



LUPAKA GOLD REPORTS PERFORMANCE AND FINANCIAL HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2014

VANCOUVER, BRITISH COLUMBIA, May 13, 2014 -- Lupaka Gold Corp. ("Lupaka Gold" or "the Company") (TSX:LPK, BVL:LPK, FRA:LQP) reports performance highlights and financial results for the three months ended March 31, 2014.

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

Overall Performance

The Company's recent activities and events of note for the first quarter of 2014 are as follows:

- The Company finished the three months ended March 31, 2014 with \$2.94 million in cash.
- On March 17, 2014, the Company announced that it was commencing the permitting process to put the Invicta Gold Project in production on a small-scale basis of approximately 300 tonnes/day, at an estimated cost of US\$2 million; and
- The Company provided an update on January 20, 2014 of its 2014 development and exploration plans for its gold projects.

Lupaka Gold's common shares trade in Canada on the Toronto Stock Exchange ("TSX") 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. Lupaka Gold's share purchase warrants trade on the TSX under the symbol LPK.WT.

Outlook

The Company's primary priorities for 2014 are to implement its small-scale production option for the Invicta Gold Project and continue mineral exploration and development activities on the Crucero Gold Project and the Josnitoro Gold Project.

Management is presently evaluating capital financing alternatives which are available to fund the estimated US\$2 million of capital expenditures needed to put the Invicta Gold Project into small-scale production by March 2015. Excluding such financing requirements, management believes that cash and cash equivalents on hand as at the date hereof will be sufficient to fund the Company's planned head office and Peru exploration activities for the balance of 2014, by delaying drilling activity and reducing or eliminating discretionary expenses related to administration and exploration.

Financial Highlights

All amounts are in Canadian Dollars unless otherwise stated.

Financial results for the three months ended March 31, 2014 and 2013 are summarized as follows:

	Three months ended March 31,	
	2014	2013
	(\$000's)	(\$000's)
Operating expenses		
Exploration	580	1,658
General and administration	532	873
Operating loss	1,112	2,531
Impairment loss on available-for-sale financial asset	301	985
Finance income – interest	(9)	(27)
Foreign exchange loss (gain)	(42)	(9)
Loss for the period	1,362	3,480
Loss per share - Basic and diluted	\$0.02	\$0.04

Exploration – all such expenses relate to the Peru operations of the Company and totalled \$580,000 for 2014 as compared to \$1,658,000 for 2013, a net decrease of \$1,078,000 for the period which reflects decreases in: Project Administration costs of \$583,000 from reduced Peru staff levels and associated expenses for 2014; Camp, Community relations and related costs of \$282,000 as a result of a 67% reduction in camp and related personnel, and the elimination of the use of the Crucero Gold Project community relations contractor for 2014; and Technical Reports, Assays, and related costs of \$164,000 from there having been no metallurgical and/or technical studies conducted in 2014.

Following is a summary of exploration expenditures, by project, during the three months ended March 31, 2014:

<i>In thousands of dollars</i>	Crucero	Invicta	Josnitoro	Total
Camp, community relations and related costs	212	147	3	362
Project administration	198	10	0	208
Technical reports, assays and related costs	4	4	0	8
Transportation, reclamation and professional fees	2	0	0	2
	416	161	3	580

General and administration expenses - all such expenses relate to the Canadian operations of Lupaka Gold and totalled \$532,000 for 2014 compared to \$873,000 for 2013, for a decrease of \$341,000 as a result of a decrease in: Salaries and benefit costs of \$263,000 from there having been no management bonuses for 2014, and reduced share-based compensation expenses for 2014; Professional and Regulatory Fee costs of \$87,000, due to reduced legal and BVL listing costs; and Office and General expenses of \$21,000 due mainly to reduced IT and miscellaneous office costs. These reduced costs were offset by an increase in Shareholder and Investor Relations expenses of \$29,000 from investor relations programs focused on the establishment of a European investor presence in the Company's shareholder base.

Impairment loss on available-for-sale financial asset

As at March 31, 2014, the aggregate fair market value of the Company's investment in Southern Legacy Minerals Ltd. ("Southern Legacy") was \$603,000 (\$904,000 – December 31, 2013), as indicated by the closing price of the shares as quoted by the TSX Venture Exchange (under the symbol, "LCY"), for which the Company recorded impairment losses of \$301,000 during the quarter. Southern Legacy's common shares also trade on the BVL. The Company continues to evaluate its strategic options regarding this portfolio investment.

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

Liquidity and Capital Resources

(in thousands)	March 31, 2014 (\$000's)	December 31, 2013 (\$000's)
Cash and cash equivalents	2,940	3,906
Working capital (defined as current assets less current liabilities)	1,767	2,502
Total assets	32,545	33,106
Current liabilities	1,578	1,777
Shareholders' equity	30,967	31,329

The principal changes in the Company's cash during the three months ended March 31, 2014 were as follows:

- Cash used in operating activities in the quarter ended March 31, 2014 was \$1,178,000 (\$2,221,000 – three months ended March 31, 2013), principally to fund the Company's loss for the period of \$1,362,000 (\$3,480,000 – three months ended March 31, 2013) which was offset by non-cash charges including depreciation of \$53,000 (\$94,000 – three months ended March 31, 2013), the impairment loss on the investment in Southern Legacy of \$301,000 (\$985,000 – three months ended March 31, 2013) and share-based compensation of \$68,000 (\$180,000 – three months ended March 31, 2013), as well as net changes in non-cash working capital of a decrease of \$231,000 (increase of \$285,000 – three months ended March 31, 2013).
- Net cash from investing activities in the quarter ended March 31, 2014 totalled \$233,000, from the sale of equipment of \$284,000 (\$Nil – three months ended March 31, 2013) and purchases of equipment for \$51,000 (\$94,000 – three months ended March 31, 2013).
- The Company had no cash flows from or used in financing activities in the three months ended March 31, 2014 and 2013.

Total current liabilities as at March 31, 2014 were \$1,578,000 (\$1,777,000 - December 31, 2013), comprised of \$1,194,000 (\$1,406,000 - December 31, 2013) of accounts payable and accrued liabilities, mostly for current community obligations, and \$384,000 of provisions for reclamation (\$371,000 - December 31, 2013).

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.

As at March 31, 2014 and December 31, 2013, the Company's aggregate common share capital was \$56,380,000 representing 84,495,110 issued and outstanding common shares without par value. As at March 31, 2014 and December 31, 2013, the Company had 7,279,167 share purchase warrants outstanding and 7,992,350 share options outstanding (8,439,350 - December 31, 2013).

Outstanding Share Data

As at the date hereof, the following securities were issued and outstanding:

- basic – 84,495,110 common shares
- fully-diluted – 99,766,627 common shares, after including:
- 7,992,350 stock options, with exercise prices ranging from \$0.20 to \$4.08, of which 6,817,350 options are vested; and
- 7,279,167 share purchase warrants, with a weighted average exercise price of \$2.22.

Accumulated Deficit

The Company's accumulated deficit was \$30,683,000 as at March 31, 2014 (\$29,321,000 - December 31, 2013), with the increase in deficit of \$1,362,000 reflecting the loss incurred for the three months ended March 31, 2014.

About the Company

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

As a result of the Company's 2012 acquisition of Andean American Gold Corp., Lupaka Gold's assets include the 100% owned Invicta Gold Project (north Peru), which the Company plans to bring into small-scale production by March 2015, and a strategic 17% stake in Southern Legacy Minerals Inc., owner of the AntaKori copper-gold deposit located in central Peru.

Lupaka Gold's flagship exploration project is the Crucero Gold Project, its 5,500 hectare gold property located in southern Peru. The Company, based in Vancouver, Canada, is project operator and holds a 100% indirect interest in the Crucero Gold Project. Since commencing active exploration in April 2010, the Company reported annual NI 43-101 compliant gold resource estimate increases for the Crucero Gold Project in the first quarter of 2011 and 2012 (see the Company's most recent technical report on www.sedar.com).

In November 2013, the Company announced that it had entered into a memorandum of understanding with Compañía Minera Ares S.A.C. and Minera del Suroeste S.A.C. (indirect subsidiaries of Hochschild Mining plc with regards to the execution of a definitive agreement that will allow the Company to earn-in to a 65% interest in Josnitoro in Southern Peru. Josnitoro is an exploration-stage gold and copper project in the Department of Apurimac with significant surface gold values in oxide veins and veinlets on the perimeter of a central oxide copper skarn.

FOR FURTHER INFORMATION PLEASE CONTACT:

Lupaka Gold Corp.

Investor Relations

+1 (604) 681-5900, e-mail: gold@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.