months ended September 30, 2012 and 2011

(expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2012 **$**	**2011** **$**	**2012** **$**	**2011** **$**
Cash flows from (used in) operating activities				
Loss for the period	(2,015,005)	(1,164,787)	(5,018,366)	(3,592,726)
Adjustment for items not affecting cash:				
Foreign exchange loss (gain) on amount payable to non-controlling interest	–	213,319	6,848	54,346
Depreciation	33,093	6,317	74,164	16,203
Share-based compensation	130,537	–	572,631	588,481
Loss on write-off of vehicle	(1,068)	–	24,755	–
Drilling	–	124,169	–	589,778
Finance expense (income), net	(4,204)	79,292	(1,304)	505,665
Salaries and fees paid in shares	–	–	–	430,008
	(1,856,647)	(741,690)	(4,341,272)	(1,408,245)
Changes in non-cash working capital				
Trade and other receivables	(45,295)	(327,869)	46,948	(408,546)
Prepaid expenses and deposits	7,057	194,248	(19,925)	85,415
Trade and other payables	473,688	64,939	555,604	(429,809)
Due to related parties	–	(10,195)	(288,353)	(238,353)
Finance income received	4,204	43,564	23,685	43,564
Net cash used in operating activities	(1,416,993)	(777,003)	(4,023,313)	(2,355,974)
Cash flows used in investing activities				
Final payment for purchase of initial 60% interest in Minera Pacacorral S.A.C. (“MP”)	–	–	(3,056,700)	–
Deferred transaction costs	(263,584)	–	(263,584)	–
Purchase of equipment	(10,157)	(52,678)	(209,323)	(143,698)
Net cash used in investing activities	(273,741)	(52,678)	(3,529,607)	(143,698)
Cash flows from (used in) financing activities				
Purchase of non-controlling interest of MP	–	(2,885,700)	(4,075,600)	(2,885,700)
Proceeds from issuance of common shares	–	(685,302)	50,000	17,983,436
Issue of special warrants	–	–	–	1,852,500
Contributions from non-controlling shareholders	–	–	–	23,740
Net cash from (used in) financing activities	–	(3,571,002)	(4,025,600)	16,973,976
Net increase (decrease) in cash and cash equivalents	(1,690,734)	(4,400,683)	(11,578,520)	14,474,304
Effect of foreign exchange rate changes on cash and cash equivalents	(75,908)	77,328	(37,205)	69,239
Cash and cash equivalents - beginning of period	3,627,941	19,007,329	13,477,024	140,431
Cash and cash equivalents - end of period	1,861,299	14,683,974	1,861,299	14,683,974

The accompanying notes are an integral part of these consolidated interim financial statements.

Lupaka Gold Corp.

Consolidated Statements of Changes in Equity (Unaudited)
For the three and nine months ended September 30, 2012 and 2011

(expressed in Canadian Dollars)

	Nine months ended September 30,			
	2012		2011	
	Number	$	Number	$
Common shares (Note 8(a))				
Balance – beginning of period	39,462,451	24,602,786	8,051,000	253,051
Issued pursuant to the initial public offering (“IPO”)	–	–	13,333,334	17,181,627
Issued for payment of salaries and consulting fees upon IPO	–	–	298,617	430,008
Deemed exercise of special warrants upon IPO	–	–	17,779,500	6,738,100
Issued for remaining interest in MP	5,200,000	5,200,000	–	–
Exercise of options	100,000	50,000	–	–
Fair value of options exercised	–	36,635	–	–
Balance – end of period	44,762,451	29,889,421	39,462,451	24,602,786
Share purchase warrants				
Balance – Broker and IPO warrants, beginning of period	7,466,667	801,809	–	–
Issued pursuant to the IPO	–	–	7,466,667	801,809
Balance – Broker and IPO warrants, end of period	7,466,667	801,809	7,466,667	801,809
Special warrants				
Balance – beginning of period	–	–	15,610,000	4,568,600
Issued for cash	–	–	1,852,500	1,852,500
Issued for cash (received in 2010)	–	–	317,000	317,000
Deemed exercise of special warrants upon IPO	–	–	(17,779,500)	(6,738,100)
Balance – end of period	–	–	–	–
Share options (Note 8(b))				
Balance – beginning of period		1,289,511		317,525
Share-based payment expense		572,631		588,481
Fair value of options exercised		(36,635)		–
Balance – end of period		1,825,507		906,006
Share-based contingent consideration (Note 6)				
Balance – beginning and end of period		598,045		598,045
Deficit				
Balance – beginning of period		(6,202,525)		(1,643,852)
Purchase of non-controlling interest (Note 4)		(3,768,754)		–
Loss for the period – attributable to the shareholders of the Company		(4,990,294)		(3,047,452)
Balance – end of period		(14,961,573)		(4,691,304)
Accumulated other comprehensive income				
Balance – beginning of period		262,442		6,785
Other comprehensive (loss) income for the period		(189,050)		138,875
Balance – end of period		73,392		145,660
Non-controlling interest				
Balance – beginning of period		5,758,237		6,115,487
Comprehensive loss for the period attributable to the non-controlling interest		(42,935)		(452,690)
Contributions from non-controlling shareholders		–		613,518
Acquisition of non-controlling interest by the Company (Note 4)		(5,715,302)		–
Balance – end of period		–		6,276,315
		18,226,601		28,639,317

1 Nature of operations

Lupaka Gold Corp. ("Lupaka") is incorporated in Canada with limited liability under the legislation of the Province of British Columbia and is in the business of acquiring and exploring mineral resource properties. Lupaka was dormant prior to January 1, 2010.

All of Lupaka's resource properties are located in Peru and are held by its wholly-owned subsidiary, Minera Pacacorral S.A.C. ("MP"). In July 2010, Lupaka acquired 60% of MP's shares and in January 2012, Lupaka acquired the remaining 40% interest - see Note 4. On October 1, 2012 Lupaka acquired 100% of the shares of Andean American Gold Corp. ("Andean American") and its subsidiaries – see Note 12.

Lupaka's registered office is located at 700 – 595 Howe Street, Vancouver, BC, V6C 2T5 and its records office is located at 428 – 800 West Pender Street, Vancouver, BC, V6C 2V6.

Collectively, Lupaka and MP are referred to hereafter as the "Company".

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business for the foreseeable future. As at September 30, 2012, the Company has working capital of $1,248,714 and an accumulated deficit of $14,961,573.

On an ongoing basis, the Company examines various financing alternatives to address future funding requirements, though there is no guarantee of the sufficiency or success of these initiatives.

2 Basis of preparation

These interim condensed consolidated financial statements have been prepared on a basis consistent with the accounting policies expected to be applied for the year ending December 31, 2012 and follow the same accounting policies and methods of application as the 2011 annual consolidated financial statements.

2.1 Statement of compliance

The Company adopted International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), effective January 1, 2010. These consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, and do not include all of the information required for full annual financial statements prepared using IFRS.

These consolidated financial statements were approved by the Company's Board of Directors on November 8, 2012.

2.2 Non-controlling interest

Non-controlling interest represents the equity interest in MP owned by the non-controlling shareholders of MP. During the quarter ended March 31, 2012, Lupaka purchased the remaining 40% interest in MP held by the non-controlling shareholders – see Note 4. The share of net assets of subsidiaries attributable to non-controlling interest is presented as a component of equity. Their share of net income and comprehensive income is recognized directly in equity. Changes in the parent company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

2.3 Significant accounting estimates, assumptions and judgements

In preparing these financial statements, the Company is required to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of assets is the recoverability of the carrying value of mineral properties.

3 New standards and interpretations

New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for interim and annual periods beginning after January 1, 2013, including IAS 1 *Presentation of Financial Statements,* IAS 19 *Employee Benefits,* IAS 27 *Separate Financial Statements,* IAS 28 *Investments in Associates and Joint Ventures,* IFRS 9 *Financial Instruments,* IFRS *10 Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interest of Other Entities*, and IFRS 13 *Fair Value Measurement* and have not been applied in preparing these consolidated financial statements. The Company is currently assessing the impact of these standards.

(expressed in Canadian Dollars)

4 Purchase of remaining interest in MP

Effective January 19, 2012, the Company acquired the remaining 40% interest in MP. As a result, the Company now owns 100% of the Crucero Gold Project ("Crucero"). The Company acquired the remaining 40% interest in MP from the non-controlling shareholders of MP for a total purchase price of $4,075,600 (US $4,000,000) in cash and 5,200,000 common shares of the Company (with a fair value of $1.00 per share – Note 8 (a)). As part of the closing of the acquisition, the Company made an early payment of the final $3,056,700 (US $3,000,000) that was required to be paid by July 15, 2012 to complete the Company's acquisition of its initial 60% interest in MP.

For accounting purposes, the initial acquisition of 60% of MP was considered a purchase of assets. The Company's purchase of the remaining 40% of the shares of MP has been accounted for as an equity transaction with the excess in fair value of consideration, less equity of the non-controlling interest, allocated to deficit.

The following is a summary of the MP-related purchase price components, and the allocation of equity acquired on January 19, 2012:

	Purchase price **$**
Cash consideration paid	4,075,600
Fair value attributed to early payment	208,456
Fair value of 5,200,000 common shares issued	5,200,000
Non-controlling interest as at January 19, 2012	(5,715,302)
Charged to deficit	3,768,754

(expressed in Canadian Dollars)

5 Equipment

	Vehicles and field equipment $	Office equipment and furniture $	Total $
Cost			
Balance as at December 31, 2011	233,599	71,816	305,415
Additions	205,718	3,605	209,323
Loss on write-off of vehicle	(24,755)	–	(24,755)
Balance as at September 30, 2012	414,562	75,421	489,983
Accumulated depreciation			
Balance as at December 31, 2011	30,925	8,073	38,998
Depreciation	57,970	16,194	74,164
Balance as at September 30, 2012	88,895	24,267	113,162
Carrying amounts			
Balance as at December 31, 2011	202,674	63,743	266,417
Balance as at September 30, 2012	325,667	51,154	376,821

During the nine months ended September 30, 2012, $68,262 (2011 – $13,318) of depreciation was included in project administration and $5,902 (2011 – $2,885) of depreciation was included in office and general.

6 Mineral properties

The Company's mineral properties are comprised of nine concessions and petitions covering 5,500 hectares that are owned by MP and which make up Crucero, located in the Carabaya Province of southeast Peru.

The Crucero concessions are comprised of: four 100%-owned mining concessions (which are not subject to any royalty interest); three mining concessions held under a 30-year assignment which expires in September 2038 (which are subject to a maximum of a 5% net smelter return royalty on all gold and other minerals produced from the assigned concessions, dependent on the price of gold); and two petition-stage claims for mining concessions that are in process (which are not subject to any royalty interest).

To acquire its initial 60% ownership of MP, the Company entered into a mineral property identification and acquisition agreement with K-Rok, which acted as an agent for the Company. Additionally, on July 26, 2010 the Company entered into an Assignment and Assumption Agreement with K-Rok, as assignee of K-Rok's interests in the Minera Pacacorral Purchase Agreement (the "MP Purchase Agreement"), pursuant to which the Company assumed the rights and obligations of K-Rok.

Under the MP Purchase Agreement, the vendors of MP sold to the Company 60% of the issued and outstanding shares of MP in July 2010, in consideration for the payment of a total of US

$10,000,000. Of the total consideration, US $7,000,000 was paid prior to December 31, 2011, with the remaining US $3,000,000 payable on July 15, 2012.

The consideration payable to K-Rok pursuant to the Assignment and Assumption Agreement for the Crucero Gold Project consists of the following:

(a) Issue 4,000,000 common shares of the Company to K-Rok (which have been issued and recorded at a fair value of $200,000).
(b) Issue two additional common shares of the Company (the "K-Rok Contingent Shares") for each ounce by which the gold resource for the six mining concessions that form part of Crucero are increased over the baseline resource of 808,695 ounces by either: (A) the first to occur of (i) any resource estimate related to completion of a pre-feasibility study, and (ii) an updated resource estimate obtained pursuant to the MP Purchase Agreement prior to completion of a sale by the Company of its shares in MP or a sale by MP of all or substantially all of its interests in the six mining concessions that form part of Crucero; or (B) if neither (i) nor (ii) has occurred by December 31, 2012, an updated resource estimate based on all exploration completed on the six mining concessions at that time.

    As at September 30, 2012 the Company's resource estimate is approximately 1.792 million combined ounces of indicated and inferred gold resources. Under the terms of the Assignment and Assumption Agreement, if the share-based contingent consideration was to be paid on September 30, 2012, the Company would have had to issue approximately 1,966,000 shares to K-Rok.

On the date of the Assignment and Assumption Agreement with K-Rok, management calculated the fair value of the obligation to issue the K-Rok Contingent Shares using a weighted average probability analysis of the reported ounces in future updated resource estimates in accordance with IFRS 2 Share-Based Payments. The analysis included assumptions based on management's estimate at the time of acquisition of a) probable ounces at the time of the issue of the additional shares, b) the probable time of issuance of the additional shares, and c) the estimate of the Company's estimated share price at the time of issuance of the additional shares. A fair value of $598,045 was included as a cost of the initial acquisition of the Crucero mineral properties. No K-Rok Contingent Shares have been issued to date.

During the quarter ended March 31, 2012, and as part of the closing of the remaining 40% interest in MP (see Note 4), the Company made an early payment of the final $3,056,700 (US $3,000,000) that was otherwise required to be paid by July 15, 2012 in order to complete the Company's acquisition of its existing 60% interest in MP. The carrying value of this final payment was $2,819,016 on December 31, 2011. The original carrying value of this purchase obligation was calculated by using a discounted cash flow model, which uses assumptions concerning the timing of estimated future cash flows and credit-adjusted discount rates.

The carrying value of Crucero as at September 30, 2012 is $16,337,482 ($16,504,191 – December 31, 2011). The change in carrying value of $166,709 for the nine months ended September 30, 2012 is due to changes in foreign currency translation rates between the Canadian dollar and Peruvian soles from December 31, 2011 to September 30, 2012.

(expressed in Canadian Dollars)

7 Related party transactions

Balances and transactions between Lupaka and its subsidiaries, which are related parties of Lupaka, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

During the periods ended September 30, 2012 and 2011, the Company had related party transactions with K-Rok, which is owned 60% by ABE Industries Inc. ("ABE"), 35% by Havilah Holdings Inc. ("Havilah") and 5% by Javier Garcia, a consultant to the Company. ABE is wholly-owned by Gordann Consultants Ltd. ("Gordann"), a company in which Gordon Ellis owns a 51% interest and his wife, Margaret Ellis, owns a 49% interest. Gordon Ellis is the Executive Chairman of the Company and a director, and through his spousal and corporate ownerships is a greater than 10% shareholder of the Company. Havilah is a company wholly-owned by Geoff Courtnall, a consultant to the Company.

(a) Related party expenditures

The Company incurred the following expenditures in the normal course of operations in connection with private companies controlled by shareholders (including their immediate family) of K-Rok ("S"), a director ("D") of the Company, and the non-controlling shareholders of MP ("NCS"), as below:

		Nine months ended September 30,	
Nature of Transaction	Related Party	2012 $	2011 $
Project administration	S, D	50,417	143,829
Shareholder and investor relations	S	90,000	90,000
Salaries and benefits	S, D	25,208	28,148
Technical reports and assays	S	5,625	–
Drilling	NCS	–	554,282
Office and general	S	–	4,033
		171,250	820,292

(b) Key management compensation

Key management includes directors and executive officers of the Company. The compensation paid or payable to key management for employee services is shown below:

	Nine months ended September 30	
	2012 $	2011 $
Salaries, fees and benefits	642,605	360,850
Share-based compensation	268,229	401,896
Total key management compensation	910,834	762,746

(c) Due to related parties

Amounts due to related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties.

As at September 30, 2012, there were no amounts payable to related parties (December 31, 2011 – $288,353).

8 Equity

a) Common shares

Authorized: unlimited with no par value.

In connection with the acquisition of the remaining shares of MP on January 19, 2012, the Company issued 5,200,000 common shares of Lupaka Gold (valued at $1.00 per share) to the former non-controlling shareholders of MP. On October 1, 2012 Lupaka acquired 100% of the shares of Andean American and its subsidiaries – see Note 12.

b) Share options

The Company has in place an incentive share option plan dated September 20, 2010 (the "Option Plan") for directors, officers, employees and consultants to the Company. The Option Plan provides that the directors of the Company may grant options to purchase common shares on terms that the directors may determine, within the limitations of the Option Plan. The maximum number of common shares issuable pursuant to options granted under the Option Plan shall not exceed 10% of the outstanding common shares issued at the date of grant.

Vesting terms will be determined for each grant individually, and the term of the option shall be for not less than one year and not more than 10 years from the date the option is granted.

The common shares issuable upon the exercise of the share options held by certain insiders of the Company are subject to escrow restrictions.

(expressed in Canadian Dollars)

A summary of changes to share options outstanding and exercisable is as follows:

	Number of options	Weighted average exercise price $	
Outstanding, December 31, 2011	3,697,000	0.73	
Granted	190,000	1.32	
Forfeited	(140,000)	1.35	
Exercised	(100,000)	0.50	*
Outstanding, September 30, 2012	3,647,000	0.75	
Exercisable, September 30, 2012	2,998,500	0.65	

* - The weighted average price of Lupaka's shares on the dates of exercise was $1.11.

The weighted average fair value of all share options granted in the nine months ended September 30, 2012 was estimated to be $1.01 (2011 – $0.37) per option at the grant date using the Black-Scholes option-pricing model and based on the following assumptions:

	Nine months ended September 30	
	2012	2011
Weighted average market price ($)	1.32	0.50
Weighted average exercise price ($)	1.32	0.50
Dividend yield	–	–
Risk free interest rate (%)	1.2 – 1.5	1.9 – 2.6
Expected life (years)	3.2 – 4.6	4.8 – 5.0
Expected volatility (%)	115 – 126	96

Option pricing models require the input of highly subjective assumptions including expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

The volatility was calculated using historical volatility of comparable companies as an expectation of the Company's future volatility.

Non-cash share-based compensation costs have been allocated as follows:

	Three months ended September 30		Nine months ended September 30	
	2012 $	2011 $	2012 $	2011 $
Salaries and benefits	56,026	–	253,176	397,197
Project administration	53,193	–	223,122	89,575
Shareholder and investor relations	18,971	–	85,728	81,367
Consulting and professional fees	2,347	–	10,605	–
Professional and regulatory fees	–	–	–	20,342
Total share-based compensation	130,537	–	572,631	588,481

(expressed in Canadian Dollars)

The following table summarizes information about share options outstanding and exercisable at September 30, 2012:

		Outstanding			Exercisable		
Year of Expiry	Range of exercise prices $	Number of options outstanding	Weighted average exercise price $	Weighted average remaining contractual life (years)	Number of options exercisable	Weighted average exercise price $	Weighted average remaining contractual life (years)
2015	0.50	2,200,000	0.50	3.0	2,200,000	0.50	3.1
2016	0.50 – 1.21	1,397,000	1.12	4.0	786,000	1.05	3.9
2017	1.23	50,000	1.23	4.5	12,500	1.23	4.5
	0.50 – 1.23	3,647,000	0.75	3.4	2,998,500	0.65	3.3

9 Segmented information

The Company operates in one segment, being mineral exploration. The Company has no revenues. Losses for the period and total assets by geographic location are as follows:

	Three months ended September 30, 2012 $	Three months ended September 30, 2011 $	Nine months ended September 30, 2012 $	Nine months ended September 30, 2011 $
Loss				
Canada	437,108	525,903	1,757,994	2,229,539
Peru	1,577,897	638,884	3,260,372	1,363,187
	2,015,005	1,164,787	5,018,366	3,592,726

	September 30, 2012 $	December 31, 2011 $
Total assets		
Canada	2,243,479	13,599,346
Peru	16,814,426	16,894,028
	19,057,905	30,493,374

(expressed in Canadian Dollars)

10 Supplemental cash flow information

Cash and cash equivalents comprise the following:

	September 30, 2012 $	December 31, 2011 $
Cash	114,167	246,469
Short-term investments	1,747,132	13,230,555
	1,861,299	13,477,024

At September 30, 2012, the Company's short-term investments are invested in premium investment savings accounts in place at a major Canadian chartered bank and cashable at any time.

11 Commitments

Future remaining minimum operating lease payments for the Company's Vancouver, Canada office are as follows:

	September 30, 2012 $
2012	17,628
2013	66,830
	84,458

12 Subsequent event

The previously announced plan of arrangement, whereby the Company would acquire all of the issued and outstanding shares of Andean American and shareholders of Andean American would receive 0.245 of a common share of the Company for each common share of Andean American held, received all necessary regulatory and statutory approvals, and closed on October 1, 2012.

For accounting purposes, the acquisition of Andean American's shares will be considered a purchase of assets. The measurement of the purchase price will total approximately $26.6 million and will reflect the following:

- the fair value of the Lupaka common shares issued, based on the issuance of 36,989,318 common shares of Lupaka at Cdn.$0.70 per share, being the closing bid price of the Company's common shares immediately prior to October 1, 2012; and
- Lupaka's transaction costs, which totalled approximately $743,000 including $263,584 of deferred transaction costs incurred to September 30, 2012.

As at October 1, 2012, Andean American's assets were comprised of: approximately $12.5 million in cash, net of approximately $1.4 million of transaction-related and change-of-control costs; 100% ownership of the Invicta Project, a copper-gold resource in northwest Peru; and 16.9% of the outstanding common shares of Southern Legacy Minerals Inc., a Peru-based public company listed on the TSX Venture Exchange (symbol: LCY) whose main asset is the copper-gold AntaKori Project, which is located in the Yanacocha mining district of Peru.