



**LUPAKA GOLD REPORTS FINANCIAL HIGHLIGHTS FOR THE PERIOD ENDED MARCH 31, 2016
AND EXTENSION OF PANDION FINANCING MANDATE**

VANCOUVER, BRITISH COLUMBIA, May 31, 2016 -- Lupaka Gold Corp. ("Lupaka Gold" or "the Company") (TSX.V:LPK, FRA:LQP) reports its financial results for the three months ended March 31, 2016.

The following is taken from the Company's condensed consolidated interim Financial Statements and Management's Discussion and Analysis for the three months ended March 31, 2016, both of which are filed at www.sedar.com under the Company's profile.

Notable events - the Company's events of note for the three months ended March 31, 2016 and to date are as follows:

- On April 29, 2016, the Company announced that the Pandion Mine Finance Letter of Intent had been extended to May 31, 2016;
- On February 22, 2016 the Company announced that it had completed a non-brokered private placement of common shares for total gross proceeds of \$419,500 and completed its second run-of-mine bulk test of 532 tonnes, achieving total recoveries of 87.52% for Gold, 91.18% for Silver and 91.52% for Copper; and
- On January 21, 2016 the Company announced the signing of a non-binding Letter of Intent for US\$10.6 Million to fund Invicta mine development and production.

Summarized Financial Highlights – all amounts are in Canadian Dollars unless otherwise stated:

	Three months ended March 31	
	2016	2015
<i>In thousands of dollars</i>	(\$)	(\$)
Operating expenses		
Exploration and development	303	735
General and administration	110	327
Operating loss	413	1,062
Finance income – interest	–	(4)
Foreign exchange (gain) loss	(7)	1
Loss for the period	406	1,059
Loss per share - Basic and diluted	\$0.00	\$0.02

Exploration and development expenses – all such expenses relate to the Peru operations of the Company and totalled \$303,000 for 2016 compared to \$735,000 for 2015, a net decrease of \$432,000 for the period, due to the following: Camp, community relations and related costs totalled \$179,000 for 2016 compared to \$465,000 for 2015, with the net decrease of \$286,000 being a result of a decrease of \$124,000 in Invicta pre-construction activities and a decrease in Crucero exploration activities totalling \$168,000, offset by an increase of \$6,000 in Josnitoro costs vs 2015. Project administration totalled \$124,000 for 2016 compared to \$268,000 for 2015, with the net decrease of \$144,000 being a result of a net decrease of \$225,000 associated with the severance of Crucero

Gold Project employees, offset by an increase of \$81,000 for Invicta pre-production expenditures incurred. Other expenses totalled Nil for 2016 compared to \$2,000 for 2015, a net decrease of \$2,000.

General and administration expenses – all such expenses relate to the Canadian operations of Lupaka Gold and totalled \$110,000 for 2016 compared to \$327,000 for 2015, with the decrease of \$217,000 due to the following: Salaries and benefits totalled \$59,000 for 2016 compared to \$142,000, a net decrease of \$83,000, which reflects the October 2015 termination of the Company’s former President & CEO and lower salaries resulting in a total decrease of \$80,000, and lower SBC costs of \$3,000. Shareholder and investor relations (“IR”) expenses totalled \$7,000 for 2016 compared to \$77,000 for 2015, a decrease of \$70,000, reflecting a significant reduction in IR activities. Office and general, and travel costs were lower by \$7,000, primarily due to reduced telephone and insurance costs. Professional and regulatory fees totalled \$15,000 for 2016 compared to \$70,000 for 2015, a decrease of \$55,000, reflecting: a decrease in sustaining fees and securities commissions fees, as the Company moved from the Toronto Stock Exchange to the TSX Venture Exchange on February 17, 2015, a decrease of \$14,000 relative to the first quarter of 2015 in corporate legal, Peru listing-related sponsorship fees and transfer agent costs, as the Company no longer lists its shares on the Bolsa de Valores de Lima (“BVL”, otherwise known as the Lima Stock Exchange), a decrease of \$12,000 in regulatory fees, a decrease in advisory costs of \$5,000; and a decrease in legal fees of \$4,000. Travel costs totalled \$3,000 for 2016 compared to \$5,000 for 2015, a decrease of \$2,000.

A snapshot of the Company’s balance sheet is as follows:

<i>In thousands of dollars</i>	March 31, 2016 (\$)	December 31, 2015 (\$)
Cash and cash equivalents	88	52
Working capital (defined as current assets less current liabilities)	(1,746)	(1,816)
Total assets	28,377	29,450
Total liabilities	2,151	2,215
Shareholders’ equity	26,226	27,235

The principal changes in the Company’s cash during the three months ended March 31, 2016 were as follows:

- Cash used in operating activities in the three months ended March 31, 2016 was \$419,000 (\$810,000 – three months ended March 31, 2015), principally to fund the Company’s loss for the period of \$406,000 (\$1,059,000 – three months ended March 31, 2015), non-cash charges including depreciation of \$17,000 (\$56,000 – three months ended March 31, 2015), and share-based compensation of \$32,000 (\$34,000 – three months ended March 31, 2015), offset by a \$17,000 gain on disposal of equipment (\$Nil – three months ended March 31, 2015) and a foreign exchange difference of \$10,000 on the reclamation provisions for the Company’s Invicta and Crucero properties, as well as a net decrease of \$35,000 in non-cash working capital (net increase of \$159,000 – three months ended March 31, 2015).
- There were no investing activities in the three months ended March 31, 2016, compared with net cash from investing activities of \$44,000 in the three months ended March 31, 2015 for purchases of equipment.
- Net cash from financing activities in the three months ended March 31, 2016 totalled \$401,000 in proceeds from a February 2016 private placement.

Total current liabilities as at March 31, 2016 totalled \$1,883,000 (\$1,937,000 - December 31, 2015), comprised of accounts payable and accrued liabilities, mostly for community and Invicta project-related obligations, as well as an accrued liability of \$644,000 for severance due to the Company’s former President & CEO. Long-term liabilities consisted of provisions for reclamation of \$268,000 (\$278,000 - March 31, 2015), the difference being attributable to discounting of the long-term provisions and a change in foreign exchange rates in the three months ended March 31, 2016.

Status of Pandion Mine Finance Mandate

The Company has further extended the Pandion Mine Finance Letter of Intent Mandate to June 30, 2016, as the parties have not yet completed finalization of the Definitive Agreement for funding the Invicta Gold Project.

FOR FURTHER INFORMATION PLEASE CONTACT:

Lupaka Gold Corp., Investor Relations at +1 (604) 681-5900, e-mail: info@lupakagold.com or visit the Company's website at www.lupakagold.com.

Forward Looking Information and Regulatory Endnotes

This news release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities regulations in Canada and the United States (collectively, "forward-looking information"). The forward-looking information contained in this news release is made as of the date of this news release. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Forward-looking information includes, but is not limited to, statements with respect to exploration plans and timing for Crucero, the grant of social license and exploration plans for Josnitoro, a potential mining operation at Invicta and estimates of mineral resources. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "projects", "estimates", "forecasts", "intends", "anticipates", or "believes", or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved.

The forward-looking information contained in this news release is based on certain assumptions that the Company believes are reasonable, including with respect to mineral resource estimates, the key assumptions and parameters on which such estimates are based, that the current price of and demand for gold will be sustained or will improve, that general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms, that supplies, equipment, personnel, permits and local community approvals required to conduct the Company's planned exploration and development activities will be available on reasonable terms, that results of exploration activities will be consistent with management's expectations and that the Company will not experience any material accident, labour dispute, or failure of equipment. However, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, risk that actual results of exploration activities will be different than anticipated, that cost of labour, equipment or materials will increase more than expected, that the future price of gold will decline, that the Canadian dollar will strengthen against the U.S. dollar, that mineral resources are not as estimated, unexpected variations in mineral resources, grade or recovery rates, risk of accidents, labour disputes and other risks generally associated with mineral exploration and unanticipated delays in obtaining or failure to obtain community, governmental or regulatory approvals or financing. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to not be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

This announcement contains certain forward looking statements, including such statements within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In particular, such forward looking statements may relate to matters such as the business, strategy, investments, production, major projects and their contribution to expected production and other plans of the Company and its current goals, assumptions and expectations relating to its future financial condition, performance and results.

Forward-looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "plans", "estimates" and words of similar import. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results, performance or achievements of the Company may be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Factors that could cause or contribute to differences between the actual results, performance or achievements of the Company and current expectations include, but are not limited to, legislative, fiscal and regulatory developments, competitive conditions, technological developments, exchange rate fluctuations and general economic conditions. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The forward looking statements reflect knowledge and information available at the date of preparation of this announcement. Except as required by the Listing Rules and applicable law, the Company does not undertake any obligation to update or change any forward looking statements to reflect events occurring after the date of this announcement. Nothing in this announcement should be construed as a profit forecast.