

Lupaka Gold Corp. Provides Development Update; Commercial Production Expected in Q3/18

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Vancouver, April 17, 2018 - [Lupaka Gold Corp.](#) (TSXV: LPK) (FSE: LQP) ("Lupaka Gold" or the "Company") is pleased to provide a development update on the Company's 100% owned Invicta Gold Development Project ("Invicta Project" or "Invicta").

Highlights:

- Main access road construction is 65% advanced, completion expected in May 2018
- Operations team substantially in place, rehabilitation of the 3400 Level approximately 50% complete
- 3430 Level cross-cut completed, continuity and consistency of hanging wall split and footwall zones confirmed between 3400 and 3430 Levels
- 8,000 tonnes of mineralized development material to be toll processed in May
- Project remains on track and on budget, commercial production at 350 tonnes per day (“tpd”) expected to be reached in the third-quarter of 2018 (“Q3/18”)
- Fully financed for the development of Invicta (refer to February 13, 2018 news release)

"With our operational team now substantially in place, the development and rehabilitation of Invicta has rapidly advanced and the Company is well positioned to reach commercial production, at 350 tonnes per day, during the third quarter of 2018. While continuing to rehabilitate and develop the Invicta mine, 8,000 tonnes of mineralized development material will be sent for processing and evaluation at regional toll milling facilities in May, the proceeds of which will offset development costs. The 3430 Level cross-cut has been completed and the continuity and consistency of the hanging wall and footwall veins has been confirmed from the 3400 Level up to the 3430 Level. Sublevel preparation for mining of the footwall vein between the 3400 and 3430 Levels is progressing well. We are pleased to report that overall, the project remains on time and on budget."

Will Ansley, President and CEO of Lupaka Gold

Road Construction Progress

Upgrades to the 28 kilometre main access road, from the paved highway to the Invicta Project, are approximately 65% advanced. The upgrade work includes widening the road from four meters to approximately six meters, construction of four by-passes to circumvent communities and difficult portions of the road where numerous switchbacks occurred, the development of borrow pits to obtain road surfacing materials, improving the road surface to allow 30 tonne haulage trucks and heavy machinery to travel, and the installation of berms and drainage ditches. Along with the reduction of traffic within the communities and increasing the efficiency of hauling, one of the main and most important benefits of these improvements is increasing safety conditions.

Heavy rainfall, thick fog, and a delay in obtaining the explosives licence initially impeded road upgrade productivity; approximately 20% of the length of the road requires blasting prior to removal with excavators. During December and January the advance rate of road construction was approximately 150 meters per day, however, the current rate is in the range of 300 meters per day. Depending on precipitation levels, the Company is targeting completion of the road project in May 2018.

Invicta Development and Rehabilitation Update

Development and rehabilitation work at Invicta is progressing well and the Company anticipates it will

commence production from the 3400 Level at a rate of 350 tpd in Q3/18.

Recruitment of the key operations team personnel was completed in Q1/18 which included the Director of Operations, Mine Manager, Chief Geologist, Superintendent of Production & Mine Planning, and other related technical personnel. The operations team is overseeing and directing the mining and road contractors, as well as preparing the mine development and production plans. During the second quarter of 2018, the Invicta camp facilities will be expanded from 65 people to allow for up to 130 persons.

Figure 1 – Invicta Development Plan (3D Oblique Long Section)

To view an enhanced version of Figure 1, please visit:
https://orders.newsfilecorp.com/files/2640/34075_a1523940316441_91.jpg

Several enhancements have been made to the initial mine plan as outlined in the March 2018 Preliminary Economic Assessment ("PEA"). As illustrated in Figure 1 above, two vertical material transport raises originally contemplated in the PEA have been eliminated, resulting in a savings of approximately US\$250,000, through the use of draw points on the 3400 Level. The 3400 Level will be the main haulage level for mineralized material and a decision has been made to increase the dimension of 120 metres of the 3400 Level from 3.5 metres ('m') wide x 3.0 m high to 4.5 m wide x 4.0 m high in order to allow access of 30 tonne haulage trucks, which can then haul directly to the processing plant. Small mineralized material storage chambers will be constructed underground to ensure a continuous flow of mineralized material from the mine to the plant. Mineralized material will be loaded into the waiting trucks from the underground stations on 3400 Level and travel directly to the process plant, thereby eliminating the need to construct and operate a reloading platform 26 kilometres from the mine. The investment in widening the 3400 Level is budgeted to be approximately US\$500,000, however, direct haulage (avoiding the use of a reload station) will lower future operating costs and payback on the investment is estimated to be approximately one year. Furthermore, increasing the dimensions and haulage capacity of the 3400 Level allows Lupaka to more easily increase the mines output in future years above the current plan of 350 tpd.

Other efforts on the 3400 Level includes replacing and enhancing the existing ground support systems, installation of services, refuge and vehicle bypasses, and a ventilation system that includes two raises (2.0 m x 2.0 m) which will provide a continuous flow of fresh air to the 3400, 3430 and future sublevels, as well as providing secondary egress points. Approximately 90 meters of the required 180 metres has been rehabilitated on the 3400 Level, and development of the first ventilation raise has commenced.

The 3430 Level cross-cut was completed advancing a total of 149 m, intersecting the hanging wall split at 133 m and the footwall zone at 142 m. Mineralization in both zones is visually consistent containing coarse grains of chalcopyrite, sphalerite, and galena, with the mineralization 30 metres below on the 3400 Level.

To view an enhanced version of this graphic, please visit:
https://orders.newsfilecorp.com/files/2640/34075_lupaka2.jpg

Evaluation of Toll Milling Facilities

Approximately 8,000 tonnes of mineralized development material will be sent to regional toll milling facilities for processing in May, at different throughput levels, in order to assess the suitability and optimal recoveries available from the plants. Approximately 2,000 tonnes of mineralized development material is currently stockpiled on surface.

Josnitoro Project

The Josnitoro joint venture agreement ("JV") with [Hochschild Mining plc](#) required the Company to obtain a

community agreement for exploration by March 2018. Lupaka was unable to obtain a community agreement and requests for an extension with Hochschild were unsuccessful, resulting in termination of the JV. As the focus for the Company continues to be the advancement of Invicta into production, no significant activities were performed on the JV, and there were no carrying costs associated with the property.

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.

FOR FURTHER INFORMATION PLEASE CONTACT:

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or visit the Company's profile at www.sedar.com or its website at www.lupakagold.com

Qualified Person

The technical information in this document has been reviewed and approved by Dan Kivari, PEng., Director of Operations of the Company, and a Qualified Person as defined by National Instrument 43-101. Mr. Kivari has verified the scientific and technical information, including sampling, analytical and operational 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. 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.

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