



## **Lupaka Reports 9.86 g/t Au-Eq. over 130 m from Underground Sampling Program at the Invicta Gold Project**

**VANCOUVER, BRITISH COLUMBIA, March 15, 2018** -- Lupaka Gold Corp. ("Lupaka Gold" or the "Company") (TSX-V: LPK, FRA: LQP) is pleased to announce the results from a recent comprehensive and systematic underground sampling program on the 3400 Level at the Company's 100% owned Invicta Gold Development Project ("Invicta Project" or "Invicta").

### **Highlights:**

- **Sample assay values over the footwall vein averaged 9.86 grams per tonne ("g/t") gold equivalent\* ("Au-Eq.") over 130 metres, with an average width of 6.1 metres**
- **Sample assay values over the hanging wall split averaged 7.00 g/t Au-Eq. over 70 metres, with an average width of 6.0 metres**
- **Average grades are in-line, or higher, than grades within the same area of the Preliminary Economic Assessment ("PEA") mine plan**

\* Au-Eq. calculations are based on US\$1250 for gold ("Au"), US\$17.00 for silver ("Ag"), US\$3.00 for copper ("Cu"), US\$1.25 for zinc ("Zn"), and US\$1.05 for lead ("Pb"), with assumed mill recoveries of 85% for Au, 80% for Ag, 82 % for Cu and Pb, and 77% for Zn.

*"These results demonstrate the high-grade, continuous nature of the mineralized system at Invicta and help validate the expected grade in our mine plan from the 3400 Level. The average sampled grades are in-line, or higher, than grades within our mine plan, derived from the PEA. With a combined average width of over 12 metres, the sub-vertical Invicta Deposit extends for over 130 metres in strike length on the 3400 Level and will be immediately accessible for extraction when the Invicta mine becomes operational later in 2018."*

*Will Ansley, President and CEO of Lupaka*

### **Sampling Program and Results**

To better appreciate the grade continuity within mineralized veins at the Invicta Deposit and to confirm modeled grades within the current Invicta Mineral Resource model, the Company recently completed a comprehensive underground channel sampling program over the entire western section of the Atenea vein on the 3400 Level, using a 5-metre sample spacing interval (Plan shown in Appendix A). The 2018 program, designed to augment previous sampling work performed in 2014, commenced at the 2SW cross cut (on the western side). Channel sampling was performed across each wall (west and east) as well as over the ceiling on the same plane. Further channel sampling was performed systematically every additional 5 metres, similar to the mineral resource block model size, and over both walls within the six-additional cross-cuts (seven in total) ending on the eastern wall of the Level.

Polymetallic mineralization within the Atenea Vein on 3400 Level is hosted by structurally-defined footwall and hanging wall components which were mapped and

sampled separately. Summarized assay sampling results are tabulated in Table 1 with a summarized and detailed sampling plan provided in Appendix A.

**Table 1: Average Sampling Results from 3400 Level Atenea Vein Sampling Program**

<b>Atenea Vein</b>	<b>Length Metres</b>	<b>Width Metres</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Cu %</b>	<b>Pb %</b>	<b>Zn %</b>	<b>Au-Eq. g/t</b>
Footwall Vein	130.0	6.1	5.20	68.69	1.53	1.38	0.97	<b>9.86</b>
Hanging Wall Vein Split	70.0	6.0	2.74	62.18	1.33	1.52	0.86	<b>7.00</b>

Summary results obtained from 331 samples taken in the drift and crosscuts, over spacing of approximately every 5 metres, are tabulated in Table 2 (Footwall Vein) and Table 3 (Hanging Wall Split).

**Table 2: Summary Assays from Atenea 3400 Level – Footwall Vein**

	<b>Width Metres</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Cu %</b>	<b>Pb %</b>	<b>Zn %</b>	<b>Au-Eq. g/t</b>
	5.00	7.24	8.60	0.33	0.07	0.13	7.99
	5.05	4.05	29.43	1.26	0.20	0.50	6.84
	4.50	0.35	14.44	0.39	0.15	0.25	1.39
	3.20	0.38	32.19	1.05	0.86	4.68	5.73
	7.80	8.71	22.21	0.35	0.19	0.61	10.03
	8.30	3.19	20.81	0.69	0.12	0.87	5.14
	3.00	4.72	5.00	0.17	0.02	0.14	5.16
	3.20	2.02	5.00	0.13	0.14	0.43	2.63
	2.00	0.49	2.67	0.17	0.08	0.06	0.87
	4.20	4.86	41.57	0.82	1.10	2.89	9.03
	6.15	2.54	55.30	2.02	0.95	0.44	7.25
	2.60	12.48	116.50	2.28	3.24	0.97	19.96
	3.60	1.42	53.25	1.18	1.84	0.56	5.33
	2.80	11.79	132.57	2.74	0.98	1.91	19.52
	9.20	3.76	75.48	1.78	2.00	1.43	9.52
	14.40	4.40	99.78	2.35	3.15	0.99	11.75
	3.80	6.31	98.05	2.34	2.04	2.03	13.63
	3.20	1.08	38.31	1.21	0.47	0.11	3.81
	12.70	3.15	88.59	1.65	4.25	1.19	9.97
	13.40	1.27	45.94	1.58	1.10	0.63	5.35
	5.15	9.21	95.71	1.90	0.36	0.27	13.81
	4.80	5.17	74.13	2.17	1.53	1.09	11.06
	12.00	11.92	121.17	1.87	1.88	1.08	18.12
	9.00	14.72	168.36	1.74	0.76	0.83	20.54
	5.70	13.23	110.37	2.17	2.76	1.62	20.59
	5.80	5.49	92.91	2.39	1.31	0.95	11.77
	5.85	3.23	57.26	1.84	1.38	1.70	8.66
	8.00	3.10	74.50	2.31	0.86	1.32	8.98
	8.00	1.41	32.96	0.86	0.53	0.39	3.73
	3.30	1.37	53.36	0.85	0.33	0.23	3.71
	3.20	1.12	40.50	1.44	0.15	0.05	4.04
<b>Weighted Averages</b>	<b>6.1</b>	<b>5.20</b>	<b>68.69</b>	<b>1.53</b>	<b>1.38</b>	<b>0.97</b>	<b>9.86</b>
<b>Length (metres)</b>	<b>130</b>						

**Table 3: Summary Assays from Atenea 3400 Level – Hanging Wall Split**

	<b>Width Metres</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Cu %</b>	<b>Pb %</b>	<b>Zn %</b>	<b>Au-Eq. g/t</b>
	3.75	0.41	37.37	1.26	0.78	0.29	3.49
	3.00	1.01	99.53	0.99	0.56	0.33	4.37
	5.45	2.41	86.65	1.13	0.47	0.48	5.85
	10.80	3.06	49.37	1.22	0.89	0.89	6.65
	8.00	4.66	58.36	1.66	1.96	0.77	9.58
	4.90	2.08	65.51	1.56	4.49	2.09	9.12
<b>Weighted Averages</b>	<b>6.0</b>	<b>2.74</b>	<b>63.18</b>	<b>1.33</b>	<b>1.52</b>	<b>0.86</b>	<b>7.00</b>
<b>Length (metres)</b>	<b>70</b>						

## Project Background

Lupaka's Invicta Gold Project is a polymetallic development project located approximately 120 kilometres north of Lima, Peru. A Preliminary Economic Assessment (PEA) was completed on the project by SRK Consulting (Canada) Inc. March 1, 2018 which evaluated the economic viability of underground extraction of the Indicated and Inferred Mineral Resources from the Atenea Vein close to the existing 3,400 Level adit (up to 130 metres above the 3400 Level) utilizing a sub-level long hole open stoping mining method supported by initial toll treatment processing options. The PEA has robust economics with the following highlights:

- **Mineral Resource Statement of 3.0 million tonnes of Indicated Mineral Resources at 5.78 grams per tonne (“g/t”) gold equivalent ounces (“Au-Eq.”) using a 3.0 g/t Au-Eq. cut-off, and 0.6 million tonnes of Inferred Mineral Resources at 5.29 g/t Au-Eq.**
- **Initial 6-year mine plan (underground) designed on a portion of the mineral resource utilizing the existing infrastructure and minimizing capital start-up costs**
- **Sub-level open stope mining producing ~ 670,000 minable tonnes at 8.6 g/t Au-Eq.\* with production of ~ 185,000 Au-Eq. oz (within initial 6-year mine plan)**
- **Average annual pre-tax cash flows of US\$10.2 million, average annual after-tax cash flow of US\$8.2 million**
- **Annual production of 33,700 Au-Eq. oz, during steady state**
- **Annual payable metal of 26,700 Au-Eq. oz, during steady state**
- **All-in Sustaining Costs of US\$575 Au-Eq. oz over initial 6-year mine life, average annual pre-tax operating profit of US\$12.3 million**
- **Pre-tax 5% NPV of US\$53.6 million**
- **Low capital investment: US\$4.3 million in pre-production capital with a payback of less than one year**

The PEA considers only part of the reported Mineral Resource (the Atenea Vein close to existing infrastructure) with the objective of generating positive cash flow from a low-cost operation while simultaneously re-investing in and further evaluating the deposit to potentially expand production in the future.

*The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized.*

## **Quality Control and Assurance**

The analyses for this sampling campaign were carried out by ALS, an accredited laboratory, in Lima, Peru, exercising a thorough Quality Assurance and Control program (QA/QC). As part of QA/QC protocol, duplicates, standards and blanks were inserted into the sample processing stream. The sample locations were mapped, surveyed and photographed for reference. Individual sample channels vary between 0.2 to 2.5 metres wide. Samples were bagged, sealed and delivered to the ALS sample preparation facility in Lima, Peru. Gold was assayed by a 50-gram fire assay and re-assayed for the overlimits, with an AAS finish. All ALS labs are ISO 9000 registered.

## **Technical Report**

Further information about the PEA and the resource estimate referenced in this news release, including data verification, key assumptions, parameters, risks and other factors, will be provided in a technical report prepared following Canadian Securities Administrators' National Instrument (NI) 43-101 and Form 43-101F1 guidelines for the Invicta Project that the Company will file on SEDAR ([www.sedar.com](http://www.sedar.com)) within 45 days from March 1, 2018.

***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.***

## **About Lupaka Gold**

Lupaka is an active Canadian-based company focused on creating shareholder value through discoveries and strategic development of its assets in some of the most prolific mining regions of Peru.

***Invicta Gold Development Project*** – 100% owned, the Company's flagship project is an advanced stage gold-copper polymetallic underground deposit located approximately 120 kilometres north of Lima. Over \$12 million of capital has been spent by previous owners on development and infrastructure at Invicta, and management expects to commence potential production in the second half of 2018 by using third-party mining contractors and utilizing the existing adit and workings. The Invicta project is fully permitted and community agreements are in place.

The potential underground operation will be focused on underground extraction of Indicated Mineral Resources and Inferred Mineral Resources from the Atenea vein within close proximity to the existing 3400 Level adit (up to 130 metres above the 3400 Level).

Invicta's approved EIA allows for mine production of up to 1,000 tpd, although the current mining plan is targeting 350 tpd.

## **Cautionary Note Regarding the Invicta Production Decision**

The decision to commence potential production at the Invicta Gold Project and the Company's plans for a mining operation as referenced herein (the "**Production Decision and Plans**") are based on economic models prepared by the Company in conjunction with management's knowledge of the property and the existing estimate of Indicated and Inferred Mineral Resources on the property, supplemented by the 2018 PEA. The Production Decision and Plans were not based on a preliminary economic assessment, a pre-feasibility study or a feasibility study of mineral reserves

demonstrating economic and technical viability. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with the Production Decision and Plans, in particular the risk that mineral grades will be lower than expected, the risk that construction or ongoing mining operations are more difficult or more expensive than expected, the risk that the Company will not be able to transport or sell the mineralized material it produces to local custom toll mills on the terms it expects, or at all; production and economic variables may vary considerably, due to the absence of a detailed economic and technical analysis according to and in accordance with NI 43-101.

**Josnitoro Gold Project** – the Company holds an option to earn a 65% interest on this project from Hochschild Mining PLC. The project is located approximately 800 kilometres by road southeast of Lima in the Department of Apurimac, southern Peru, within the Andahuaylas-Yauri Belt, in which the Las Bambas mine (MMG Limited) and the Constancia mine (HudBay Minerals) are located. Historical work on the disseminated gold zones includes over 170 shallow drill holes and extensive surface trenching, as well as artisanal mining.

#### **About SRK Consulting (Canada) Inc.**

SRK Consulting (Canada) Inc. form part of the SRK Consulting Group which is an independent, international consulting company that provides focused advice and solutions to clients, mainly from earth and water resource industries. Formed in 1974, SRK now employs more than 1,400 professionals in over 40 offices on 6 continents. Among SRK's 1,500 clients are most of the world's major- and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration companies, construction firms and government departments.

#### **FOR FURTHER INFORMATION PLEASE CONTACT:**

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or visit the Company's profile at [www.sedar.com](http://www.sedar.com) or its website at [www.lupakagold.com](http://www.lupakagold.com)

#### **Qualified Person**

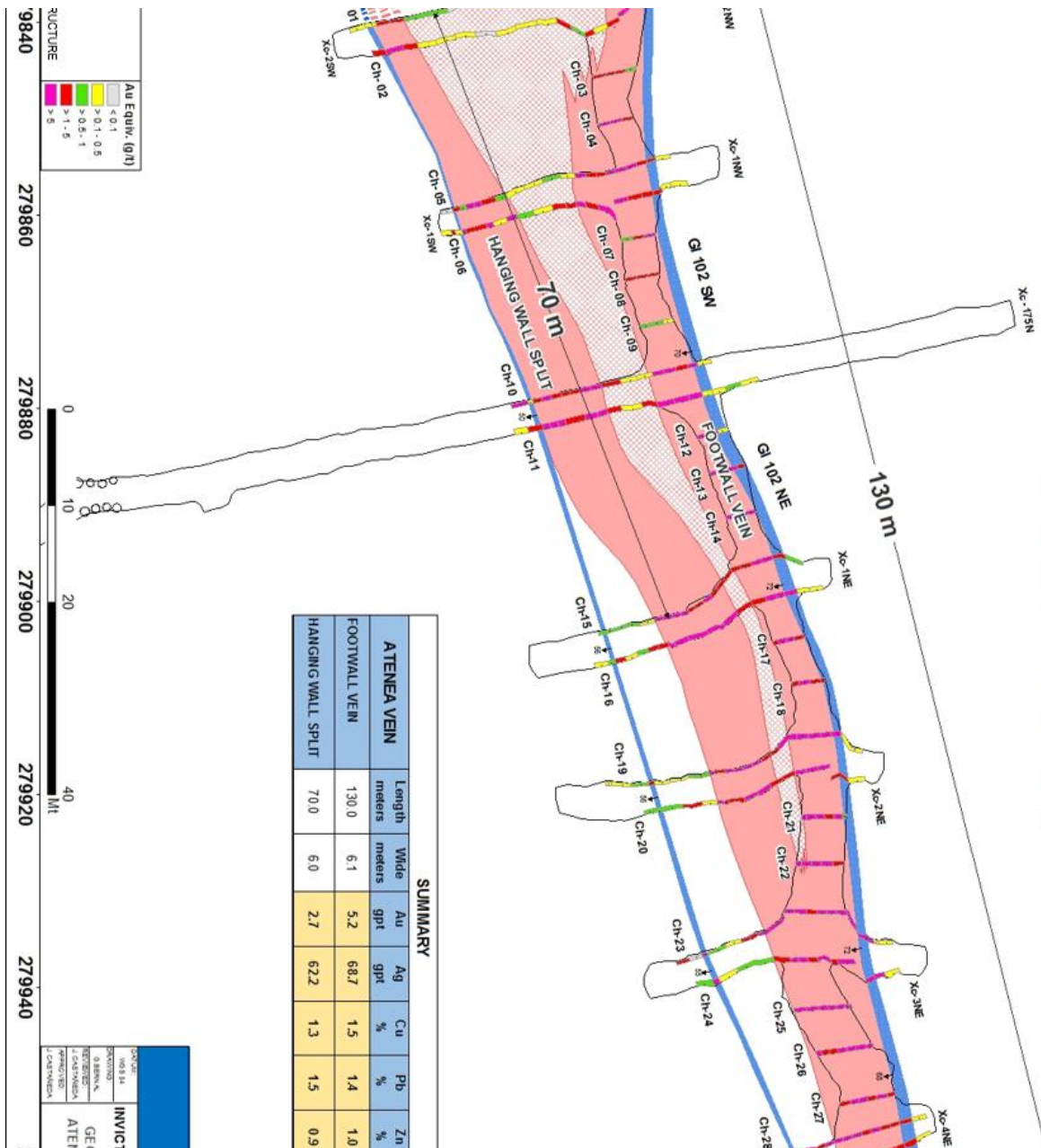
The technical information in this document has been reviewed and approved by Julio Castañeda Mondragon, MAIG, the President of Lupaka Gold Peru S.A.C., a Peruvian subsidiary of the Company, and a Qualified Person as defined by National Instrument 43-101. Mr. Castañeda has verified the scientific and technical information, including sampling, analytical and test data underlying the information or opinions contained in this news release.

#### **Cautionary Statements Regarding Forward Looking Information**

All statements, trend analysis and other information contained in this press release relative to anticipated future events or results constitute forward-looking statements. All statements, other than statements of historical fact, included herein, including, without limitation, statements relating to improvements in the road to the Invicta Project and its anticipated benefits and the timing of completion of the improvements, the timing of the commencement of potential production from the Invicta Project and the generation of cash therefrom, the anticipated methods of production, the receipt of and anticipated use of proceeds of the PLI Financing, the Company's plans and intentions for Invicta, mineral resource estimates, are forward-looking statements. Forward-looking statements are based on assumptions, estimates and opinions of management at the date the statements are made that the Company believes are reasonable, including: that the

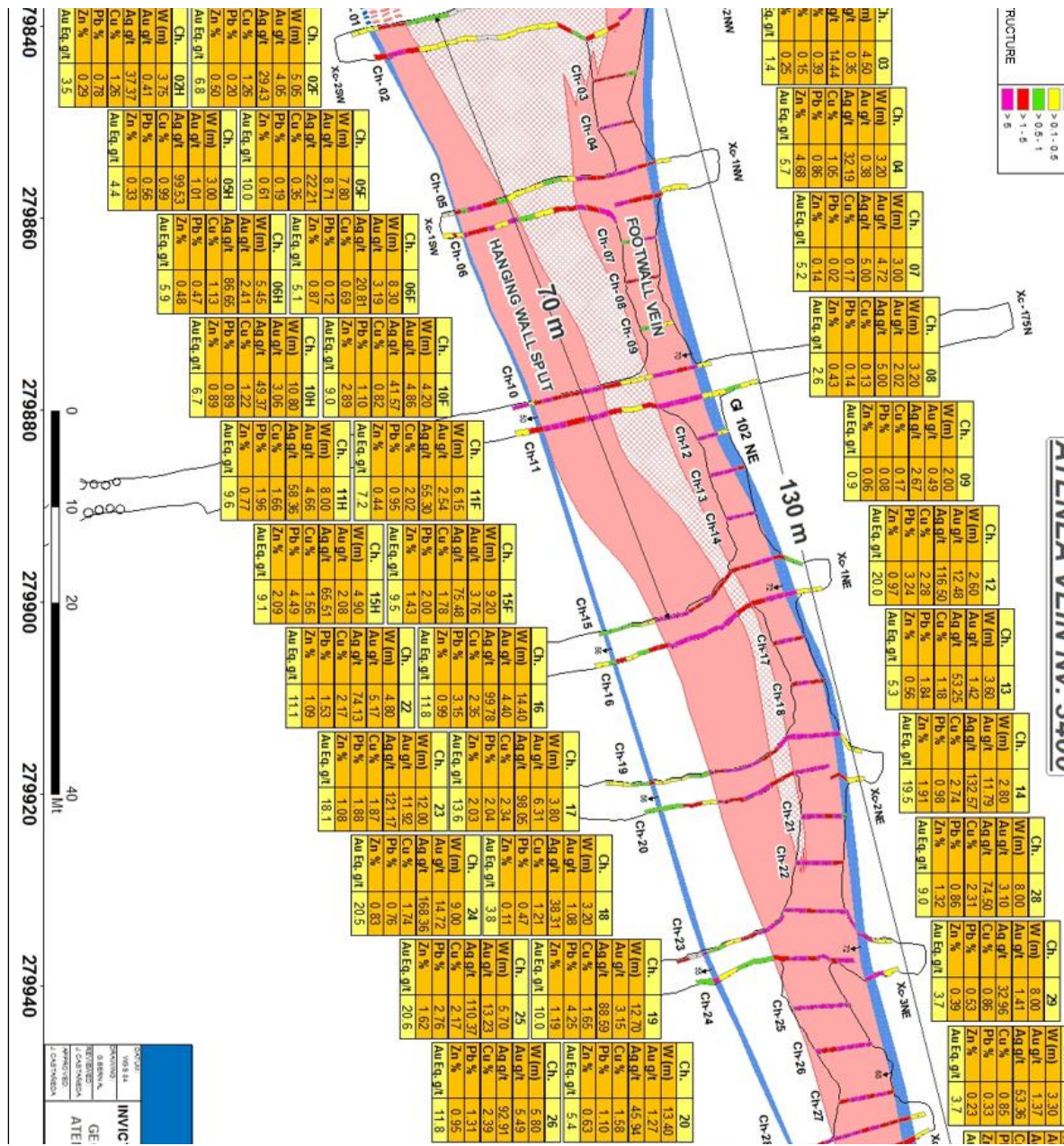
repayment of the PLI Financing is consummated on the anticipated terms, that the supplies, equipment, personnel, permits, and local community approvals required to conduct the Company's planned pre-production and development activities will be available on reasonable terms, that the Company will be able to comply with the delivery and other obligations in the PLI Financing Agreement, 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 and with respect to the planned mining operations at Invicta; that pre-production mine development can be completed in the time and for the cost projected; that the Company will be able to obtain funding for planned production expenses; that mineralization at Invicta will be of the grades and in the locations expected; that the Company will be able to extract and transport mineralized rock efficiently and sell the mineralized rock at the prices and in the manner and quantities expected; that permits will be received on the terms and timeline expected and that other regulatory or permitting issues will not arise; that mining methods can be employed in the manner and at the costs expected and that such methods yield the results the Company expects them to. 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 risks, uncertainties and other factors include, among others: all of the risks described in this news release; failure of the PLI Financing to complete on the proposed terms or at all, including due to the Company's inability to complete the conditions precedent, the risk that actual results of exploration and development activities will be different than anticipated; that the Company will not be able to comply with the delivery or other obligations in the PLI Financing Agreement and the risk that PLI will enforce its security over the Company's assets, including its mineral properties; 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; risks related to shipping mineralized rock; the risk that local mills cannot or will not buy or process mineralized rock from the planned production for the prices expected or at all; risk of accidents, labour disputes and other risks generally associated with mineral exploration; unanticipated delays in obtaining or failure to obtain community, governmental or regulatory approvals or financing; and all of the risks generally associated with the development of mining facilities and the operation of a producing mine, as well as the risks described in the Company's annual information form, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). 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. Lupaka Gold does not undertake any obligation to update forward-looking statements except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.

## **APPENDIX A**



Summarized Assay Results from Underground Channel Sampling of the Atenea Vein on 3400 Level, Invicta Gold Mine





Detailed Assay Results from Underground Channel Sampling of the Atenea Vein on 3400 Level, Invicta Gold Mine