



LUPAKA GOLD REPORTS PERFORMANCE AND FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED JUNE 30, 2013

VANCOUVER, BRITISH COLUMBIA, August 9, 2013 -- Lupaka Gold Corp. ("Lupaka Gold" or "the Company") (TSX:LPK, BVL:LPK, FRA:LQP) reports performance highlights and financial results for the six months ended June 30, 2013. The following is taken from the Company's Condensed Consolidated Interim Financial Statements and Management's Discussion and Analysis, both of which are filed at www.sedar.com.

Overall Performance

The Company is a mineral exploration company involved in the acquisition and assessment of mineral properties in Peru. 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.

The Company's activities and events of note for the last twelve months are as follows:

- The Company announced on July 23, 2013 that it had received: a 4-year renewal of the Crucero Gold Project community agreement (expiring June 2017); additional access agreements from local families; and that the petitions for its Pacacorral 2 and Pacacorral 3 mineral claims were granted as fully registered mining concessions by the Ministry of Energy and Mines;
- On July 2, 2013, the Company announced the results of its most recent campaign of metallurgical recovery testing on the mineralization from the A-1 Zone at its Crucero Gold Project. Summary results were from tests performed on two composite samples reflecting the two distinct mineralization types within the Crucero mineralization envelope. The wide range of recovery results reflect the suite of tests performed and the treatment options analyzed. Depending on types of minerals, their concentration and grind size, leach extraction of 60-75% gold was achieved. Diagnostic leach tests at ultrafine grinds showed leach extraction of 89% and 94% for the two composites;
- In early June 2013, the Company received a structural geological context and interpretation report developed from field work and aerial photo interpretation conducted by SRK Consulting (Toronto, Canada). This report was commissioned in order to gain a better understanding of the structural geology and mineralization controls at the Company's Crucero Gold Project;
- At the Company's May 16, 2013 AGM, three new directors were elected to Lupaka Gold's Board of Directors: Hernan F. Barreto; Jaime A. Pinto; and Luquman A. Shaheen. Mr. Barreto and Mr. Pinto are Peru residents active in the Peru mining industry, while Mr. Shaheen is the President and CEO of Panoro Minerals Ltd., an active copper and copper-gold exploration company which operates in Peru; and
- On February 27, 2013, the Company announced an updated NI 43-101 compliant Indicated and Inferred mineral resource estimate for the Crucero Gold Project. The updated resource estimate was prepared by Tetra Tech WEI Inc. ("Tetra Tech"), formerly Wardrop Engineering, of Vancouver, Canada, and reported an indicated resource of 31.4 million tonnes at 1.01 gold grams per tonne (g/t) capped grade for 1,017,999 gold ounces and an inferred resource of 37.2 million tonnes at 1.00 g/t capped grade for 1,190,526 gold ounces at the A-1 Zone. Both the inferred and indicated categories now have a gold grade of 1 g/t or higher as a result of the 2012 drill results. Compared to the March 2012 resource update, these results represent an 11% decrease in the indicated resource and an 84% increase in the inferred resource, for the A-1 Zone (see the Company's technical report on www.sedar.com).

Outlook

The Company's primary priorities are to continue its mineral exploration and development activities on the Crucero Gold Project, review potential options regarding the Invicta Gold Project, and to maximize the potential return on its investment in Southern Legacy Minerals.

The Company will also remain vigilant towards the potential acquisition of interests in other mineral resource properties in Peru that are assessed by management to be of merit.

Financial Highlights

All amounts are in Canadian Dollars unless otherwise stated.

Unaudited financial results for the six months ended June 30, 2013 and 2012 are summarized as follows:

	Six months ended June 30	
	2013 (\$000's)	2012 (\$000's)
Operating expenses		
Exploration	3,392	1,658
General and administration	1,643	1,321
Operating loss	5,035	2,979
Impairment loss on available-for-sale financial asset	1,329	-
Finance expense – accretion	-	22
Finance income – interest	(46)	(19)
Foreign exchange loss (gain)	(65)	21
Loss for the period	6,253	3,003
Loss per share - Basic and diluted	\$0.07	\$0.07

Overall, the loss for the six months ended June 30, 2013 was larger than that for the comparative period in 2012, reflecting: the 2013 impairment losses on the Company's investment in Southern Legacy; increased field staffing and levels of community relations activity at Crucero for 2013; the additional exploration expenses related to Invicta (which was acquired in October 2012 and for which there were no such expenses in 2012); and the cost of investor relations programs implemented in the second quarter of 2013.

Exploration - all such expenses relate to the Peru operations of the Company and comprise: Project Administration expenses totalling \$1,662,000 (\$661,000 – 2012); Camp, Community Relations and related costs totalling \$1,430,000 (\$680,000 – 2012); Technical Reports, Assays and related costs totalling \$222,000 (\$99,000 – 2012); and Transportation, Reclamation and Professional fees totalling \$78,000 (\$218,000 – 2012).

The significant increases in project administration and camp and related costs in 2013 directly reflect an increase in personnel and operational costs that were achieved in Peru as compared to 2012, which was consistent with the Company's 2013 cost-containment, exploration and organizational change plans, and the October 2012 acquisition of the Invicta Gold Project. The increased technical report and assay costs are a result of a more comprehensive Crucero mineralization metallurgical and recovery test program completed in the first half of 2013. These increases were offset by reduced costs for drilling-related expenses due to no drilling activity in 2013 (to date).

Following is a summary of exploration expenditures, by project, during the six months ended June 30, 2013, in thousands of dollars:

	Crucero	Invicta	Total
Camp, community relations and related costs	1,056	374	1,430
Project administration	966	696	1,662
Technical reports, assays and related costs	178	44	222
Transportation, reclamation and professional fees	78	-	78
	2,278	1,114	3,392

General and administration expenses - all such expenses relate to the Canadian operations of Lupaka Gold and totalled \$1,643,000 for 2013 (\$1,321,000 – 2012) and comprise: Shareholder and Investor Relations expenses totalling \$624,000 (\$349,000 – 2012), reflecting the costs of investor relations programs implemented in the second quarter to build an European investor base; Salaries, Professional and Regulatory Fees, Office and General, and Travel expenses totalling \$1,019,000 (\$908,000), reflecting increased audit and regulatory costs; with offsetting Corporate Development expenses totalling \$Nil for 2013 (\$64,000 – 2012) , as a result of the 2012 Andean American due diligence costs. There were no such corporate due diligence costs for 2013.

Share-based compensation expenses - included in exploration, and general and administration expenses for the six months ended June 30, 2013 and 2012 were non-cash share-based compensation expenses (a non-cash expense reflecting the estimated value of share option benefits to option-holders for the period), in the expense categories noted below:

	Six months ended June 30,	
	2013	
	2013 (\$000's)	2012 (\$000's)
Salaries and benefits	160	197
Project administration	61	170
Shareholder and investor relations	96	67
Camp, community relations and related	7	-
Consulting and professional fees	5	8
Total share-based compensation	329	442

As a result of the acquisition of Andean American, the Company owns 9,841,269 common shares in Southern Legacy Minerals Inc. ("Southern Legacy"), representing approximately 17% of the issued and outstanding ownership shares of Southern Legacy, and which the Company classifies as an available-for-sale financial asset. As at December 31, 2012, the aggregate fair market value of this investment, as quoted by the TSX Venture Exchange, was \$2,510,000. As at June 30, 2013, the aggregate fair market value of this investment was \$1,181,000, for which the Company has recorded an impairment loss of \$1,329,000 for the six months ended June 30, 2013 in other operating expenses. Southern Legacy's common shares also trade on the BVL.

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

Liquidity and Capital Resources		
	June 30, 2013	December 31, 2012
	(\$000's)	(\$000's)
Cash and cash equivalents	6,376	10,716
Working capital (defined as current assets less current liabilities)	5,315	9,737
Total assets	35,955	42,780
Current liabilities	1,555	1,563
Shareholders' equity	34,400	41,217

The principal changes in the Company's cash during the six months ended June 30, 2013 were as follows:

- Cash used in operating activities in the six months ended June 30, 2013 was \$4,246,000 (\$2,606,000 - 2012), principally to fund the Company's loss for the period of \$6,253,000 (\$3,003,000 - 2012) offset by non-cash charges of \$1,926,000 (\$519,999 - 2012) associated with the impairment loss on the investment in Southern Legacy of \$1,329,000 (\$Nil - 2012), share-based compensation of \$329,000 (\$442,000 - 2012), and miscellaneous expenses of \$597,000 (\$77,000 - 2012), as well as net changes in non-cash working capital of \$81,000 ((122,000) - 2012).
- Net cash used in investing activities in the six months ended June 30, 2013 totalled \$75,000 for purchases of equipment, as compared to \$3,256,000 for the six months ended June 30, 2012 (primarily due to the \$3,057,000 (US \$3 million) final payment for the purchase of Lupaka Gold's initial 60% interest in MP).
- The Company had no cash flows from or used in financing activities in the six months ended June 30, 2013. Net cash used in financing activities during the six months ended June 30, 2012 totalled \$4,026,000, resulting from the payment of \$4,076,000 (US \$4 million) for the remaining 40% of MP that Lupaka Gold did not already own at the time, and \$50,000 from the exercise of stock options.

Total current liabilities as at June 30, 2013 were \$1,555,000 (\$1,563,000 - December 31, 2012), comprised of \$1,052,000 (\$1,019,000 - December 31, 2012) of accounts payable and accrued liabilities, mostly for current community obligations, and \$503,000 of provisions for reclamation (\$544,000 - December 31, 2012).

Management believes that cash and cash equivalents on hand as at August 8, 2013 will be sufficient to fund the Company's planned head office and Peru exploration activities into the second half of 2014, as a result of its recent implementation of planned cost reductions in the areas of administration, exploration drilling and technical studies.

As at June 30, 2013, the Company's aggregate common share capital was \$56,380,000 (\$55,782,000 - December 31, 2012) representing 84,972,896 issued and outstanding common shares without par value (81,751,769 - December 31, 2012), 6,696,375 share options outstanding (6,348,475 - December 31, 2012) with a fair value of \$2,436,000 (\$2,436,000 - December 31, 2012) and 7,279,167 share purchase warrants outstanding (8,079,167 - December 31, 2012) with a fair value of \$802,000 (\$802,000 - December 31, 2012).

Outstanding Share Data

As at August 8, 2013, the following securities were issued and outstanding:

- basic - 84,972,896 common shares
- fully-diluted - 98,948,438 common shares, after including:
- 6,696,375 stock options, with exercise prices ranging from \$0.30 to \$4.08, of which 5,360,125 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 \$25,792,000 as at June 30, 2013 (\$19,539,000 - December 31, 2012), with the increase in deficit of \$6,253,000 reflecting the loss incurred for the six months ended June 30, 2013.

About the Company

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

Lupaka Gold's flagship 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 has 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).

As a result of the Company's 2012 acquisition of Andean American Gold Corp., Lupaka Gold's assets now include the 100% owned Invicta Gold Project (north Peru), which has near-term underground gold and poly-metallic development potential, and a strategic 17% stake in Southern Legacy Minerals Inc., owner of the AntaKori copper-gold deposit located in central Peru.

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Forward Looking Information

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 the Company's planned work programs on the Crucero Gold Project and Invicta Gold Project, the anticipated effect of completed drill results on the Crucero Gold Project and the Invicta Gold Project, future upgrading of mineral resources and expected outcomes. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "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 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, 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.