

# **Lupaka Gold Corp.**

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**Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2024 and 2023**  
(Presented in Canadian Dollars) - Unaudited

## **NOTICE TO READER**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Lupaka Gold Corp. (“the Company” or “Lupaka”) for the interim period ended September 30, 2024, have been prepared in accordance with the International Accounting Standard 34 - *Interim Financial Reporting* as issued by the International Accounting Standards Board and are the responsibility of the Company’s management.

The Company’s independent auditors have not performed a review of these interim financial statements.

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Lupaka Gold Corp.

## Condensed Interim Consolidated Statements of Financial Position

As at September 30, 2024 (Unaudited) and December 31, 2023

(expressed in Canadian Dollars, Except Share Data)

	September 30, 2024	December 31, 2023
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	4,678	34,965
GST receivable	-	1,205
	4,678	36,170
<b>Non-current asset</b>		
Mineral properties (Note 4)	16,753	14,563
<b>Total assets</b>	<b>21,431</b>	<b>50,733</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	649,633	668,550
Due to related parties (Note 6)	20,281	18,900
<b>Total liabilities</b>	<b>669,914</b>	<b>687,450</b>
<b>Shareholders' Equity</b>		
Common shares (Note 8 (a))	60,042,789	60,042,789
Warrants (Note 8 (b))	195,355	366,795
Contributed surplus	8,660,919	8,479,114
Deficit	(68,706,561)	(68,684,173)
Accumulated other comprehensive loss	(840,985)	(841,242)
<b>Total equity</b>	<b>(648,483)</b>	<b>(636,717)</b>
<b>Total liabilities and equity</b>	<b>21,431</b>	<b>50,733</b>

Nature of operations and going concern (Note 1)

Subsequent events (Note 11)

Approved and authorized for issue by the Board of Directors on November 5, 2024

*signed "Gordon Ellis"*

Director

*signed "Mario Stifano"*

Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Lupaka Gold Corp.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss For the three and nine months ended September 30, 2024 and 2023 (Unaudited)

(expressed in Canadian Dollars, Except Share Data)

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Operating expenses</b>				
Exploration				
Project administration	229	149	229	1,182
General and administration				
Management fees	3,578	5,875	19,100	27,623
Professional and regulatory fees	5,536	17,432	21,969	37,673
Arbitration expenses	96	3,966	605	33,735
Shareholder and investor relations	591	4,292	2,229	6,416
Office and general	819	1,504	3,593	5,538
Total general and administration	10,620	33,069	47,496	110,985
<b>Operating loss</b>	(10,849)	(33,218)	(47,725)	(112,167)
Gain on sale of assets previously written off (net)	-	-	24,000	-
Recovery on impaired mineral property	1	-	612	-
Foreign exchange gain (loss)	8,144	(4,225)	725	1,517
<b>Net earnings (loss) for the period</b>	(2,704)	(37,443)	(22,388)	(110,650)
Other comprehensive gain (loss)	(283)	468	257	1
<b>Comprehensive income (loss) for the period</b>	(2,987)	(36,975)	(22,131)	(110,649)
<b>Weighted average number of shares outstanding</b>				
Basic and diluted	20,527,784	19,287,567	20,527,784	18,452,326
<b>Earnings (loss) per share, basic and diluted</b>	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Lupaka Gold Corp.

## Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended September 30, 2024 and 2023 (Unaudited)

(presented in Canadian Dollars)

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from (used in) operating activities</b>		
Net loss for the period	(22,388)	(110,650)
Adjustment for items not affecting cash:		
Share-based compensation expense (Note 8)	10,365	18,533
	(12,023)	(92,117)
Changes in non-cash working capital		
GST receivable	1,205	11,171
Accounts payables and accrued liabilities	(20,850)	(52,315)
Due to related parties (Note 6)	1,381	(1,050)
<b>Net cash used in operating activities</b>	<b>(30,287)</b>	<b>(134,311)</b>
<b>Cash used in investing activities</b>		
Mineral properties	-	(2,710)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(2,710)</b>
<b>Cash flows from financing activities</b>		
Proceeds from private placements, net	-	117,225
<b>Net cash from financing activities</b>	<b>-</b>	<b>117,225</b>
<b>Net decrease in cash</b>	<b>(30,287)</b>	<b>(19,796)</b>
<b>Cash- beginning of period</b>	<b>34,965</b>	<b>70,595</b>
<b>Cash - end of period</b>	<b>4,678</b>	<b>50,799</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Lupaka Gold Corp.

## Condensed Interim Consolidated Statements of Changes in Equity

For the three and nine months ended September 30, 2024 and 2023 (Unaudited)

(presented in Canadian Dollars, Except Share Data)

	2024		2023	
	Number	\$	Number	\$
<b>Common shares (Note 8 (a))</b>				
Balance – beginning of period	20,527,784	60,042,789	18,027,784	60,015,245
Issued pursuant to private placements	-	-	2,000,000	120,000
Share issuance costs	-	-	-	(2,775)
Fair value of share purchase warrants issued	-	-	-	(79,933)
Balance – end of period	20,527,784	60,042,789	20,027,784	60,052,537
<b>Share purchase warrants (Note 8 (b))</b>				
Balance – beginning of period		366,795		248,835
Share purchase warrants expired		(171,440)		79,933
Balance – end of period		195,355		328,768
<b>Contributed surplus</b>				
Balance – beginning of period		8,479,114		8,453,050
Share-based compensation		10,365		18,533
Share purchase warrants expired		171,440		-
Balance – end of period		8,660,919		8,471,583
<b>Deficit</b>				
Balance – beginning of period		(68,684,173)		(68,517,452)
Net loss for the period		(22,388)		(110,650)
Balance – end of period		(68,706,561)		(68,628,102)
<b>Accumulated other comprehensive income</b>				
Balance – beginning of period		(841,242)		(840,910)
Currency translation adjustment on foreign operations		257		1
Balance – end of period		(840,985)		(840,909)
Total shareholders' equity		(648,483)		(616,123)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Lupaka Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2024 and 2023 (Unaudited)

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(presented in Canadian Dollars)

## 1 Nature of operations and going concern

Lupaka Gold Corp. (“Lupaka” or “the Company”) was incorporated in Canada on November 3, 2000 under the legislation of the Province of British Columbia, and is in the business of acquisition, exploration and development of mineral resource properties. Lupaka was dormant prior to January 1, 2010.

Lupaka’s head office and records and registered offices are located at 1569 Dempsey Road, North Vancouver, BC V7K 1S8. Lupaka’s common shares trade in Canada on the TSX Venture Exchange (“TSX.V”) and in Germany on the Frankfurt Exchange under the symbol LQP.

Collectively, Lupaka and its subsidiaries are referred to hereafter as “the Company”.

The Company is presently awaiting a decision on an Arbitration Claim against the Republic of Peru as a result of its loss of ownership of the Invicta Gold Project (“Invicta”) to PLI Huaura Holdings LP (“PLI”; see Note 6), and continues to hold two potential gold properties in the state of Oregon, USA. As well, management continues to seek out other exploration projects for potential development and investment.

### Going Concern

These condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“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.

As of September 30, 2024, the Company had a working capital deficit (current assets less current liabilities) of \$665,236 (December 31, 2023 - \$651,280) and accumulated deficit of \$68,706,561 (December 31, 2023 – \$68,684,173). For the nine-month period ended September 30, 2024, the Company had a net loss of \$22,388 (nine-month period ended September 30, 2024 – net loss of \$110,650) and used cash in operating activities of \$30,287 (nine-month period ended September 30, 2024 – \$134,311).

The Company’s ability to continue as a going concern is dependent upon its ability to generate positive cash flow from operating activities or to raise funds primarily through the issuance of shares or obtaining alternative financing, which it has been successful in doing so in the past. There can be no assurance that sufficient financing can be obtained in the future. As a result, there are material uncertainties that cast significant doubt about the Company’s ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business.

As the outcome of these matters cannot be predicted at this time, if the Company is unable to generate positive cash flow from operating activities or obtain additional financing, management may be required to further curtail certain expenses.

# Lupaka Gold Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2024 and 2023 (Unaudited)

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(presented in Canadian Dollars)

### 2 Statement of compliance and basis of preparation

These condensed interim consolidated financial statements (“interim financial statements”) have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”, and International Financial Reporting Standards (“IFRS”). These interim financial statements should be read in conjunction with the Company’s consolidated financial statements as of and for the year ended December 31, 2023, as some disclosures from the annual consolidated financial statements have been condensed or omitted.

These interim financial statements have been prepared on a historical cost basis except for those financial instruments which have been classified at fair value through profit or loss. In addition, except for cash flow information, these interim financial statements have been prepared using the accrual method of accounting. All dollar amounts presented are in Canadian dollars unless otherwise specified.

The results of any subsidiaries acquired or disposed of during the period are included in the consolidated statements of income (loss) and comprehensive income (loss) from the effective date of acquisition up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the results of subsidiaries to bring their accounting policies into line with those used by the Company. Inter-company transactions, balances, loss, comprehensive loss and expenses are eliminated on consolidation, where appropriate.

The consolidated financial statements include the accounts of Lupaka and its wholly-owned subsidiaries, which are as follows:

- Lupaka USA Limited (“LPKUSA”), a USA company
- Andean American Gold Corp. (“AAG”), a Canadian company
- Lupaka Gold Peru S.A.C. (“LGP”), a Peruvian company
- Andean Exploraciones S.A.C. (“AES”), a Peruvian company (inactive)
- Greenhydro S.A.C. (“Greenhydro”), a Peruvian company (inactive)

### 3 Mineral properties

In December 2021, LPK USA acquired three potential gold properties in the state of Oregon, USA referred to as the Idol City, Pine Creek and Red Mountain projects. All of these properties are located in the south-east corner of the state in a similar geological environment to the prolific Battle Mountain - Eureka trend in Northern Nevada.

In December 2023, the Company was advised by the Bureau of Land Management (Oregon State Office) that the Red Mountain mining claims are located on land that has been withdrawn from mineral development by an Act of Congress for the Steens Mountain Wilderness Area and the Steens Mountain Cooperative Management and Protection Area. As a result, \$7,430 in previously-capitalized costs for the Red Mountain property have been written off, leaving the Idol City and Pine Creek properties as the Company’s only remaining mineral properties.

During the nine months ended September 30, 2024, the Company received a \$612 refund relating to the Red Mountain property from the Bureau of Land Management and recorded it as a recovery on impaired mineral property.

As of September 30, 2024, consulting, legal and staking expenditures totaling \$16,753 have been capitalized to mineral properties (December 31, 2023 - \$14,563).



# Lupaka Gold Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2024 and 2023 (Unaudited)

(presented in Canadian Dollars)

### 4 Accounts payable and accrued liabilities

As of September 30, 2024, \$293,425 was payable to a former CEO of the Company pursuant to a March 2018 settlement agreement which was renegotiated in February 2019. In addition, approximately \$211,000 remains due to KLR Group, LLC for finder's fees incurred in obtaining the PLI Financing Agreement (Note 7) pursuant to a June 2017 settlement agreement.

### 5 Related party transactions

Details of transactions between the Company and other related parties are disclosed below:

#### a) Related party expenditures

During the three and nine months ended September 30, 2024 and 2023, the Company incurred \$1,000 and \$3,000, respectively, in management fees with DFJ Consulting Services Ltd., a company owned by the CFO of the Company.

#### b) Key management compensation

Key management includes directors and executive officers of the Company. The compensation paid or payable to key management for employee services for the three and nine months ended September 30, 2024 and 2023 is shown below:

	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Management fees	1,000	1,000	3,000	3,000
Share-based compensation	1,146	1,361	6,494	11,550
<b>Total</b>	<b>2,146</b>	<b>2,361</b>	<b>9,494</b>	<b>14,550</b>

#### c) Due to current and former related parties

Amounts due to or from related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties.

As of September 30, 2024:

- \$3,150 was payable to the Company's CFO for outstanding management fees, which is included in Due to Related Parties;
- \$17,131 was payable to the Company's CEO and/or his personal holding companies for advances made to the Company, which is included in Due to Related Parties; and
- \$293,425 was payable to a former CEO of the Company pursuant to a March 2018 settlement agreement between the parties, which is included in Accounts Payable.

# Lupaka Gold Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

### Three and nine months ended September 30, 2024 and 2023 (Unaudited)

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(presented in Canadian Dollars)

#### 6 Arbitration Claim Made Under The Canada-Peru Trade Agreement

On October 21, 2019, the Company delivered to the Peruvian Minister of Economy and Finance a Request for Arbitration in accordance with the 2009 Free Trade Agreement between Canada and Peru (the “CPFTA Arbitration”). In this respect, the Company has engaged Lalive SA (London) and Boles Schiller Flexner LLP (New York City) to represent its interests in the CPFTA Arbitration, which primarily centers on a claim for US\$47.7 Million plus arbitration expenses and interest at a rate of LIBOR+2% compounded annually from August 27, 2019 until payment is received by Lupaka.

On August 4, 2020, the Company reported that it had entered into an Arbitration Funding Agreement with Bench Walk Advisors (“BWA”) to support the Company’s arbitration claim against the Republic of Peru under the CPFTA. The BWA Agreement allows for up to USD\$4.1 million to support the arbitration and related costs. Amounts advanced by BWA are repayable only upon completion of a successful claim and recovery. The actual amount received by BWA will vary in accordance with the actual settlement received by the Company from the Republic of Peru. As such, the financing is non-dilutive to current Lupaka shareholders. Precise terms of the Arbitration Funding Agreement (other than those set out herein) are confidential.

From March 27 to April 3, 2023, the arbitration hearing stage of the Company’s Arbitration Claim against the Republic of Peru convened in Washington, D.C. Subsequent to the completion of the arbitration hearings, the Tribunal granted the Parties an opportunity to answer specific questions that the Tribunal had. These questions and information requests were received and answered by the Parties in late June 2023.

During the week of October 16, 2023 and in response to the ICSID’s request, the Company and the Republic of Peru each submitted their reimbursement for payment of arbitration expenses to the ICSID Tribunal, which the Tribunal will factor into their Arbitration Claim decision. Management believes these to be the last documents to be submitted for the Arbitration Claim process.

In November 2023, ICSID requested a further advance of USD250,000 from each of the Parties, which for the Company was funded by BWA pursuant to the Company’s BWA Arbitration Funding Agreement.

In March 2024, ICSID advised the Parties on behalf of the President of the Tribunal that the Tribunal has held deliberations on the case and drafting of the ruling was well underway. However, work remains, given the very extensive arguments presented by both Parties. The Tribunal is working with a view to completing its drafting by this summer, with the goal to release the ruling in the course of the second half of the year, bearing in mind also the time necessary to finalize the ruling in the two procedural languages.

In July 2024, the Tribunal advised the Company that it was proceeding as indicated previously in March 2024 and that it held a second round of deliberations in Washington in May 2024 and had agreed on many core issues. The drafting required to address the Parties’ extensive legal and factual contentions continues. After the Tribunal’s ruling is completed, the text will be formatted, cite-checked and translated. The time required for translation will depend on factors that are not within the Tribunal’s control. The Company’s legal counsel continue to anticipate that the Tribunal will issue their conclusion during Q4-24.

# Lupaka Gold Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2024 and 2023 (Unaudited)

(presented in Canadian Dollars)

### 7 Equity

#### a) Common shares

Authorized: unlimited with no par value.

During the year ended December 31, 2023, the Company had the following equity transactions:

- On November 15, 2023, the Company closed a non-brokered private placement (the “Placement”), to raise gross proceeds of \$30,000. The Company issued 500,000 units at a price of \$0.06 per unit. Each unit consists of one common share of the Company and one common share purchase warrant (each, a “Warrant”). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 for a period of three years from closing. No insiders of the Company participated in the Placement and no finders’ fees were paid. The proceeds of the Placement will be used to fund property acquisitions and development expenditures, and general working capital. The shares and Warrants issued in the Placement are subject to a four-month hold period.
- On July 26 and August 18, 2023, the Company closed non-brokered private placements (the “NBPPs”), to raise gross proceeds of \$120,000, by issuing 1,300,000 and 700,000 units, respectively, at a price of \$0.06 per unit. Each unit consists of one common share of the Company and one common share purchase warrant (each, a “Warrant”). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 for a period of three years from the closing dates. No finders’ fees are applicable, and the proceeds of the NBPP will be used to fund property acquisitions and development expenditures, and general working capital. Total share issuance costs were \$2,775.

#### b) Share purchase warrants

There were no warrants issued in the nine months ended September 30, 2024. In the nine months ended September 30, 2024, 600,000 warrants at a price of \$1.00 expired, unexercised.

A continuity of warrants for the nine months ended September 30, 2024 and year ended December 31, 2023 is summarized as follows:

<u>Expiry date</u>	<u>Exercise price</u> <u>\$</u>	<u>January 1,</u> <u>2024</u>	<u>Issued</u>	<u>Expired</u>	<u>September 30,</u> <u>2024</u>
January 20, 2024	1.00	200,000	-	(200,000)	-
July 14, 2024	1.00	400,000	-	(400,000)	-
October 28, 2025	0.25	2,000,000	-	-	2,000,000
July 26, 2026	0.10	1,300,000	-	-	1,300,000
August 26, 2026	0.10	700,000	-	-	700,000
November 15, 2026	0.10	500,000	-	-	500,000
		5,100,000	-	(600,000)	4,500,000

# Lupaka Gold Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2024 and 2023 (Unaudited)

(presented in Canadian Dollars)

### 7 Equity (continued)

Expiry date	Exercise price \$	January 1, 2023	Issued	Expired	December 31, 2023
January 20, 2024	1.00	200,000	-	-	200,000
July 14, 2024	1.00	400,000	-	-	400,000
October 28, 2025	0.25	2,000,000	-	-	2,000,000
July 26, 2026	0.10	-	1,300,000	-	1,300,000
August 26, 2026	0.10	-	700,000	-	700,000
November 15, 2026	0.10	-	500,000	-	500,000
		2,600,000	2,500,000	-	5,100,000

The weighted average remaining life of the outstanding warrants as of September 30, 2024, is 1.54 years (December 31, 2023 – 2.06 years).

#### c) Share options

The Company has in place an incentive share option plan dated September 20, 2010 (the “Option Plan”) for directors, officers, employees and consultants to the Company. The Option Plan provides that the directors of the Company may grant options to purchase common shares on terms that the directors may determine, within the limitations of the Option Plan, including:

- The maximum number of common shares issuable pursuant to options granted under the Option Plan shall not exceed 10% of the outstanding common shares issued at the date of grant and
- The terms of options are a minimum of one year and a maximum of ten years from the date the option is granted, with the most common option terms being five years.

Vesting terms are determined for each grant by the Company’s Board of Directors. There were no options granted in the nine months ended September 30, 2024.

Share option transactions and the number of share options for the periods ended September 30, 2024 and December 31, 2023 are summarized as follows:

Expiry date	Exercise price \$	January 1, 2024	Issued	Expired	September 30, 2024
February 1, 2024	1.00	50,000	-	(50,000)	-
September 11, 2024	0.50	295,000	-	(295,000)	-
June 22, 2025	0.50	173,167	-	-	173,167
December 11, 2025	0.50	230,000	-	-	230,000
November 16, 2026	0.50	300,000	-	-	300,000
November 23, 2027	0.09	320,000	-	-	320,000
November 28, 2028	0.08	285,000	-	-	285,000
Options outstanding		1,653,167	-	(345,000)	1,308,167
Options exercisable		1,359,417			1,165,667
Weighted average exercise price	\$	0.36		\$	0.31

# Lupaka Gold Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2024 and 2023 (Unaudited)

(presented in Canadian Dollars)

### 7 Equity (continued)

Expiry date	Exercise price \$	January 1, 2023	Issued	Expired	December 31, 2023
May 23, 2023	2.30	85,000	-	(85,000)	-
November 21, 2023	1.20	150,000	-	(150,000)	-
February 1, 2024	1.00	50,000	-	-	50,000
September 11, 2024	0.50	295,000	-	-	295,000
June 22, 2025	0.50	173,167	-	-	173,167
December 11, 2025	0.50	230,000	-	-	230,000
November 16, 2026	0.50	300,000	-	-	300,000
November 23, 2027	0.09	320,000	-	-	320,000
November 28, 2028	0.08	-	285,000	-	285,000
Options outstanding		1,603,167	285,000	(235,000)	1,653,167
Options exercisable		1,288,167			1,359,417
Weighted average exercise price	\$	0.59			\$ 0.36

As of September 30, 2024, the weighted average contractual remaining life of options is 2.47 years (December 31, 2023 – 2.50 years). The weighted average exercise price for options exercisable as of September 30, 2024, is \$0.34 (December 31, 2023 – \$0.42).

### 8 Segmented information

The Company has two reportable segments. Canada includes the Canadian corporate office and the Company's Management. The United States includes its exploration projects. The Company's reportable segments are based on the reports reviewed by Management that are used to make strategic decisions. Earnings for the period and total assets by segments are as follows:

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Earnings (loss)				
Canada	(2,476)	(37,294)	(22,772)	(109,468)
USA	(228)	(149)	384	(1,182)
	(2,704)	(37,443)	(22,388)	(110,650)
			September 30, 2024	December 31, 2023
			\$	\$
Total assets				
Canada			4,678	36,170
United States			16,753	14,563
			21,431	50,733

# Lupaka Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2024 and 2023 (Unaudited)

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(presented in Canadian Dollars)

## 9 Capital management

The Company's objective when managing capital structure is to maintain liquidity in order to ensure the Company's strategic acquisition and exploration objectives are met. In the management of capital, the Company defines capital as its shareholders' deficiency (September 30, 2024 – (\$648,483); December 31, 2023 – (\$636,717)).

The Company manages and makes adjustments to its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company intends to continue to assess new resource properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash equivalents and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

At September 30, 2024, the Company is seeking opportunities to obtain further funding to pay for exploration and liabilities as they come due.

## 10 Financial risk factors

### (a) Financial risk exposure and risk management

The Company's activities expose it to a variety of financial risks, which include credit, liquidity, market, foreign exchange, interest rate, and commodity price risks.

Financial risk management is carried out by the Company's management team with oversight from the Company's Board of Directors. The Board of Directors provides regular guidance for overall risk management.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 1). The Company manages its liquidity risk through the management of its capital structure and assets.

At September 30, 2024 and December 31, 2023, the Company's undiscounted contractual obligations and their maturity dates were as follows:

	September 30, 2024	December 31, 2023
	\$	\$
Trade and other payables	669,914	687,450

# Lupaka Gold Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2024 and 2023 (Unaudited)

(presented in Canadian Dollars)

### 10 Financial risk factors (continued)

#### Market risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates, prices, interest rates, and commodity prices.

#### *Interest rate risk*

The Company is exposed to financial risk related to the fluctuation of interest rates.

#### *Foreign exchange risk*

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company incurs a portion of its expenses US Dollars. A significant change in the currency exchange rates may have an effect on the Company's results of operations. The Company has not hedged its exposure to currency fluctuations.

The Company is exposed to foreign exchange risk through the following financial assets and liabilities denominated in US Dollars ("US\$") as of September 30, 2024 and December 31, 2023:

	September 30, 2024	December 31, 2023
		US\$
Cash	108	108
Current liabilities	(161,043)	(161,043)

Based on the above net exposure as of September 30, 2024, and assuming that all other variables remain constant, a 10% appreciation (depreciation) of the Canadian Dollar against the US Dollar would result in an increase or decrease of approximately +/- \$22,000 (December 31, 2023 – \$21,000) in the Company's net earnings for the period.

#### (b) Fair value of financial instruments

IFRS 7 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair values as follows:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – valuation techniques based on inputs that are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3 – valuation techniques with unobservable market inputs (involves assumptions and estimates by management of how market participants would price the assets or liabilities).

In evaluating fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and valuation techniques may have a material effect on the estimated fair value amounts.

The fair values of cash and trade and other payables approximate carrying value because of their short-term nature. At September 30, 2024 and December 31, 2023, the Company had no financial instruments that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

# Lupaka Gold Corp.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2024 and 2023 (Unaudited)

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(presented in Canadian Dollars)

### 11 Subsequent events

#### a) Private Placement

On October 29, 2024, the Company closed a non-brokered private placement (the “Placement”), which raised gross proceeds of \$75,000. The Company issued 1,500,000 units at a price of \$0.05 per unit. Each unit consists of one common share (each a “Share”) of the Company and one common share purchase warrant (each a “Warrant”). Each Warrant entitles the holder to purchase one additional common share (each a “Warrant Share”) of the Company at a price of \$0.10 for a period of three years from closing.

All Shares issued and Warrant Shares (if exercised prior to March 2, 2025) are subject to a hold period expiring four months plus one day from the Closing in accordance with applicable securities laws. Final closing of the Placement is subject to receipt of final applicable regulatory approvals including approval of the TSX Venture Exchange.

Gordon Ellis, President and CEO of the Company acquired 200,000 Units of the Placement. His participation is considered to be a “related party transaction” as defined under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions. The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI61-101 as neither the fair market value of the units issued to Mr. Ellis, or the consideration paid, exceeded 25% of the Company’s market capitalization.

No finders’ fees were paid, and the proceeds of the Placement will be used to fund property research and general working capital.

#### b) Grant of share options

On November 5, 2024, the Company granted 585,000 incentive stock options to directors, officers and staff of the Company, pursuant to its 2010 Incentive Stock Option Plan. The options vest over 18 months from date of grant and are exercisable on or before November 5, 2029, at a price of \$0.06 per share.