



LUPAKA GOLD REPORTS PERFORMANCE AND FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2015

VANCOUVER, BRITISH COLUMBIA, May 15, 2015 -- Lupaka Gold Corp. ("Lupaka Gold" or "the Company") (TSX.V:LPK, BVL:LPK, FRA:LQP) reports performance highlights and financial results for the three months ended March 31, 2015.

The following is taken from the Company's Audited Consolidated Financial Statements and Management's Discussion and Analysis, both of which are filed at www.sedar.com.

Overall Performance

The Company's events of note for the three months ended March 31, 2015 and to date are as follows:

- The Company announced on April 9, 2015 that it had received approval from the community of Lacsanga to proceed with development and other pre-production activities at the Invicta Gold Project which affect their community;
- On February 25, 2015, the Company announced that it had been granted a Certificate of Mining ("COM") permit for mining and development work activities at the Invicta Gold Project; and
- The Company announced on February 17, 2015 that its common shares would be delisted from the Toronto Stock Exchange after the close of trading that day and immediately listed on the TSX Venture Exchange with no interruption in trading. The decision to move to TSX.V was made to reduce the Company's costs of maintaining its listing and for greater flexibility as the Company pursues its growth strategy.

Lupaka Gold's common shares trade in Canada on the TSX.V and in Peru on the Bolsa de Valores de Lima ("BVL", otherwise known as the Lima Stock Exchange) under the symbol LPK, and in Germany on the Frankfurt Exchange ("FRA") under the symbol LQP.

Outlook

The Company's immediate priority is to obtain additional capital financing to sustain its administration and development activities, including the capital financing needed to commence commercial operations and generate cash flow from the Invicta Gold Project. With virtually all of the necessary permits and contractor and community agreements in hand that are necessary, management is focused on obtaining the financing necessary to put the Invicta Gold Project into production as planned.

Additionally, the Company will continue to assess its mineral exploration and development opportunities for the Crucero Gold Project and the Josnitoro Gold Project, and conduct related activities as available cash resources allow.

Financial Highlights

All amounts are in Canadian Dollars unless otherwise stated.

Financial results for the three months ended March 31, 2015 and 2014 are summarized as follows:

	Three months ended March 31	
	2015 (\$000's)	2014 (\$000's)
Operating expenses		
Exploration	735	580
General and administration	327	532
Operating loss	1,062	1,112
(Gain) impairment loss on available-for-sale financial asset	-	301
Finance income – interest	(4)	(9)
Foreign exchange loss (gain)	1	(42)
Loss for the period	1,059	1,362
Loss per share - Basic and diluted	\$0.01	\$0.02

Exploration expenses

Exploration expenses relate to the Peru operations of the Company and totalled \$735,000 for 2015 compared to \$580,000 for 2014, a net increase of \$155,000 for the period, which reflects: increased camp, community relations and related costs of \$103,000 being a result of an increase of \$77,000 in Invicta pre-construction activities, \$59,000 in Josnitoro costs and an aggregate decrease in Crucero exploration activities totalling \$33,000; increased project administration costs of \$60,000 being a result of an increase of \$42,000 for Invicta pre-production expenditures incurred and a net increase of \$18,000 associated with severance of Crucero Gold Project employees; and a decrease of \$8,000 in technical reports, assays, and related costs.

Following is a summary of exploration expenditures, by project, during the three months ended March 31, 2015:

<i>In thousands of dollars</i>	Crucero	Invicta	Josnitoro	Total
Camp, community relations and related costs	179	223	-	402
Project administration and concession fees	215	54	61	330
Technical reports, assays and related costs	1	-	-	1
Transportation, reclamation and professional fees	2	-	-	2
	<u>397</u>	<u>277</u>	<u>61</u>	<u>735</u>

General and administration expenses - all such expenses relate to the Canadian operations of Lupaka Gold and totalled \$327,000 for 2015 compared to \$532,000 for 2014, with the decrease of \$205,000 being mainly the result of: decreased shareholder and investor relations ("IR") expenses of \$122,000 from reduced staffing costs and related costs; a decrease in salaries and benefits of \$46,000, which reflects a \$28,000 higher allocation of Canada senior management costs to Invicta and reduced SBC expenses of \$18,000 for 2015; and lower office, travel and general costs by \$37,000.

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

Liquidity and Capital Resources

	March 31, 2015	December 31, 2014
	(\$000's)	(\$000's)
Cash and cash equivalents	1,360	2,239
Working capital (defined as current assets less current liabilities)	203	1,242
Total assets	31,194	30,663
Total liabilities	1,721	1,539
Shareholders' equity	29,473	29,124

The principal changes in the Company's cash during the three months ended March 31, 2015 were as follows:

- Cash used in operating activities in the three months ended March 31, 2015 was \$810,000 (\$1,178,000 – three months ended March 31, 2014), principally to fund the Company's loss for the period of \$1,059,000 (\$1,362,000 – three months ended March 31, 2014) which was offset by non-cash charges including depreciation of \$56,000 (\$53,000 – three months ended March 31, 2014) and share-based compensation of \$34,000 (\$68,000 – three months ended March 31, 2014), as well as a net increase of \$159,000 in non-cash working capital (decrease of \$231,000 – three months ended March 31, 2014). In the three months ended March 31, 2014, there was an impairment loss of \$301,000 recorded on the Company's investment in Southern Legacy (\$Nil – three months ended March 31, 2015).
- Net cash used in investing activities in the three months ended March 31, 2015 totalled \$44,000, compared with net cash from investing activities of \$233,000 in the three months ended March 31, 2014. The Company's purchases of equipment totalled \$44,000 in the three months ended March 31, 2015 (\$51,000 – three months ended March 31, 2014) and in the first three months of 2014, the Company sold equipment for net proceeds of \$284,000 (\$Nil – three months ended March 31, 2015).

Total current liabilities as at March 31, 2015 totalled \$1,322,000 (\$1,159,000 - December 31, 2014), comprised of accounts payable and accrued liabilities, mostly for community and Invicta project-related obligations, and \$399,000 of provisions for reclamation (\$380,000 - December 31, 2013), the difference being attributable to a change in foreign exchange rates in 2015.

The Company's interim consolidated financial statements for the three months ended March 31, 2015 and 2014 are prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. If the going concern assumption was not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used, and such adjustments would be material. Several adverse conditions cast significant doubt upon the validity of the going concern assumption. The Company has a working capital surplus of \$203,000, a loss of \$1,059,000 for the three month period ended March 31, 2015 and a deficit of \$34,989,000.

The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or obtain alternative financing, which it has been successful in doing so in the past.

At present, the Company's operations do not generate positive cash flows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many periods and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company has typically raised capital through equity financings. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond its control.

The Company has implemented various cost-cutting measures, primarily in the areas of administration, investor relations, project development and camp and related areas for the Crucero and Josnitoro Gold Projects. Additionally, management continues to evaluate capital financing alternatives which are available to fund the estimated US\$2,012,000 of remaining pre-production expenditures needed to put the Invicta Gold Project into production in 2015.

As at March 31, 2015, the Company's aggregate common share capital was \$57,360,000 (\$57,360,000 – December 31, 2014) representing 92,545,110 issued and outstanding common shares without par value (92,545,110 – December 31, 2014).

As at March 31, 2015, the Company has 8,372,500 share purchase warrants outstanding at an exercise price of \$0.30 and expiring on August 7, 2017. During the three months ended March 31, 2015, 612,500 share purchase warrants at an exercise price of \$1.87 expired on February 12, 2015.

As at March 31, 2015, the Company has 9,056,750 stock options outstanding at exercise prices of \$0.13 to \$3.22.

Accumulated Deficit

The Company's accumulated deficit was \$34,989,000 as at March 31, 2015 (\$33,930,000 - December 31, 2014), with the increase in deficit of \$1,059,000 reflecting the loss incurred for the three months ended March 31, 2015.

About the Company

Lupaka Gold is a Peru-focused gold explorer and developer with geographic diversification and balance through its interest in asset-based resource projects spread across three regions of Peru.

Lupaka Gold currently has three projects occupying different stages of exploration and development.

The Company's 100%-owned Invicta Gold Project (central Peru) has near-term underground gold and poly-metallic production potential. The Company plans to implement a small-scale mining operation and complete permitting, development and engineering with production to commence in 2015.

Lupaka Gold's flagship exploration project is the Crucero Gold Project, its 5,500 hectare gold property located in southern Peru. Crucero has a growing indicated and inferred gold resource, and the Company is actively exploring the property to identify future drill targets.

In November 2013, the Company optioned the Josnitoro Gold Project from Hochschild Mining PLC. The project is located approximately 600 kilometres by road southeast of Lima in the Department of Apurimac, southern Peru. Historical work on the disseminated gold zones includes over 170 shallow drill holes and extensive surface trenching.

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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.