



LUPAKA GOLD ANNOUNCES CLOSING OF SECOND BRIDGE LOAN FINANCING AND PROPOSED SHARES FOR DEBT TRANSACTION

VANCOUVER, BRITISH COLUMBIA, January 12, 2017 - Lupaka Gold Corp ("Lupaka Gold" or the "Company") (TSXV:LPK, FRA:LQP) is pleased to announce that it has:

- closed the Bridge Loan Financing (the "**Loan**") previously announced on January 4, 2017 in the amount of \$300,000, with a group of third-party individuals and Darryl Jones (CFO), a Company Insider (collectively, the "**Lenders**"), pursuant to which the Company has agreed to borrow a total of C\$300,000 (the "**Loan**"), and
- entered into debt settlement agreements (the "**Shares For Debt**") with 9 creditors of the Company, which includes 3 members of Management and the Board of Directors (collectively, the "**Creditors**").

The Loan

The proceeds will be used for the advancement of the Company's mineral properties and for general working capital purposes. The Loan is unsecured and will bear simple interest at the rate of twelve percent (12%) per annum, calculated and payable semi-annually with the first interest payment due on June 30, 2017 and each subsequent payment due each six months thereafter. The Loan and accrued and unpaid interest shall be repaid in full on or before the date that is two years after the Closing Date.

The Company has agreed to issue to the Lenders a total of 1,500,000 non-transferrable warrants, such number being equal to the amount of the Loan divided by \$0.20. Each warrant will entitle the holder to purchase one common share of the Company at a price of C\$0.20 per share for a period of two years following the Closing Date. The warrants and any shares issued pursuant to the exercise of the warrants will be subject to a statutory hold period under Canadian securities laws expiring four months and a day after the Closing Date. The Loan and issue of warrants has been approved by the TSX Venture Exchange.

Darryl Jones is an officer of the Company and his participation in the Loan is considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). The transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves such persons, will exceed 25% of the Company's market capitalization.

Shares For Debt

The Company has entered into Shares For Debt settlement agreements with 6 creditors of the Company and Gordon Ellis (CEO), Darryl Jones (CFO) and Stephen Silbernagel (a Director), the latter being officers and a director who are each considered a non-arms' length party, (collectively, the "**Creditors**"), whereby the Company would issue Common Shares at a deemed price of \$0.15 per share. Pursuant to the Shares For Debt Agreements, \$45,000 of debt would be settled and a total of 300,000 Common Shares would be issued.

Management believes that these Shares For Debt Agreements are in the best interests of the Company because the creditors have agreed to settle the debts owed to them for shares allowing the Company to preservice its cash for operating purposes.

The Company is relying on exemptions from the prospectus requirements found in section 2.14 of National Instrument 45-106 and applicable securities laws to issue the shares. The Common Shares issued in connection with the Shares for Debt transaction are subject to a statutory hold period of four months plus one day, and are subject to the approval of the TSX Venture Exchange.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy of this news release.

FOR FURTHER INFORMATION PLEASE CONTACT:

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