

Lupaka Gold Reports Performance and Financial Highlights for the Nine Months Ended September 30, 2013

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 8, 2013) - **Lupaka Gold Corp.** ("Lupaka Gold" or "the Company") (TSX:LPK)(LMA:LPK)(FRANKFURT:LQP) reports performance highlights and financial results for the nine months ended September 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 past quarter are as follows:

- The Company announced on October 28, 2013 that it had completed a conceptual pit analysis and applied the findings to a pit-constrained resource estimate for the Crucero Gold Project, and that an updated and amended technical report supporting the Crucero Gold Project resource estimate had been filed on SEDAR (see www.sedar.com for a complete copy of the related Technical Report);
- On August 27, 2013, the Company announced that it had received approval of a Category II Environmental Impact Assessment - Semi Detailed for the Crucero Gold Project from the Ministry of Energy and Mines of Peru ("MEM") ;
- The Company announced on July 23, 2013 that it had received: a 4-year renewal of the Crucero Gold Project community agreement; additional access agreements from local families; and the petitions for its Pacacorral 2 and Pacacorral 3 mineral claims were granted as fully registered mining concessions by the MEM;
- 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.

Outlook

The Company's primary priorities are to continue its mineral exploration and development activities on the Crucero Gold Project, to explore on and 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 nine months ended September 30, 2013 and 2012 are summarized as follows:

	<u>Nine months ended September 30,</u>	
	2013 (\$000's)	2012 (\$000's)
Operating expenses		
Exploration	4,142	3,282
General and administration	2,220	1,709
Operating loss	6,362	4,991
Impairment loss on available-for-sale financial asset	1,329	-
Finance expense - accretion	-	22
Finance income - interest	(52)	(24)
Foreign exchange loss (gain)	(30)	29
Loss for the period	7,609	5,018
Loss per share - Basic and diluted	\$0.09	\$0.11

Overall, the loss for the nine months ended September 30, 2013 was larger than for the comparative period in 2012 as a result of impairment losses on the Company's investment in Southern Legacy for 2013, increased field staffing and community relations activities at Crucero for 2013, exploration expenses related to Invicta which was acquired in October 2012, and investor relations programs implemented in the second and third quarters of 2013.

Exploration - all such expenses relate to the Peru operations of the Company and totalled \$4,142,000 for 2013 compared to \$3,282,000 for 2012, a net increase of \$860,000 for the period as a result of an increase of \$1,845,000 for project administration and camp and community relations costs due to the addition of the Invicta Gold Project in October 2012 and \$552,000 in community relations contractor, access payments and project costs related to the Crucero Gold Project, offset by a decrease of \$1,537,000 in drilling and related costs as no drilling has been conducted in 2013 to date.

Following is a summary of exploration expenditures, by project, during the nine months ended September 30, 2013:

	<u>Crucero</u>	<u>Invicta</u>	<u>Total</u>
	\$000's		
Camp, community relations and related costs	1,278	468	1,746
Project administration	1,281	819	2,100
Technical reports, assays and related costs	205	6	211
Transportation, reclamation and professional fees	55	30	85
	<u>2,819</u>	<u>1,323</u>	<u>4,142</u>

General and administration expenses - all such expenses relate to the Canadian operations of Lupaka Gold and totalled \$2,220,000 for 2013 compared to \$1,709,000 for 2012. The net increase of \$511,000 was due to an increase of \$204,000 in audit, regulatory and listing costs, \$382,000 for investor relations programs implemented in the second and third quarters, and increased share-based compensation expenses of \$15,000, offset by a decrease of \$75,000 in corporate development expenses.

Investment in Southern Legacy Minerals Ltd. - as a result of the October 2012 acquisition of Andean American, the Company owns common shares in [Southern Legacy Minerals Inc.](#) ("Southern Legacy"). At September 30, 2013, the aggregate fair market value of this investment was \$1,968,000 (\$2,510,000 - December 31, 2012), as indicated by the closing price of the shares as quoted by the TSX Venture Exchange, for which the Company has recorded an impairment loss of \$1,329,000 for the nine months ended September 30, 2013. The investment has increased in value by \$787,000 in the three months ended September 30, 2013 and this has been recorded to other comprehensive income. Southern Legacy's common shares also trade on the BVL.

In July 2013, Southern Legacy announced that it was seeking to raise additional equity financing, and on

October 22, 2013, the Company acquired an additional 208,333 common shares in Southern Legacy at a cost of \$50,000. As a result of this acquisition, the Company owns 10,049,602 common shares in Southern Legacy, representing approximately 17% of the issued and outstanding ownership shares of Southern Legacy (www.slminerals.com), and which the Company classifies as an available-for-sale financial asset.

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

	Liquidity and Capital Resources	
	September 30, 2013 (\$000's)	December 31, 2012 (\$000's)
Cash and cash equivalents	5,260	10,716
Working capital (defined as current assets less current liabilities)	4,152	9,737
Total assets	34,857	42,780
Current liabilities	1,514	1,563
Shareholders' equity	33,343	41,217

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

- Cash used in operating activities in the nine months ended September 30, 2013 was \$(5,626,000), principally to fund the Company's loss for the period of \$7,581,000 offset by non-cash charges including the impairment loss on the investment in Southern Legacy of \$1,329,000, share-based compensation of \$429,000, other miscellaneous non-cash expenses of \$764,000, as well as net changes in non-cash working capital of (a decrease) of \$138,000; and
- Net cash used in investing activities in the nine months ended September 30, 2013 totalled \$66,000 from the sale of equipment for \$10,000 and \$76,000 for purchases of equipment.

Total current liabilities as at September 30, 2013 were \$1,367,000 (\$1,563,000 - December 31, 2012), comprised of \$1,006,000 (\$1,019,000 - December 31, 2012) of accounts payable and accrued liabilities, mostly for current community obligations, and \$361,000 of provisions for reclamation (\$544,000 - December 31, 2012).

Management believes that cash and cash equivalents on hand as at November 7, 2013 will be sufficient to fund the Company's planned head office and Peru exploration activities into the second half of 2014. If required, the Company can adjust its expenditures in the areas of administration and exploration to preserve cash.

Outstanding Share Data

As at November 7, 2013, the following securities were issued and outstanding:

- basic - 84,972,896 common shares
- fully-diluted - 98,906,413 common shares, after including:
 - 6,654,350 stock options, with exercise prices ranging from \$0.20 to \$4.08, of which 5,061,850 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 \$27,148,000 as at September 30, 2013 (\$19,539,000 - December 31, 2012), with the increase in deficit of \$7,609,000 reflecting the loss incurred for the nine months ended September 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.

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.

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