

Lupaka Reports 23.45 g/t Au-Eq. Over ~30 m from Sampling in Vertical Raise Development, in Preparation for Mining at Invicta

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Vancouver, July 5, 2018 - [Lupaka Gold Corp.](#) (TSXV: LPK) (FSE: LQP) ("Lupaka Gold" or the "Company") is pleased to report channel sample results conducted vertically within the relief raise development at the Company's 100% owned Invicta Gold Development Project ("Invicta Project" or "Invicta").

Sampling Program Highlights:

- Channel sample assay values from across the strike of the Atenea vein, within the raise development, returned an average of 23.45 grams per tonne ("g/t") gold equivalent* ("Au-Eq.") over a vertical height of approximately 30 metres ("m")
- Sampling returned significant grades as illustrated by sample 2606E which returned 227.77 g/t Au-Eq. over a sample width of 1.2 m

* 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, assays are uncapped.

"The results from sampling within the vertical raise development between the 3400 Level and 3430 sublevel are very encouraging. When combined with the horizontal channel sampling results from the 3430 sublevel (as reported on June 7, 2018), the channel sample results provide further confidence in the continuity and high grade nature of the mineralization within the Atenea vein, and our mine plan. With the relief raise now completed we are one step closer to production at the Invicta Mine, which we expect to commence on schedule in Q3."

Will Ansley, President and CEO of Lupaka

Sampling Program and Development Summary

The relief raise is approximately 30 m in height and was developed from the 3400 Level up to the 3430 sublevel in preparation for blasting the initial block of production. Channel sampling was conducted across the vein strike at vertical intervals of approximately 2.0 m throughout the entire height of the relief raise, and each sample is approximately 1.2 m in width. The results illustrate the continuity of the mineralization and grades of the vein between the two levels. The commencement of the relief raise on the 3400 Level was located in line with channel 23 from the 3400 Level channel sample results (as reported on March 15, 2018) which returned grades of 18.10 g/t Au-Eq over a width of 12.00 m.

The polymetallic mineralization within the Atenea vein is hosted by structurally defined components which were mapped and sampled. Summarized assay sample results are tabulated and presented in Tables 1 & 2, and a detailed sampling map is provided in Appendix A.

Table 1: Average Sampling Results from vertical raise between 3400 Level and the 3430 Sublevel

Raise Sampling	Length Metres	Width Metres	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Au-Eq. g/t
Atenea Vein	30.00	1.2	17.64	152.16	1.63	1.23	0.74	23.45

Summary results obtained from 15 samples taken from the relief raise which runs approximately 30 vertical inclined m from the top of the 3400 Level up to the base of the 3430 sublevel, over spacing of approximately

every 2.0 m alternating between the NE and SW walls. Samples are tabulated in Table 2.

Table 2: Summary Assays from Vertical Raise Sampling between the 3400 Level and 3430 Sublevel

Sample #	Width metres	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Au-Eq. g/t
2542 E	1.2	4.78	26	0.91	1.24	2.30	8.61
2543 E	1.2	1.42	47	1.12	5.96	3.62	9.26
2544 E	1.2	2.39	44	1.10	4.41	2.18	8.45
2545 E	1.2	2.48	47	1.79	2.45	0.47	7.55
2546 E	1.2	3.18	73	2.67	1.82	0.80	9.84
2601 E	1.2	18.60	51	1.61	0.32	0.08	22.03
2602 E	1.2	2.72	52	1.84	0.20	0.03	6.43
2603 E	1.2	5.33	53	0.46	0.07	0.06	6.81
2604 E	1.2	12.70	135	3.24	0.13	0.05	19.68
2605 E	1.2	9.53	92	1.77	1.53	0.88	14.88
2606 E	1.2	199.50	1580	4.82	0.26	0.42	227.77
2607 E	1.2	0.74	5	0.14	0.04	0.06	1.09
2608 E	1.2	0.65	23	0.96	0.05	0.04	2.52
2610 E	1.2	2.31	62	2.06	0.07	0.06	6.45
2611 E	1.3	0.05	2	0.12	0.04	0.09	0.34
Weighted Average		17.64	152	1.63	1.23	0.74	23.45

Project Background

Lupaka's Invicta Gold Project is a polymetallic development project located approximately 120 kilometres north of Lima, Peru. On May 11, 2018 a PEA was completed on the project by SRK Consulting (Canada) Inc. which evaluated the economic viability of underground extraction of the Indicated and Inferred Mineral Resources from the Atenea Vein close to the existing 3400 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. Highlights of the PEA are summarized below:

- 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
- Pre-tax 5% NPV of US\$53.6 million, after-tax 5% NPV of US\$43.4 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.

Cautionary Note Regarding the Invicta Production Decision

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. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The quantity and grade of reported inferred resources referred to in the PEA are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource category.

It is important to note while a mine production decision has been made by the Company, that the information provided in this news release is preliminary in nature. There is no certainty that a potential mine will be realized. A mine production decision that is not based on a feasibility study demonstrating economic and technical viability does not provide adequate disclosure of the increased uncertainty and specific economic and technical risks of failure associated with such a production decision.

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 1.2 to 1.3 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, are provided in the technical report prepared following Canadian Securities Administrators' National Instrument (NI) 43-101 and Form 43-101F1 requirements for the Invicta Project dated May 11, 2018, and is available under the Company profile on SEDAR (www.sedar.com).

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.

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.

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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

This press release contains forward-looking statements which constitute "forward-looking information" within the meaning of applicable securities laws, including all statements, trend analysis and other information relative to anticipated future events or results. All statements, other than statements of historical fact, included herein are considered forward-looking statements, including, without limitation, statements relating to: any benefit from the actual mine grades exceeding the predicted block model grade, to development, the commencement of potential production from the Invicta Project in the third quarter of 2018, the targeted mining rate of 350 tpd, anticipated methods of production and the generation of cash therefrom.

Forward-looking statements are based on assumptions, estimates and opinions of management at the date the statements are made and which the Company believes are reasonable. Such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: that the repayment of the PLI Financing is consummated on the anticipated terms; that the Company will not experience any material accident, labour dispute, shortage of skilled and professional staff, changes in project plans, equipment availability and failures, process failures, the ability of third party service providers to deliver services on reasonable terms and in a timely manner; future exploration activities planned at the Invicta Gold Project, and the timing and results thereof; market conditions and general business, economic, competitive, political and social conditions 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 recoveries 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 and reclamation can be employed in the manner and at the costs expected and that such methods yield the results the Company expects them to. 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; 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; s; changes in commodity prices; currency exchange rates (such as the Canadian dollar versus the United States dollar); risks associated with dilution; labour and employment matters; risks in the event of a potential conflict of interest; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; and compliance with extensive government regulation; and other risks generally associated with mineral exploration. This forward-looking information may be affected by risks and uncertainties in the regular course of business and due to market conditions. Additional risks are 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.

APPENDIX A

Appendix A - Map 1

To view an enhanced version of this map, please visit:
https://orders.newsfilecorp.com/files/2640/35672_image2.jpg

Appendix A - Map 2

To view an enhanced version of this map, please visit:
https://orders.newsfilecorp.com/files/2640/35672_image1.jpg

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