

Lupaka Gold Corp. to issue Contingent Value Rights and Consolidate its Common Shares

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VANCOUVER, May 03, 2022 - [Lupaka Gold Corp.](#) ("Lupaka" or the "Company") (TSX-V: LPK, FRA: LQP) is pleased to announce that it intends to issue contingent value rights (each, a "CVR") to its shareholders and take certain other measures to facilitate the growth of the Company.

Contingent Value Rights

Each CVR will entitle the holder to receive a pro rata portion of any net amount available for distribution if the Company receives a cash award in the Company's ongoing arbitration proceedings with the Republic of Peru (the "Arbitration"). The net amount will be calculated by deducting from the Award proceeds certain amounts including the fees of the Company's Arbitration counsel and other payables and amounts to be retained by the Company for working capital and other corporate purposes, and a de minimus threshold will be applied to determine if a payment will be made to the CVR holders.

The Company anticipates issuing the CVRs by way of a one-time special dividend to shareholders holding common shares of the Company as of May 18, 2022 (the "Record Date"). Each shareholder on the Record Date will receive one CVR for each common share of the Company held. The Company expects the CVRs to be governed by the terms of an indenture to be entered into between the Company and Computershare Trust Company of Canada.

The issuance of the CVRs by the Company will crystallize the entitlement of current shareholders to a portion of an Arbitration award received by the Company, if any, and prevent dilution of this entitlement through future share issuances of the Company. The issuance of the CVRs is also expected to provide the Company with an enhanced ability to raise equity financing and pursue acquisitions and development of mineral properties.

The CVR issuance remains subject to approvals including the approval of the TSX Venture Exchange (the "Exchange"). There can be no assurance that the CVRs will be issued. The Company advises that the arbitration continues to progress per the agreed to schedule and that there have been no material developments in the status of the Arbitration since the Company's most recent update on October 7, 2021. There can be no assurances that the Company will be successful in its Arbitration claim or receive any Arbitration award. Further, even if an Arbitration award is received by the Company, there can be no assurances that the award will be in an amount sufficient to result in any payment to the CVR holders. The Company anticipates issuing the CVRs by way of a dividend. Shareholders should obtain their own tax advice.

Annual General and Special Meeting to Approve Consolidation and Articles Amendment

In order to further prepare the Company to pursue new projects and development of its properties, including additional financing, the Company will be asking shareholders to approve a consolidation of the common shares in the capital of the Company at an annual general and special meeting (the "Meeting") of shareholders to be held on June 10, 2022 (the "Meeting Date").

The Company intends to consolidate its outstanding common shares on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares (the "Consolidation"). The Company will seek shareholder approval for the Consolidation at the Meeting as required by the Company's Articles and will further seek amendment to the Company's Articles to permit future subdivisions or consolidations of the Company's share capital to be carried out by resolution of the board of directors of the Company.

As of the date hereof, the Company has 160,277,702 common shares outstanding and, upon completion of the Consolidation, the Company will have approximately 16,027,770 post-consolidation common shares issued and outstanding. The board of directors believes it is in the best interest of the Company to approve the Consolidation and the amendment to the Company's Articles.

The Company believes that the Consolidation will increase the Company's flexibility and competitiveness in the marketplace and make the Company's securities more attractive to a wider audience of potential investors, thereby resulting in a more efficient market for its common shares. The Consolidation will affect all shareholders of the Company uniformly and affect all of the Company's stock options and warrants issued and outstanding at the effective date. At the time of the Consolidation, the number, exchange basis or exercise price of all stock options and warrants issued and outstanding will be adjusted to reflect the Consolidation.

The Consolidation and the proposed amendment to the Company's Articles is subject to shareholder and regulatory approval, including the approval of the Exchange.

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 identification and development of mining assets.

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

Forward Looking Information

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect Lupaka's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information.

The forward-looking statements and information in this press release include information relating to the completion of the CVR issuance, Consolidation and amendment to the Company's Articles, settling the terms of and executing the Indenture, and the timing of the foregoing as well as any future payment of an Arbitration award.

Such statements and information reflect the current views of Lupaka. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: there is no assurance that Lupaka will obtain any award or settlement proceeds from the Arbitration and all requisite approvals for the proposed CVR Issuance, Consolidation and amendment to the Company's Articles (including the approval of shareholders or the TSXV); there is no assurance that the Company and Computershare will settle the terms of the Indenture in respect; new laws or regulations could adversely affect the completion of the proposed transactions, and consequently the business and results of operations of the Company.

There are a number of important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among

others: Lupaka not begin successful in the Arbitration; Lupaka not obtaining all requisite approvals for completion of the proposed CVR issuance, Consolidation and amendment to the Company's Articles; the Company and Computershare failing to settle the terms of the Indenture; changes in equity markets; results of operating activities; unanticipated costs and expenses; fluctuations in commodity prices; and general market and industry conditions. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

The Company has assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. The forward-looking information contained in this press release represents the expectations of Lupaka as of the date of this press release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward looking information and should not rely upon this information as of any other date. While Lupaka may elect to, it does not undertake to update this information at any particular time except as required in accordance with applicable laws.

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