LUPAKA GOLD

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2014

March 26, 2015

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PRELIMINARY NOTES

The effective date of this AIF is March 26, 2015.

Lupaka Gold Corp. (“Lupaka Gold”) is the parent company within the Lupaka group of companies. “Lupaka”, the “Company”, or the words “we”, “us”, or “our”, collectively refer to Lupaka Gold and its subsidiaries, Andean American Gold Corp. (“Andean American”, Canada), Lupaka Gold Peru S.A.C., formerly named Minera Pacacorral S.A.C. (“LGP”, Peru), Invicta Mining Corp S.A.C. (“IMC”, Peru), Andean Exploraciones S.A.C. (Peru) and Greenhydro S.A.C. (Peru).

For a complete understanding of the Company’s business activities and environment, financial condition, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this AIF should be read together with the Company’s audited annual consolidated financial statements for the years ended December 31, 2014 and 2013 (the “Audited Financial Statements”), and Management’s Discussion & Analysis dated March 26, 2015 (the “MD&A”), each of which can be found at www.sedar.com.

Currency and Exchange Rates
All Dollar amounts referred to in this AIF are Canadian Dollars unless otherwise indicated. The Company’s accounts are maintained in Canadian Dollars. The Company’s business activities are carried out in Canada in Canadian Dollars and through its subsidiaries in Peru in United States Dollars and Peruvian Nuevo Soles. Unless otherwise indicated, Canadian Dollar amounts have been converted in this AIF at the rate of exchange for converting United States Dollars into Canadian Dollars in effect at December 31, 2014 as reported by the Bank of Canada, being 1.1601 (C$1.00 = US$0.8620). The closing rate of exchange for converting United States Dollars into Canadian Dollars on March 26, 2015 as reported by the Bank of Canada was 1.2471 (C$1.00 = US$0.8019).

Cautionary Statement on Forward-Looking Statements

The Forward-Looking Information in this AIF is made only as of the date hereof. The Company, to the extent required by applicable securities law, will release publicly any revisions to Forward-Looking Information contained in this AIF to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Statements contained in this AIF that are not historical facts are "forward-looking statements" or "forward-looking information" (collectively, "**Forward-Looking Information**") (within the meaning of applicable Canadian securities legislation) that involve risks and uncertainties. Forward-Looking Information includes, but is not limited to, statements relating to the amount of financings; and management’s expectations regarding the ability to raise equity capital; expected use of proceeds; business objectives and strategies; the assets and liabilities of the Company; the acquisition of interests in mineral properties; the timing of completion and success of community relations (including with respect to agreements with local communities), exploration activities, permitting and related programs on the Crucero Gold Project, the Invicta Gold Project and the Josnitoro Gold Project; requirements for additional capital; the estimation of mineral resources; the effect of government policies and announcements and changes to applicable laws in Peru on the Company’s operations; and the value of shares of Southern Legacy Minerals Inc. In certain cases, Forward-Looking Information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", 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 is based on certain assumptions that the Company believes are reasonable, including: with respect to any mineral resource estimates, the key assumptions and parameters on which such estimates are based; the assumption that any additional financing needed will be available on reasonable terms; the exchange rates of the U.S., Canadian and Peruvian currencies in 2014 and 2014 will be consistent with the Company's expectations; that the Company's current exploration and other objectives concerning the Crucero Gold Project, the Invicta Gold Project, the Josnitoro Gold Project and the Company’s shareholdings of Southern Legacy Minerals Inc. can be achieved; that the results of exploration and other activities will be consistent with management’s expectations; that the demand for gold will be sustained; that general business and economic conditions will not change in a material adverse manner; that the Company and its subsidiaries will not experience any material accident, labour dispute or failure or shortage of equipment; that all necessary community and government approvals for the planned exploration and development of the Crucero Gold Project, the Invicta Gold Project and the Josnitoro Gold Project will be obtained in a timely manner and on acceptable terms; and that the Company's interests in Peru will not be adversely affected by political, social or economic instability in Peru or by changes in the government of Peru or its politics and tax policies. Other assumptions are discussed throughout this AIF.

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 and other factors include, among others: risks related to the completion of financings and the use of proceeds; that mineral resources are not as estimated; unexpected variations in mineral resources, grade or recovery rates; operations and contractual rights and obligations; actual results of the Company's exploration activities being different than those expected by management; changes in exploration programs based upon results of exploration; changes in estimated mineral resources; future prices of metals; currency and interest rate fluctuations; financial risk exposure of the Company such as credit and liquidity risk; availability of third party contractors; increased costs of labour, equipment or materials; increased costs as a result of changes in project parameters; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks of the mineral exploration industry; political risks involving the Company's operations in a foreign jurisdiction; environmental risks; risks related to community relations and activities of stakeholders; and unanticipated delays in obtaining or failure to obtain community, governmental, judicial or regulatory approvals, or financing; as well as those factors referenced in the section entitled "Risk Factors" in this AIF. Although the Company has attempted to identify important factors that could affect the Company and may 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 not to 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. Accordingly, readers should not place undue reliance on Forward-Looking Information.

The Forward-Looking Information in this AIF is made only as of the date hereof. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation to update the Forward-Looking Information contained in this AIF.

Cautionary Note to US Investors

All references to mineral reserves and mineral resources contained in this AIF are determined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), as required by Canadian securities regulations. While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, they are not defined or recognized by the US Securities and Exchange Commission (the "SEC"). As such, information contained in this AIF concerning descriptions of mineralization and resources, as determined in accordance with NI 43-101, may not be comparable to similar information made public in accordance with the requirements of the SEC. "Indicated mineral resources" and "inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all of any part of mineral resources constitutes or will ever be converted into reserves.

Qualified Person

The technical information in this document has been reviewed and approved by Julio Castañeda, MAIG, the President of Lupaka Peru, a Peruvian subsidiary of the Company, and a Qualified Person as defined by National Instrument 43-101 ("NI 43-101"). Mr. Castañeda is responsible for the preparation and/or verification of the technical disclosure in this document <u>unless otherwise noted</u>.

GLOSSARY OF TERMS

The following is a glossary of technical terms, which are used in this AIF:

anomaly	Value higher or lower than the expected; outlining a zone of potential exploration interest but not necessarily of commercial significance
Au	Gold
development	Preparation of a mineral deposit for commercial production
diamond drill	A type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock which is recovered in long cylindrical sections, an inch or more in diameter
exploration	The prospecting, diamond drilling and other work involved in searching for ore bodies

grade	The weight of valuable minerals in each tonne of ore
g/t	Grams per tonne
ID^2	Inverse distance squared, a method for interpolating spatial sample data and determining values between data points, used to predict ore reserves
indicated mineral resource	That part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed
inferred mineral resource	That part of a Mineral Resource for which quantity and grade can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Due to the uncertainty which may attach to Inferred Mineral Properties, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration
kriging	A method of interpolation used to predict ore reserves. Over the past several decades kriging has become a fundamental tool in the field of geo-statistics
mineralization	Rock containing an undetermined amount of minerals or metals
mineral property	A development or production property which contains an independently-confirmed Mineral Resource
mineral reserve	The economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study, which must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined
mineral resource	A concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth’s crust in such form and quantity and of such a grade or quantity that it has reasonable prospects for economic extraction. The location, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Properties are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource
mining concession	A right to undertake mining activity for profit on another's real property. The boundaries of the concession area descend vertically
NI 43-101	National Instrument 43-101 is a rule developed by the Canadian Securities Administrators (CSA) and administered by the provincial securities commissions that governs how companies disclose scientific and technical information about their mineral projects to the public. It covers oral statements as well as written documents and websites. It requires that all disclosure be based on advice by a "qualified person" and in some circumstances that the person be independent of the Company and the property
ore	A natural aggregate of one or more minerals which, at a specified time and place, may be mined, processed and sold at a profit, or from which some part may profitably be separated
oz/t	Troy ounces per short ton. 31.1034768 grams per troy ounce

qualified person	An individual who (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of those, (b) has experience relevant to the subject matter of the mineral project and the technical report, and (c) is a member in good standing of a recognized professional association of engineers and/or geoscientists in compliance with NI 43-101
tonne	A metric tonne (2,204 pounds)
tpd	Tonnes per day

CORPORATE STRUCTURE

Incorporation

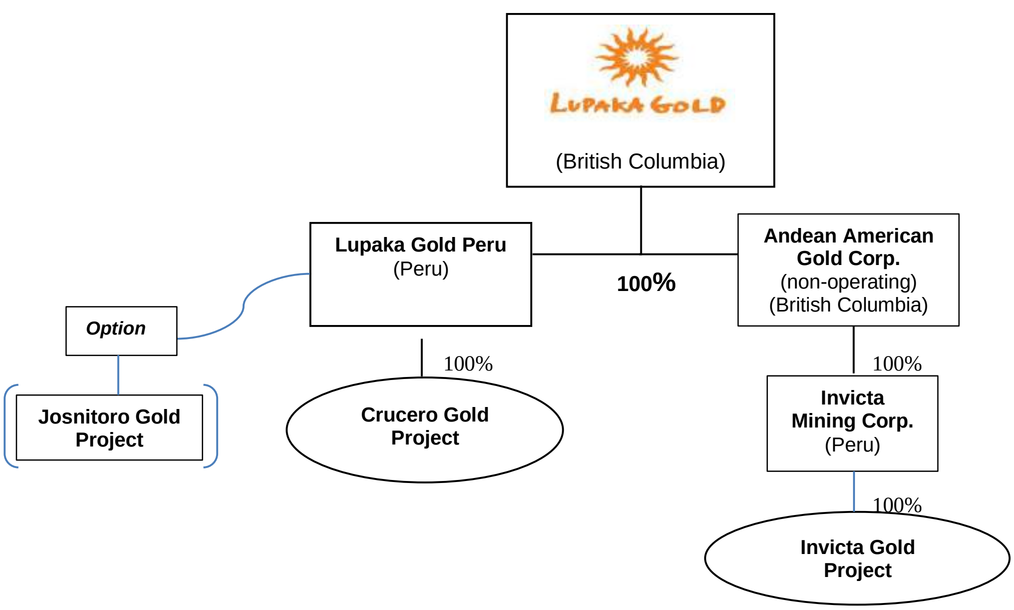
Lupaka Gold was incorporated under the *Company Act* (British Columbia) (predecessor to the British Columbia *Business Corporations Act*) on November 3, 2000 under the name "Kcrok Enterprises Ltd." and transitioned to the *Business Corporations Act* (British Columbia) on November 2, 2005. Kcrok Enterprises Ltd. was operationally dormant until January 1, 2010 and on May 4, 2010 changed its corporate name to "Lupaka Gold Corp.".

The Company's head office and Lupaka Gold's records office are located at Suite 428 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6. Lupaka Gold's registered office is located at Suite 700 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

Lupaka Gold owns 100% of the issued and outstanding shares of LGP, a company incorporated as Minera Pacacorral S.A.C. on July 10, 2008 under the laws of the Republic of Peru and which changed its name in September 2014 to Lupaka Gold Peru S.A.C. Lupaka Gold also owns 100% of the shares of Andean American as a result of the acquisition of Andean American, which closed on October 1, 2013.

The Company announced on February 17, 2015 that its common shares would voluntarily be delisted from the Toronto Stock Exchange after the close of trading that day and immediately listed on the TSX Venture Exchange, which occurred with no interruption in trading. Lupaka Gold's common shares also trade on the Bolsa de Valores de Lima ("BVL", otherwise known as the Lima Stock Exchange) under the symbol LPK and on the Frankfurt Exchange under the symbol LQP.

The following chart depicts the Company's corporate structure together with the jurisdiction of incorporation of the Company and its wholly-owned subsidiaries as of March 26, 2015. The entities below are active unless otherwise noted.



Other subsidiaries, all of which are 100%-owned, inactive and located in Peru are:

- Andean Exploraciones S.A.C. ("AES")
- Greenhydro S.A.C. ("Greenhydro")

GENERAL DEVELOPMENT OF THE BUSINESS

Lupaka is a Canadian-resident natural mineral resource company that since 2010 has been engaged in the acquisition, exploration and development of mineral properties in Peru, South America.

As of January 2013, the Company had acquired 100% of the shares of LGP, a Peruvian company that holds the nine claims that comprise the Crucero Gold Project, being a 100% ownership interest in six mining concessions and a 30 year assignment (commencing September 2008) of a 100% interest in three mining concessions, subject to certain private royalty obligations (see "Crucero Gold Project" below).

On October 1, 2013, Lupaka Gold acquired all of the issued and outstanding common shares of Andean American pursuant to an all-share transaction, subsequent to which Lupaka Gold shareholders held approximately 54.8% of Lupaka Gold's outstanding shares, Andean American's then existing shareholders held approximately 45.2% of Lupaka Gold's outstanding shares and Andean American became a wholly-owned subsidiary of Lupaka Gold. As a result of this transaction, Lupaka Gold acquired the Invicta Gold Project (see "Invicta Gold Project" below) and ownership of 17% of the common shares of Southern Legacy Minerals Inc. (see "Acquisition of Andean American" below).

Mineral exploration and development of mining properties are expected to constitute the principal business of the Company for the coming years. In the course of realizing its objectives, it is expected the Company will enter into various agreements specific to the mining industry, such as purchase or option agreements to purchase mining claims, joint venture agreements, asset sale agreements and/or royalty agreements.

The Company's executive head office is located in Vancouver, Canada, while its Peru operations locations are comprised of an administrative office in Lima, Peru, and exploration camps located at the Crucero Gold Project and at the Invicta Gold Project.

With the exception of short-term operational requirements for its Peru operations, funds are maintained and controlled in Vancouver, in both Canadian and US Dollars.

History

Lupaka Gold was incorporated in November 2000 but did not commence operations until January 2010.

From the period from the date of its incorporation to the date it commenced operations in 2010, the Company did not have any operations, employees or other paid personnel, did not have any revenues or an interest in any assets, and did not incur any liabilities or have any contingent liabilities. Other than expenditures incurred for the incorporation of the Company and to maintain the Company's existence as a British Columbia company, the Company did not have any expenditures prior to January 2010.

From commencement of operations to date, the Company has focused on raising capital, acquiring interests in Peru-based gold exploration projects, and conducting various exploration and development activities on its projects. To date, the Company has conducted exploration and development activities on its three projects, being the Crucero Gold Project, the Invicta Gold Project and the Josnitoro Gold Project.

These projects are located within Peru as set out below in the following map:

CRUCERO GOLD PROJECT

Acquisition of the Crucero Gold Project

In July 2010, Lupaka Gold acquired 60% of the shares of LGP, a Peruvian company that holds the nine claims that comprise the Crucero Gold Project, and in January 2014, Lupaka Gold made its final payment obligation related to its initial 60% ownership of LGP and acquired the 40% minority interest in LGP, with the result that LGP became a 100%-owned subsidiary of Lupaka Gold.

The Company's Crucero Gold Project mining concessions are known as:

- Crucero 1, Pacacorral 1, Pacacorral 2, Pacacorral 3, Pacacorral 4 and Santa Cruz 1, which are 100% owned by LGP, and are not subject to any non-governmental royalty interest; and
- Mina Crucero 10, Mina Crucero 4 and Mina Crucero 2007 (the "Assigned Concessions"), which are held by LGP pursuant to an assignment agreement (the "Concession Assignment Agreement") dated September 12, 2008 between LGP and CEDIMIN S.A.C., the owner of Mina Crucero 10 and Mina Crucero 4, and CEDIMIN S.A.C.'s parent company, Compania de Minas Buenaventura S.A.A., the owner of Mina Crucero 2007. The Concession Assignment Agreement is similar to a lease agreement and expires in September 2038.

As consideration for the Concession Assignment Agreement (see the IPO Prospectus), LGP agreed to pay a private net smelter return royalty on all gold and other minerals produced from the Assigned Concessions (the "Crucero NSR") of:

- 1% if the average monthly price of an ounce of gold is greater than US $300 and less than or equal to US $400;
- 2% if the average monthly price of an ounce of gold is greater than US $400 and less than or equal to US $600;
- 3% if the average monthly price of an ounce of gold is greater than US $600 and less than or equal to US $800; and
- 5% if the average monthly price of the ounce of gold is greater than US $800.

Under the Concession Assignment Agreement, LGP also agreed to pay the annual concession payments required by the Peru Government to maintain the Assigned Concessions, which continues to be done, and to complete a 3,000 metre drilling program on the Assigned Concessions, which was done. The mineralized zone, in respect of which the October 2014 pit-constrained resource update is related to, is located on the Assigned Concessions and is known as the A-1 Zone (see "Crucero Gold Project" below).

Agreements with K-Rok Minerals Ltd.

To acquire its ownership of LGP, the Company entered into a mineral property identification and acquisition agreement with K-Rok Minerals Ltd. ("K-Rok"), which acted as an agent for the Company. Additionally, the Company entered into an Assignment and Assumption Agreement with K-Rok, as assignee of K-Rok's interests in the Minera Pacacorral Purchase Agreement ("LGP Purchase Agreement"), pursuant to which the Company assumed the rights and obligations of K-Rok.

K-Rok is a related party of the Company and is owned 60% by ABE Industries Inc. (“ABE”), 35% by Havilah Holdings Inc. (“Havilah”) and 5% by Javier Garcia, a former consultant to the Company. ABE is wholly-owned by Gordann Consultants Ltd. (“Gordann”), a company in which Gordon Ellis owns a 51% interest and his wife, Margaret Ellis, owns a 49% interest. Gordon Ellis is the Executive Chairman of the Company and a director, and through his spousal and corporate ownerships is a greater than 10% shareholder of the Company. Havilah is a company wholly-owned by Geoff Courtnall.

The consideration paid to K-Rok pursuant to the Assignment and Assumption Agreement for the Crucero Gold Project consisted of the following:

(a) 4,000,000 common shares to K-Rok (which were issued in 2010 at a recorded fair value of $200,000); and

(b) two additional common shares (the “K-Rok Contingent Shares”) to be issued to K-Rok for each ounce by which the gold resource for the six mining concessions identified in the K-Rok Agreement that form part of Crucero Gold Project are increased over the baseline resource of 808,695 ounces by either: (A) the first to occur of (i) any resource estimate related to completion of a pre-feasibility study, and (ii) an updated resource estimate obtained pursuant to the Assignment and Assumption Agreement prior to completion of a sale by the Company of its shares in LGP or a sale by LGP of all or substantially all of its interests in the six earlier-referenced mining concessions that form part of the Crucero Gold Project; or (B) if neither (i) nor (ii) has occurred by December 31, 2014, an updated resource estimate based on all exploration completed on the six earlier-referenced mining concessions up to December 31, 2014.

    Under the terms of the Assignment and Assumption Agreement, and based on the results of the February 2014 resource update, Lupaka Gold issued 3,221,127 common shares to K-Rok on March 22, 2014. The share issuance was calculated as being two shares for each ounce by which the estimated (uncapped) gold resources exceed the baseline resource ounces from the initial NI-43-101 compliant resource update, based on consistent methodology as provided for in the Assignment and Assumption Agreement. In December 2014, 477,786 of these shares were returned to the Company’s treasury as a result of the Amended and re-stated resource estimate below.

As a result of the above-noted share issuances to K-Rok, the Company has no further payment obligations to K-Rok.

LGP Purchase Agreement
Under the LGP Purchase Agreement, the shareholders of LGP (the “LGP Vendors”) sold to the Company (as K-Rok's assignee) 600 shares of LGP (the "600 LGP Shares"), representing 60% of the issued and outstanding shares of LGP, in consideration for the payment of an aggregate of US $10,000,000 as follows:

(a) US $2,000,000 within five business days of execution of the LGP Purchase Agreement (which payment was made);
(b) US $2,000,000 on October 15, 2010 (which payment was made);
(c) US $3,000,000 on July 15, 2011 (which payment was made); and
(d) US $3,000,000 on July 15, 2013 (which payment was made on January 19, 2013 - see “*Buyout of LGP Vendors*” below).

Pursuant to the LGP Purchase Agreement, the Company was entitled to:

- An option to acquire from the LGP Vendors an additional 400 shares of LGP, being the balance of the issued LGP shares not owned by the Company. The option was exercisable until July 23, 2015. To exercise this option, the Company would pay an aggregate purchase price calculated in accordance with (i), (ii) and (iii) below:

    (i) the value of the bid price of the ounce of gold corresponding to the five days prior to the date of the transfer agreement, according to the Kitco website, shall be multiplied by the number of ounces determined as estimated (uncapped) resources of the Crucero Gold Project determined by a prestigious engineering company using the inverse distance squared method and a cut-off grade of 0.4 grams per tonne;

    (ii) the following cumulative scale shall be applied to the figure calculated pursuant to (i) above:

Ounces	Percentage
From 1 to 1,000,000	1%
From 1,000,001 to 2,000,000	1.5%
Over 2,000,000	3%

(iii) the figure calculated pursuant to (ii) above shall be multiplied by the ownership percentage to be purchased (40% to obtain 100% in total).

See "*Buyout of LGP Vendors*" below.

- Appoint three, while the LGP Vendors were entitled to appoint two, of the five members of LGP's board of directors. Additionally, the favourable vote of 80% of the directors was required for the passing of resolutions of the LGP directors.

Buyout of LGP Vendors

On January 19, 2013, Lupaka Gold completed the acquisition of the remaining 40% interest in LGP, and as a result, Lupaka Gold, subsequent to year-end, owns 100% of Crucero. Lupaka Gold acquired the remaining 40% interest for a total purchase price of $4.1 million (US $4 million) in cash and 5.2 million common shares of Lupaka Gold at an issue price of $1.04 (US $1.00) per share, for a total purchase price of $9.5 million (US $9.2 million). As part of the closing of this transaction, Lupaka Gold also paid the final $3.1 million (US $3 million) installment payment that was due by July 15, 2013 to complete Lupaka Gold's acquisition of its existing 60% interest in LGP.

Upon Lupaka Gold making the last acquisition payment for the 600 LGP Shares and purchasing the remaining 400 shares of LGP in January 2013, the: LGP Vendors' LGP board of directors nominees resigned; the LGP Vendors' right to appoint two members of the board of directors of LGP was terminated; and formal mutual releases were executed between the parties, covering any and all past, current and future-oriented obligations that may have existed prior to the buy-out of the LGP Vendors.

Exploration

To date, the Company has identified eleven zones or "anomalies" as having the potential for a gold resource at the Crucero Gold Project, which is located in Carabaya Province, within the Puno region of south-eastern Peru and is comprised of nine concession and petition claims covering an aggregate area of 5,500 hectares.

Exploration and technical programs completed to date

The Crucero Gold Project contains mesothermal gold mineralization that is associated with pyrite and pyrrhotite as well as minor arsenopyrite and stibnite, and is contained within altered shales of the Ananea Formation of Lower Paleozoic age.

The documented history of exploration of the Crucero Gold Project began in 1996 when CEDIMIN S.A.C. first began exploring here.

Between 1996 and 2003, CEDIMIN S.A.C. carried out the following activities:

- Regional stream sediment sampling;
- Topographic and geological mapping at 1:10,000 (2,400 Ha) and 1:1,000 scales (80 Ha);

- Road construction (eight Km)
- Soil geochemical sampling;
- Channel sampling (2,700 linear metres in 22 trenches to produce 630 channel samples);
- Magnetic (13.8 line Km) and Induced Polarization (14 line Km) surveys;
- Core drilling in seven holes with an aggregate length of 1,767 metres;
- Metallurgical testing of core samples.

These programs were successful in identifying the A-1 Zone and in determining its general configuration and size, both on surface and underground. The metallurgical test program confirmed that the contained gold is amenable to conventional extraction.

In 2003 and 2009, previous owners tested the Crucero Gold Project by surface geophysical programs and by diamond drilling, which was concentrated on one of the geophysical anomalies herein referred to as the A-1 Zone. The A-1 Zone was also tested by trenching and has subsequently been tested by several additional programs of diamond drilling.

2010 Drill Program

During the early part of 2010, LGP drilled six diamond drill holes, totalling 1,255 metres. The drilling of these holes was financed and supervised by the Company as part of its due diligence assessment of the Crucero Gold Project. Commencing in late 2010 and extending into early 2011, the Company drilled 12 additional core holes in the A-1 Zone, totalling 3,230 metres, to assess portions of the zone not tested by previous drilling and to acquire sufficient assay data to permit the upgrading of a portion of the previously-classified inferred resource to the indicated category.

For 2010, the Company spent approximately $1 million on exploration and related technical and community relations costs for the Crucero Gold Project.

2011 Drill Program

The Company stopped drilling for the 2011 season as planned on December 31, 2011, completing a total of twenty-three core drill holes for over 7,300 metres from May through December of 2011. The 2011 drill program was mainly focused on resource expansion at the A-1 Zone. Final assay results showed that the Company had not yet defined the northern limit of the A-1 Zone, and that the A-1 Zone mineralized envelope remained open and continued to the north.

For 2011, the Company spent approximately $3 million on exploration and related technical and community relations costs for the Crucero Gold Project.

2012 Drill and Technical Programs

The Company stopped drilling for the 2012 season as planned in December 2012, completing a total of 20 core drill holes for over 8,200 metres from May through December of 2012. The 2012 drill program was mainly focused on resource expansion at the A-1 Zone. Final assay results showed that the Company had not yet defined the northern limit of the A-1 Zone, and that the A-1 Zone mineralized envelope remained open and continued to the north.

Various geological programs also took place in 2012, covering mapping, soil sampling, geophysics and structural geology, towards improving the Company's knowledge of the Crucero Gold Project's geological structures.

For 2012, the Company spent approximately $5.5 million on exploration and related technical and community relations costs for the Crucero Gold Project.

2013 Exploration and Technical Programs

Following on from the 2012 drill program results and using the SRK Report, surface exploration and field work programs was conducted in order to define target areas for further exploration, including potential drilling.

The structures interpreted on the SRK Structural Context Report's high-level images of the Crucero project include regional faulting as well as local and detail foliations, shear zones, faults, and, subordinately, dykes, veins, joints, and fold axial traces. Through 2014 and 2014, the Company plans to continue to complete detailed field examination to establish the relative timing and relationship between the individual structures, their kinematics, and relationship to gold mineralization. The Company will also be conducting detailed geologic field mapping to confirm and trace visible sulphide-bearing structures through the Crucero project area. All of this information will be used to develop targets for future drilling.

In Q3 2013 the Company engaged SRK Consulting (Canada) Inc. to prepare a conceptual pit design in order to apply an economic constraint on the resource estimate for the Crucero Gold Project. The results of that study determined a pit-constrained resource estimate that contains approximately 92% of the total unconstrained estimated gold mineralization at Crucero. The study also identified that the lower-grade resources at depth are not economic at current market prices and economic considerations, and are therefore not included in the pit-constrained resource as outlined in the Company's Technical Report. See the Company's October 28, 2013 news release for further information (www.sedar.com).

The Company deployed field teams to Crucero in mid-year 2013, with a focus on assessing the mineral potential in the eastern half of the property, and the southern extent of mineralized structure beyond the A-1 Zone. Anomalous values for gold and arsenic (as a gold indicator) were found throughout the property, with the most compelling and interesting values identified on the northern and southern extensions of the main structure that hosts the A-1 gold resource.

Metallurgical studies

An updating of the Crucero Project's metallurgical testing began in 2013, with the results being announced on July 2, 2013, as follows:

> 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 reflects 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. The results have not been optimized and were performed with the purpose of assisting the Company to focus its exploration efforts through improved understanding of mineral associations and mineralogy, as it explores the remaining 10 identified (to date) exploration anomalies at Crucero. Working with Ausenco, the Company designed the test parameters for the most recent campaign to broadly evaluate the different mineralization types within the Crucero resource envelope.
>
> The metallurgical test work programme evaluating the characteristics of Crucero Gold Project's A-1 Zone was conducted by SGS Lima, Peru and managed by Ausenco. The focus of the test programme was to investigate the two major mineralization gold association types represented by two separate composites: a Northern, mainly pyrrhotite, composite; and a Southern, mainly arsenopyrite, composite.
>
> The Ausenco work evaluated several different processing options including whole-ore leaching, pre-aeration, grind size sensitivity cyanide concentration sensitivity, flotation, flotation concentrate leaching at various cyanide concentrations and regrind sizes, flotation tailing leaching at various cyanide concentrations, gravity concentration which included flotation of gravity tails and leaching of gravity concentrate and gravity tails. Comminution testing included Bond Ball Mill Work Index and SAG Mill Comminution tests. As no variability testing was conducted, the results presented herein are considered preliminary and are to be further evaluated when future variability testing is conducted.
>
> The comminution characteristics for the Crucero Gold Project's A-1 Zone indicate that the ore is of medium hardness and has a high competency.
>
> Leach times of 24 hours at a grind size of 80% passing 53 microns provided extractions of 60-65% for the Southern Composite having a 1.57 g/t gold head grade and 70-75% for the Northern Composite having a gold head grade of 1.24 g/t. Ultrafine grinding tests to 80% passing 10 microns on whole-of-ore samples increased extractions to 89% and 94% for the Southern and Northern composites respectively. As stated above, these extractions are considered preliminary as no variability tests have been carried out, and further gold association work is required prior to providing indications of extractions achievable over the whole deposit. Gold is considered to be the only mineral of economic interest.
>
> The test work shows that the A-1 Zone gold extraction is independent of sodium cyanide concentration in the range 500 to 1500 mg/L. Opportunity remains to further reduce the cyanide dosing and concentration regime and thereby reduce operating costs. Pre-aeration with air was found to provide sodium cyanide consumption reduction and further work in this area is warranted.

Conclusions and Recommendations from the test work

> The test work completed to date has suggested metallurgical performance is likely associated with arsenic, pyrrhotite and antimonial minerals, and is a function of grind size to achieve mineral liberation. As the deportment and location of these minerals is not defined, there is a need to understand this aspect and also the associated metallurgical behaviour by variability testing.
>
> Additional variability test work is required to define comminution and metallurgical parameters with ore types and mineralisation in the resource in addition to providing engineering data such as settling characteristics, viscosity, materials handling and rheology. Use of oxygen for pre aeration, review of lead nitrate addition, application of reduced cyanide concentration and gold deportment evaluations all provide opportunity to improve extraction efficiency and project economics.

Management is satisfied that the testing accomplished its objective and provided sufficient direction to proceed with additional exploration at Crucero, in that the gold-bearing mineralization responds favourably to whole ore leaching, gravity, magnetic and flotation separation, and cyanidation final recovery of a doré product. Further, the metallurgical results obtained were within the range expected, and show a path forward for optimization and further testing.

For 2013, the Company spent approximately $3.5 million on exploration and related technical and community relations costs for the Crucero Gold Project.

2014 Exploration and Technical Programs

In 2014, the Company conducted a field surface exploration program and obtained results from outcrop rock chip samples of up to 5.49 grams per tonne ("gpt") for a 1.5 meter width at surface, located north of the Company's A-1 resource zone.

The 2014 field work consisted of detailed outcrop mapping and rock chip sampling. Samples were taken generally from 1.5 meter channels in outcrop, and included vein, veinlets and disseminated sulphide and host rock samples (see Table 2 below). Assay results were received on 21 samples taken north of the A1SC and on 62 samples taken on the southern end of the A1SC.

As a result of the 2013 and 2014 field work and assay values, the technical team proposed a number of drill target sites to test gold occurrence north of the A-1 Zone, and to trace the major structural controls north toward and including the A-8 Zone, see Figure 2 below. The A-8 Zone has always been a high-priority target due to its geochemical signature, ground magnetics anomaly, and the presence of strong mineralization evidencing quartz and sulphide veins and veinlets, and hydrothermal breccia with high Au contents at surface. These results are consistent with and complement the results obtained in 2013 and from earlier sampling and mapping campaigns previously reported.

This 2014 field work focussed on extending the boundaries of known mineralized zones within the A-1 Structural Corridor ("A1SC"), see Figure 1 and Figure 2 below, with the intention to identify and support drill locations for a future drilling program.

Summary Mapping and Assay Results

As a typical example of orogenic gold mineralization, the known exploration anomalies at Crucero are believed to be structurally controlled. Regional fault lines have been identified that provide the conduits for mineralizing fluids in the receptive carbonaceous slate-siltstone Ananea host formation. In turn, the Ananea is bound on both sides by igneous intrusive leading to the classic orogenic metamorphic environment. This series of geologic phenomenon is referred to as the A1SC.

The recent sampling and mapping work at the Crucero Gold Project has confirmed that the A-1 style mineralization continues along structural controls to the northwest and within the host Ananea formation, see Figure 1 and Figure 2 below.

Figure 1: Crucero's A-1 Structural Corridor & 2014 Field Work Areas

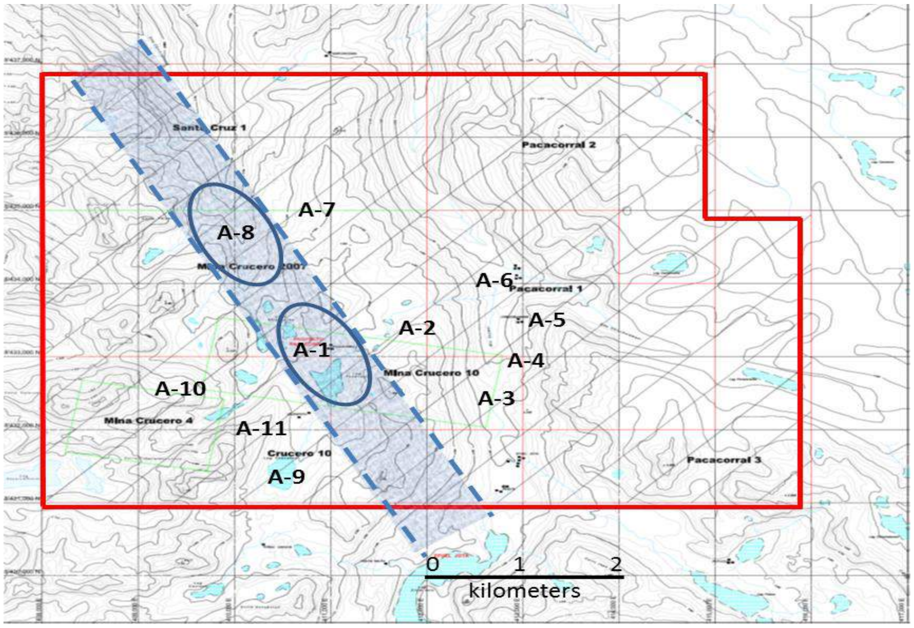
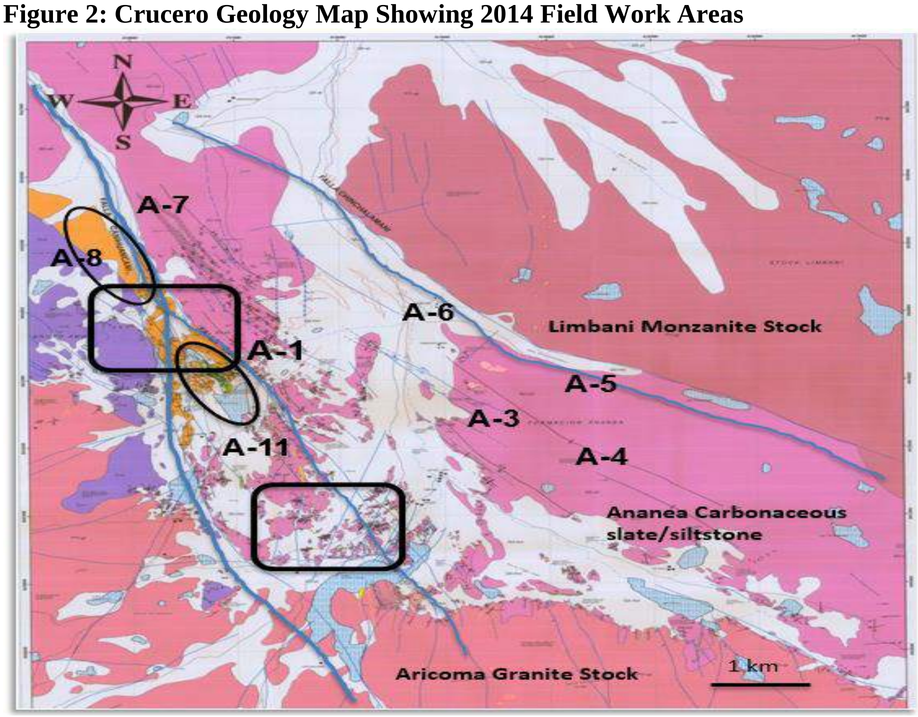


Figure 2: Crucero Geology Map Showing 2014 Field Work Areas



Regional fault structures are shown with typical NW and NNW orientation.

Bold rectangles outline the areas sampled and investigated in 2014.

Table 5: Sample of Assay Results North of A-1 toward A-8 include:

Type	mts length x width	lithology	Area	Au_ppb	As_ppm	Sb_ppm
channel	1.50 X 0.05	quartzite, sct, diss py, veinlets wk	A-12	22	144	9
channel	1.50 X 0.05	quartzite, sct, diss py, veinlets wk	A-12	136	562	8
channel	1.50 X 0.05	quartzite,qtz-py-oxFe veinlets	A-12	5490	337	7
channel	1.50 X 0.05	quartzite, sct, diss py, veinlets wk	A-12	348	628	12
channel	1.50 X 0.05	quartzite, sct, diss py, veinlets wk	A-12	215	666	11
channel	1.50 X 0.05	quartzite, sct, diss py, veinlets wk	A-12	62	72	10

Crucero gold in mineralization typically occurs associated with arsenopyrite, pyrrhotite and stibnite. Rock chip samples were assayed for ICP 36 element, and fire assayed for gold, arsenic and antimony. In most cases the correlation of gold to arsenic and antimony indicator metals is very high. Since arsenic is soluble and highly mobile, the exploration work at Crucero has focussed particularly on arsenic anomalies as an indicator of potential gold occurrence. As a typical orogenic gold occurrence, the Crucero geologic field work also consists of mapping rock outcrop in detail to determine lithology and structural features that control mineralization placement.

For 2014, the Company spent approximately $1.7 million on exploration and related technical and community relations costs for the Crucero Gold Project.

Amended and re-stated resource estimate for the Crucero Gold Project

An amended and re-stated A-1 Zone resource estimate titled "Technical Report For The Crucero Property, Carabaya Province, Peru, Effective Date: January 17, 2014, Amended and Re-Stated: October 22, 2014" (the "Technical Report") was prepared by Gregory Mosher of Tetra Tech WEI Inc. ("Tetra Tech"), formerly Wardrop Engineering, of Vancouver, Canada, within the conceptual pit constraints provided by SRK Consulting (Vancouver, Canada). The full Technical Report can be found at www.sedar.com.

The Technical Report states an indicated resource of 30.9 million tonnes at 1.009 gold grams per tonne (g/t) capped grade for 1,003,041 gold ounces and an inferred resource of 31.2 million tonnes at 1.025 g/t capped grade for 1,027,806 gold ounces at the A-1 Zone.

Mr. Mosher is a Qualified Person for this resource estimate, for the purposes of NI 43-101 and is not responsible for the conceptual pit.

The following table summarizes the Company's Crucero Gold Project resources, estimated at a 0.4 g/t cut-off threshold:

Resource Category	Tonnes	Au g/t Uncapped	Au g/t* Capped	Au oz (Troy) Uncapped	Au oz* (Troy) Capped
Indicated	30,919,873	1.118	1.009	1,111,494	1,003,041
Inferred	31,201,648	1.143	1.025	1,146,219	1,027,806

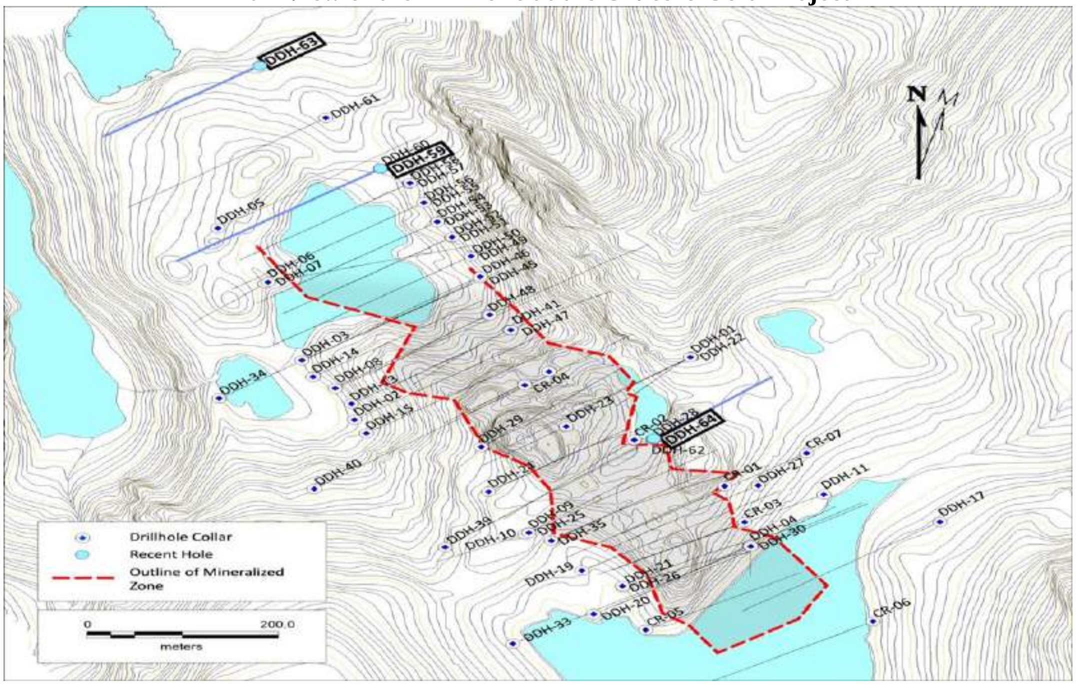
* -- Gold grades capped at 17 g/t 1 Troy Ounce = 31.10348 grams

Mr. Anoush Ebrahimi is a Principal Consultant with SRK Consulting, a "qualified person" as defined by NI 43-101 and independent of Lupaka Gold as defined by Section 1.5 of NI 43-101. He developed the conceptual pit using the parameters set out in the table below:

Parameter	Value	Unit
Gold Price	1,400.00	US$/oz
Mining Operating Cost (Mineralized Material and Waste)	1.50	US$/t milled
Process Operating Cost	13.00	US$/t milled
General & Administrative	2.00	US$/t milled
Overall Pit Slope	47	Degrees
Gold Process Recovery	90	%
Mining Dilution	5	%

The outline of the mineralized envelope at A-1 projected to surface with the locations of holes drilled to date is shown below:

Plan View of the A-1 Zone at the Crucero Gold Project



Community Relations and Social Responsibility

Overall, the Company has the necessary community, environmental and water permits to conduct its exploration activities at the Crucero Gold Project.

The Company's approach to its business and social responsibilities involves implementing strategies beneficial to the community, the environment and to Peru. The Company's commitment to these strategies extends beyond standard compliance with national and international guidelines and involves building relationships based on honesty, openness and mutual trust.

On June 17, 2014, the community of Oruro voted to renew the Company's exploration agreement with the community for a 4-year term. The Company was recognized as having completed its obligations to the local community related to the past agreement which expired in May 2014, including road maintenance, road upgrades and veterinarian programs. The new agreement includes certain commitments by the Company for annual payments and infrastructure improvements in the community. The property at the Crucero Gold project is owned communally, and the renewal of this agreement gives the Company the legal rights to continue exploration on the Crucero Gold Project concessions it has.

In addition to a community agreement, the Company must secure access agreements from the individual families that have historically used certain locations for alpaca grazing. The Company has a number of family agreements in place to allow exploration field work at Crucero and plans to continue to secure access agreements as necessary.

Surface rights on the Crucero Gold Project are held by the local community and in the event that the Company advances the Crucero Gold Project to a mining operation, these rights must be acquired from the relevant communities by purchase or lease.

The Company has an established exploration camp at the Crucero Gold Project, which is located approximately 45 kilometres from the town of Crucero, and from which various community relations, education, local infrastructure improvement project, and medical/dental/veterinarian programs are provided and paid for by the Company from time to time.

On August 27, 2014, the Company received approval of a Category II Environmental Impact Assessment - Semi Detailed (the "EIA-SD") for the Crucero Gold Project from the Ministry of Energy and Mines of Peru.

Approval of the EIA-SD allows the Company to continue and potentially to expand its exploration of the Crucero Gold Project, and provides a framework under which the Company is able to apply for additional drill pad and road construction permits required for its future exploration activities. The EIA-SD also provides a streamlined permitting process. The Company had previously been operating under an initial exploration permit (granted under a previous

Category I Environmental Impact Statement), completing 22,959 metres of drilling at Crucero since acquiring the project in 2010.

The EIA-SD was approved after the Company submitted archeological, environmental and socioeconomic baseline and water studies, and completed various public comment processes. In addition, the EIA-SD recognizes that the Company fulfilled all of the required remediation and reclamation for our previous exploration activities. The application for the EIA-SD was filed in late 2013.

Concessions – Crucero

A listing of the Company's Crucero Gold Project concessions is as follows:

Concession Name	Identification Code	Area (Ha's)	Petition Filing Date	Concession Grant Date	Legal Status	Maximum Deadline(1)(2)(3)(4)
Mina Crucero 4	010170899	150	18-Oct-99	21-Feb-00	Concession	Year 2028
Mina Crucero 10	010065903	300	3-March-03	25-Sep-03	Concession	Year 2028
Crucero 1	010317507	650	31-May-07	10-Oct-07	Concession	Year 2028
Mina Crucero 2007	010317807	781	1- September-07	12-May-08	Concession	Year 2028
Santa Cruz 1	050024208	800	4-July-08	16-Aug-10	Concession	Year 2030
Pacacorral 1	710009309	700	7-Dec-09	3-Nov-10	Concession	Year 2030
Pacacorral 2	710013810	700	21-Sep-10	21-Jun-13	Concession	Year 2033
Pacacorral 3	710013710	600	21-Sep-10	21-Jun-13	Concession	Year 2033
Pacacorral 4	010367211	900	20-Jun-11	19-Sept-12	Concession	Year 2032

(1) Assumes the concession-holder complies with regulatory and statutory requirements, and provides sufficient justifications (which are accepted) to maximize the deadline date if required.

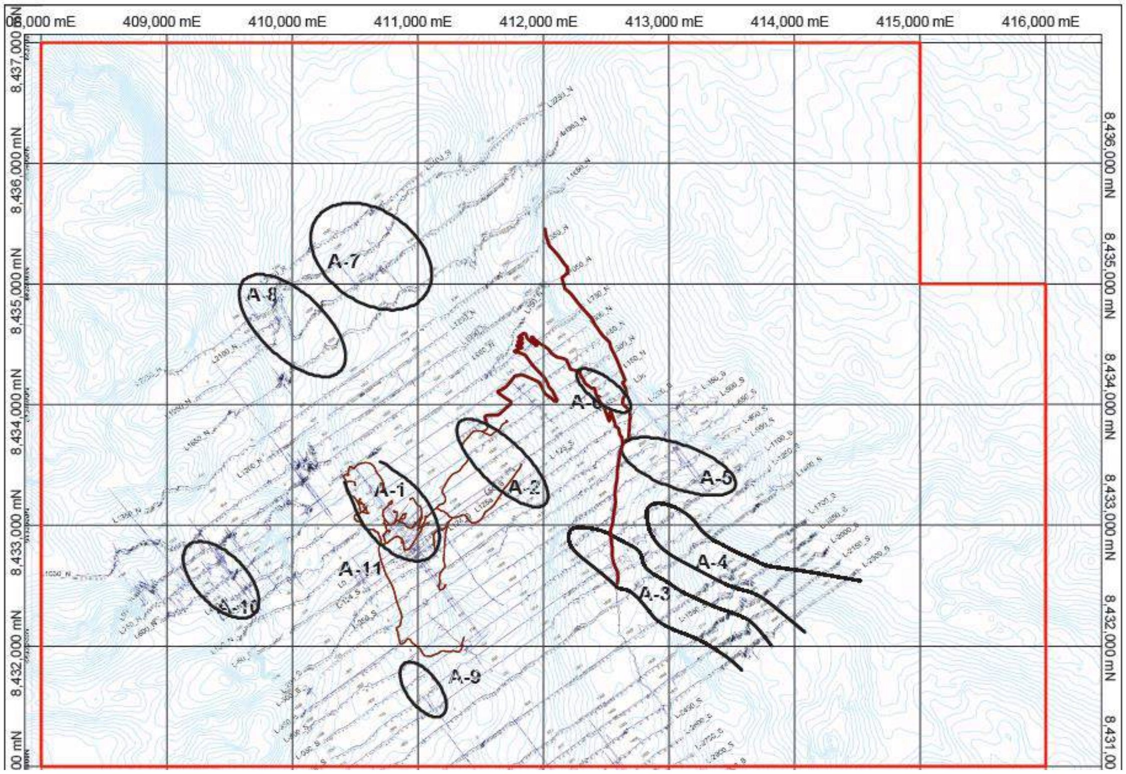
(2) Effective October 11, 2008, amendments were made to the determination of the maximum deadline, whereby the initial ten year period begins from the year following the issuance of mining concession title.

(3) For concessions where the mining concession title grant date was prior to October 11, 2008, the year 2018 was declared as the universal end of the ten year period for production to begin.

(4) If production is not attained by the tenth year, annual penalties are assessed and payable until the year when the minimum level of production is attained. Should production not be attained by the fifteenth year, the concession-holder can apply for a further extension of up to an additional five years which may or may not be granted, depending upon the justification(s) given for the extension.

The boundaries of the concessions are marked physically and have been surveyed by INGEMMET, which is the concession-granting body of the Ministry of Energy and Mines (the "MEM") of the Government of Peru.

The Company has identified eleven zones or "anomalies" as having the potential for a gold resource at the Crucero Gold Project - a schematic of the relative locations of these zones is shown immediately below:



The Crucero Gold Project contains one documented mineralized zone, named the A-1 Zone. This anomaly has been the object of virtually all exploration that has been conducted on the Crucero Gold Project to date. There are no mine workings or related development on the Crucero Gold Project.

The immediate area of the Crucero Gold Project is underlain by greenschist-grade metamorphosed shale and siltstone of the Ananea Group that have a pronounced, northwest-trending deformational fabric that was developed during the early phase of the Hercynian Orogeny. That portion of the Crucero Gold Project that has been most-intensively explored to date is underlain by the axial portion of a north-plunging, open anticline that may be overturned to the west. The Ananea Group metasediments in this axial zone contain abundant pyrite and pyrrhotite and are variably altered and silicified.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Crucero Gold Project is located in the Cordillera Orientale portion of the Andes Mountain chain. Elevations in the immediate area of the Crucero Gold Project range from about 3,900 metres to about 5,000 metres above sea level. Vegetation at the prevailing elevations is restricted to valley bottoms where grasses and sedges predominate. The sides of the valleys and the mountains themselves are essentially bare of vegetation.

The South Inter-Ocean Highway between Peru and Brazil passes within about 50 kilometres of the Crucero Gold Project and within about 25 kilometres of the town of Crucero, the largest community in the vicinity of the Crucero Gold Project.

The distance from Crucero to the Crucero Gold Project is about 50 kilometres and the road between the two is unpaved as there is little regular traffic other than local villagers and seasonal herders. The climate is typical of high alpine regions; generally cool and dry. The period between September and April is the rainy season which, given the present state of the local roads, can make access and regular exploration work difficult. Otherwise, exploration can be conducted here during the rest of the year with no exceptional difficulties.

At present, LGP does not hold any surface rights, only mineral exploration rights. If the development of a mine becomes justifiable in the future it will be necessary to acquire surface rights for mining, plant, tailings and mine waste disposal.

Power is not available locally but the state grid has been extended to within eight kilometres of the Crucero Gold Project. Water is available locally but whether the quantity is sufficient for sustaining a mining and processing operation is not known. There is no local labour force although Peru has a well-developed mining industry and a skilled labour force at all levels of the industry.

Deposit Types

The mineralization on the Crucero Gold Project has characteristics of both orogenic gold deposits and of sediment-hosted, saddle-reef type gold deposits.

The tectonic setting is consistent with orogenic gold deposits: Orogenic gold deposits form during compressional to transpressional deformation at convergent plate margins in accretionary and collisional orogens. Subduction-related thermal events, episodically raising geothermal gradients within the hydrated accretionary sequences, initiate and drive long-distance hydrothermal fluid migration. Gold mineralization that is deposited in this environment typically is contained within quartz veins.

There is typically a strong structural control of the gold deposits and orebodies at all scales. The orebodies can consist dominantly of altered host rock with disseminated mineralization or of fissure-filled mineralization, i.e. veins. Veins in orogenic gold deposits are dominated by quartz with subsidiary carbonate and sulphide minerals, and less abundantly, albite, chlorite and white mica. Gold is normally intimately associated with sulphide minerals, including pyrite, pyrrhotite chalcopyrite, galena, sphalerite, and arsenopyrite. In volcano-plutonic settings, pyrite and pyrrhotite are the most common sulphide minerals in greenschist and amphibolite grade host rocks, respectively, while arsenopyrite is the predominant sulphide mineral in ores hosted by sedimentary rocks.

Hydrothermal wallrock alteration in orogenic gold deposits is developed in a zoned pattern with progression from proximal to distal assemblages. The alteration intensity decreases with distance with respect to the orebodies. Scale, intensity and mineralogy of the alteration are functions of wallrock. Saddle-reef characteristics include the common occurrence of stibnite, the shale hostrock and preferential concentration of mineralization on and near the crest of an anticline.

Mineralization

To date, exploration has concentrated upon an area termed the A-1 Zone that is situated north of a small lake (Pahuilune). The zone as currently defined is about 600 metres long by about 100 metres in width and has been traced by drilling to a depth of about 100 metres. The zone dips steeply to the east and although variable in width, has been traced by trenching and drilling, with apparent continuity, over a strike distance of about 450 metres.

Gold is the only mineral of economic interest and occurs together with pyrite, pyrrhotite, arsenopyrite and stibnite. Pyrite is most abundant and typically occurs as blebs, the distribution of which is bedding-controlled. Quartz veins are uncommon and where present do not necessarily guarantee the presence of gold, although the highest concentrations of gold found to date are associated with quartz veins. Quartz veins and vein-lets cross-cut the stratification.

The style of mineralization, mineral association and degree of alteration vary with respect to degree of deformation. These changes are zonal: In the least-deformed portions of the A-1 Zone, pyrite occurs together with chlorite +/- gold; more-intensely deformed portions of the zone contain pyrite and pyrrhotite +/- gold; and the most-intensely deformed portions of the zone contain pyrite + pyrrhotite + arsenopyrite + stibnite +/- gold.

Geological Setting – Regional Geology

Much of the geological evolution from the Pre-Cambrian onward, of western South America including Peru, is directly attributable to the eastward subduction of the oceanic Nazca Plate beneath the Brazilian Shield. A long, narrow basin developed between the Nazca Plate on the west and the Brazilian Shield on the east.

During the Lower Paleozoic (Ordovician through Devonian) a thick (up to 10,000 metres) sequence of predominantly turbiditic sediments was deposited in this trough. The Ananea Group that underlies the Crucero Gold Project was deposited during this period. These rocks were deformed during the early phase of the Hercynian Orogeny during Early Carboniferous time (340 million years).

The Upper Paleozoic, from the Lower Carboniferous to the Middle Permian, is characterized by the accumulation of a thinner but lithologically more variable sequence of sedimentary rocks: The Ambo Group comprised of sandstone, conglomerate and minor carbonaceous layers of mostly continental derivation, was deposited unconformably upon the Lower Paleozoic strata in a post-Hercynian basin.

During the Lower Carboniferous, carbonates, shales and sandstones were deposited in isolated basins (Tarma Group) and during the Upper Carboniferous, Copacabana Group carbonates were deposited over an extensive epicontinental area.

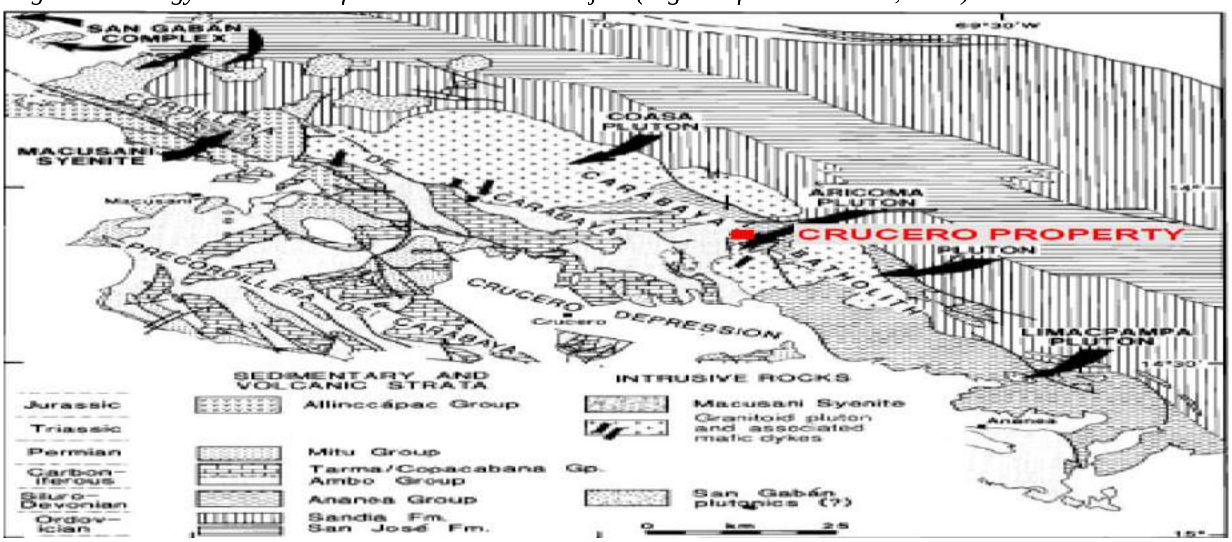
During the Permo-Triassic period, the Mitu Group, comprised of continental redbed sandstone and conglomerate with volcanic intercalations, was deposited.

The interval from the Triassic to the Upper Cretaceous was characterized by the deposition of carbonates in elongate basins and by volcanism.

There were two main periods of pre-Cretaceous intrusive activity: Early Hercynian, characterized by the emplacement of syntectonicintrusives of granitic composition, and Late Hercynian (Permian to late Triassic) emplacement of large granodioritic plutons that was accompanied by associated volcanic extrusive activity.

The interval from the Upper Cretaceous to the present has been dominated by compressive tectonism accompanied by abundant intrusive and extrusive magmatism.

Regional Geology in the Area of the Crucero Gold Project (Figure after Clark et al, 1990)



Geology

The Crucero Gold Project area is located in the Eastern Cordillera and is predominantly underlain by sedimentary rocks of Lower Paleozoic age (Ananea Group of Siluro-Devonian age and Ambo Group of Carboniferous age). These rocks have been intruded by the extensive Carabaya Batholith of presumed Permian or Triassic age. The sedimentary rocks strike northwest, are folded at a variety of scales, and during compression have been thrust from east to west. The Carabaya Batholith has a pronounced northwest-southeast elongation, presumably as a result of preferential emplacement rather than deformation. The immediate area of the Crucero Gold Project is underlain by greenschist-grade metamorphosed shale and siltstone of the Ananea Group that have a pronounced, northwest-trending deformational fabric that was developed during the early phase of the Hercynian Orogeny.

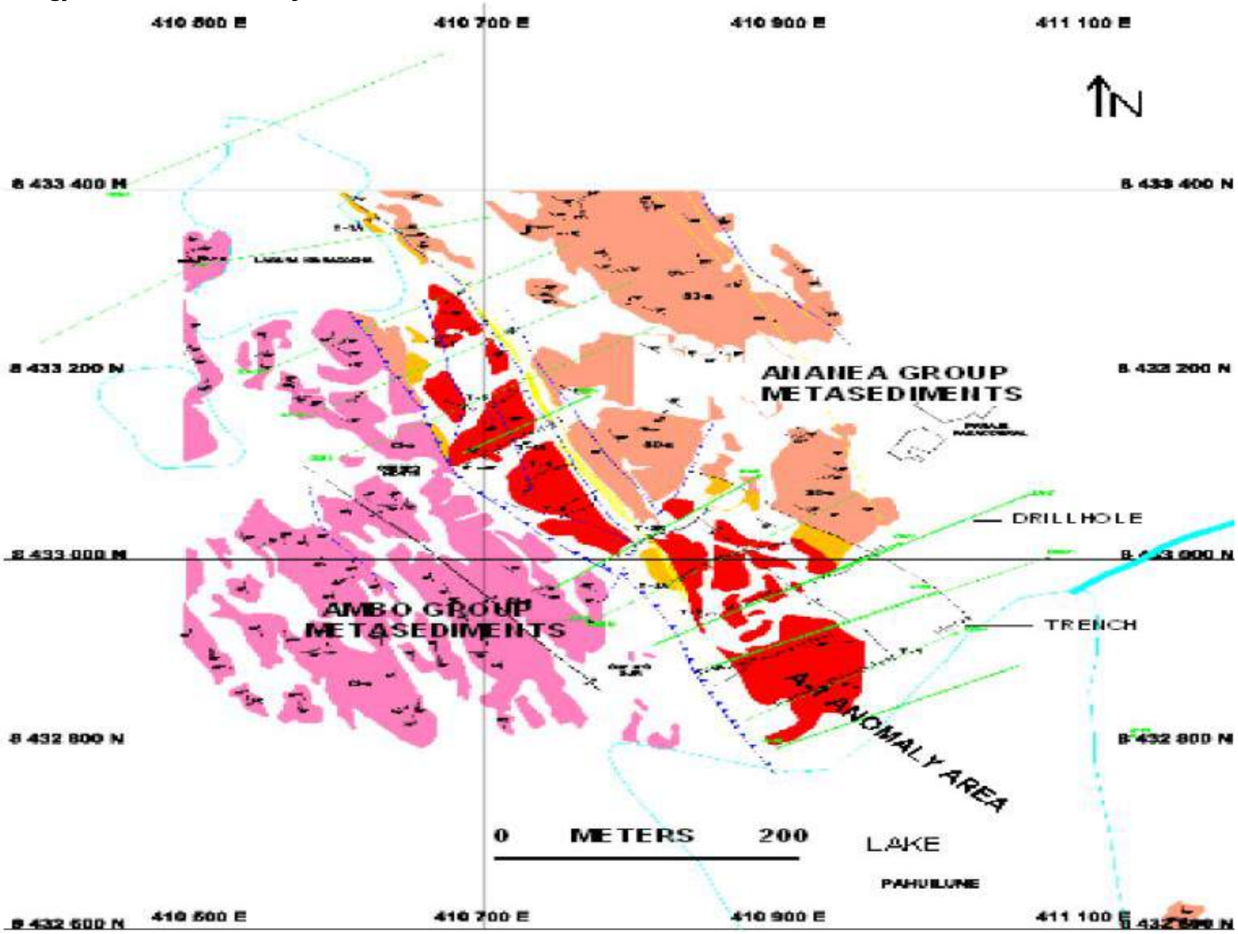
That portion of the Crucero Gold Project that has been most-intensively explored to date is underlain by the axial portion of an asymmetric, north-plunging, open anticline that may be overturned to the west. The Ananea Group metasediments in this axial zone contain abundant pyrite and pyrrhotite and are variably altered and silicified.

Immediately to the west of the area of trenching and drilling, the Ananea Group is in thrust contact (Ananea over Ambo) with quartzites of the Ambo Group. There are numerous structures that are parallel to this contact that may also be thrusts.

Triassic-age monzogranitic plutons outcrop within about one kilometre of both the east and west boundaries of the Crucero Gold Project.

The northwest-trending fabric that dominates the Ananea Group metasedimentary rocks on the Crucero Gold Project is offset by northeast-trending normal faults that may postdate and offset mineralization.

Geology - Crucero Gold Project



ACQUISITION OF ANDEAN AMERICAN

On July 16, 2012, Lupaka Gold entered into an arrangement agreement with Andean American (as amended and restated on August 16, 2012), pursuant to which Lupaka Gold agreed to, among other things, acquire all of the issued and outstanding common shares of Andean American (the "Andean American Shares") pursuant to an all-share transaction (the "Arrangement"). Immediately following the completion of the Arrangement, Lupaka Gold shareholders held approximately 54.8% of Lupaka Gold's outstanding shares, Andean American's then existing shareholders held approximately 45.2% of Lupaka Gold's outstanding shares and Andean American became a wholly-owned subsidiary of Lupaka Gold.

The terms of the Arrangement provided that each Andean American Share be exchanged for 0.245 of a Lupaka Gold share, and that holders of Andean American stock options and warrants be entitled to receive upon exercise, 0.245 of a Lupaka Gold share in lieu of one Andean American Share at an effective exercise price per Lupaka Gold share generally determined by dividing the exercise price per Andean American Share in effect immediately before the completion of the Arrangement by 0.245. Prior to the closing of this transaction, there were 150,976,810 Andean American Shares outstanding, which were subsequently converted (rounded down to the nearest whole share) to 36,989,318 Lupaka Gold Shares, and outstanding Andean American stock options and warrants exercisable to acquire 6,850,000 Andean American Shares and 2,500,000 Andean American Shares, which, upon exercise, would be converted to stock options and warrants exercisable to acquire 1,687,250 and 612,500 Lupaka Gold Shares, respectively.

The acquisition of Andean American closed on October 1, 2012, one of the results of which was the delisting of Andean American's shares on the TSX (Venture Exchange).

The acquisition of Andean American was accounted for as an acquisition of assets, comprised of the following is a summary of the purchase price components, and the allocation of the net assets acquired on October 1, 2012:

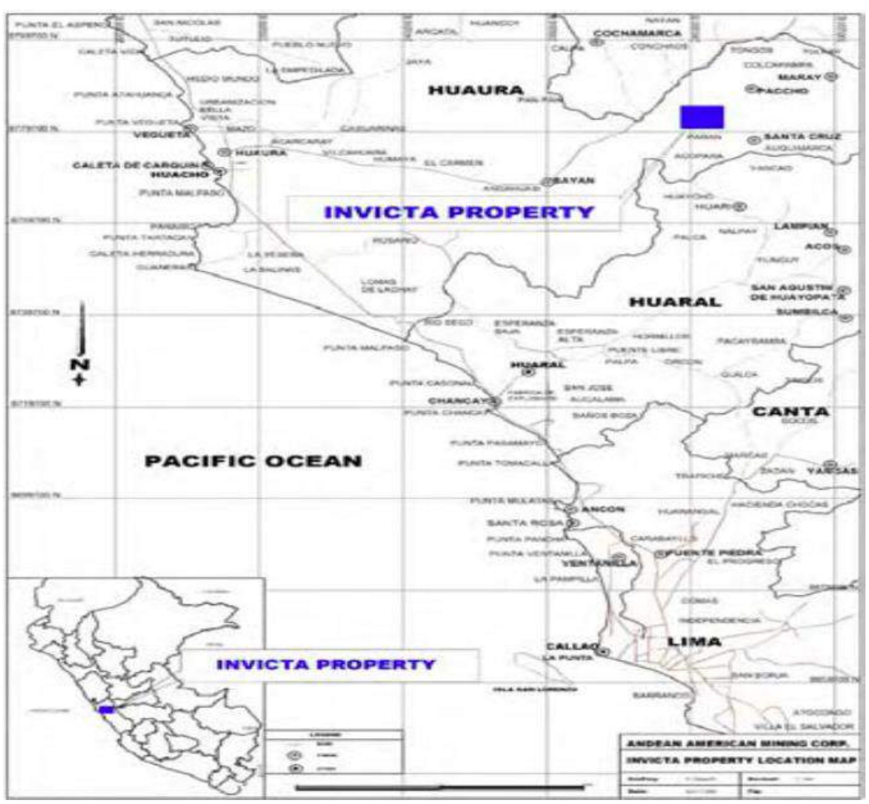
	Purchase price
36,989,318 common shares of Lupaka	$25,892,523
Transaction costs	770,288
Purchase price	$26,662,811
Net assets acquired:	
Cash and cash equivalents	$13,501,866
Other current assets	182,141
Investment in Southern Legacy Minerals Inc. (1)	3,985,714
Plant & equipment	582,289
Current liabilities	(1,841,644)
Mineral properties	10,252,445
Net assets acquired	$26,662,811

(1) The fair value of the investment in Southern Legacy was based on the publicly-traded market value as at the Company's date of acquisition of Andean American.

As a result of the Company's acquisition of Andean American, the Company acquired cash, the 100%-owned Invicta Gold Project (central Peru), and a strategic 17% stake in Southern Legacy Minerals Inc. ("Southern Legacy", a Canadian public company listed on the TSX.V (LCY)), owner of the AntaKori copper-gold deposit located in northern Peru – see Investment in Southern Legacy Minerals Ltd below.

INVICTA GOLD PROJECT

The Company, through its October 2012 acquisition of Andean American, owns the Invicta Gold Project (also referred to as "Invicta"), which is located in the Province of Huaura in northwest Peru and has a NI 43-101 compliant resource estimate comprised of 967,000 equivalent ozs Au in the measured & indicated category and 236,000 equivalent ozs Au in the inferred category.



History

During the first half of 2005, Andean American acquired 5,800 hectares through staking, and, in October 2005, optioned the 3,700-hectare Cornerstone property from Minera ABX Exploraciones S.A. ("ABX"), a subsidiary of Barrick Gold Corporation ("Barrick"), which had previously completed approximately 12,500 metres (over 40,000 feet) of diamond drilling on the property. During 2006, Andean American exercised its option with ABX and, in addition to the 3,700 hectares acquired through ABX, Andean American acquired an additional 7,400 hectares of land through staking, increasing its mining concession ownership at the Invicta Gold Project to 16,900 hectares. Further staking was carried out and, in November 2007, Andean American acquired an additional 24,600 hectares of land in the area which brought the total land package at the Invicta Gold Project to 41,500 hectares. Subsequent regional work resulted in the decision to release 15,300 hectares and acquire an additional 3,500 hectares. During 2010, Andean American staked a further 3,400 hectares, increasing the total project size from 28,200 to 31,600 hectares. All of these concessions are held by IMC.

In terms of the option agreement reached with Barrick, Andean American is required to provide Barrick with a copy of any completed Invicta Feasibility Study, and Barrick's subsidiary ABX has a 90-day period to review the study. If the study demonstrates more than two million ounces of mineable gold-only reserves at the Invicta Project, Barrick, through its subsidiary ABX, has the option to exercise a back-in right. Should they choose to exercise this back-in right, they would be required to pay Andean American 150% of all costs incurred at Invicta in exchange for 50 plus 1% of the Project. The current optimized Feasibility Study was provided to Barrick and did not demonstrate, under the Canadian Institute of Mining and Metallurgy definition, two million ounces of mineable gold-only reserves at the Invicta Project. Should a future Feasibility Study demonstrate two million ounces of mineable gold-only reserves, Barrick would retain the option to exercise a back-in-right. In addition, Barrick's subsidiary has a 30-calendar day right of first refusal in the event that Andean American wishes to transfer part or all of its shares and mining rights to the properties relating to the October 17, 2005 option and subsequent exercise of the option agreement on December 3, 2008. In June 2014, the Company was advised by Barrick that the advance royalty and production royalty agreements were assigned and sold to Franco-Nevada Corporation, a gold-focused royalty and stream company.

In September 2010, Andean American commissioned SRK Consulting (U.S.) Inc. ("SRK") to conduct an independent gap analysis on the Invicta Gold Project optimized Feasibility Study ("OFS") which had been completed in July 2010. Subsequently, in October 2010, Andean American appointed SRK to upgrade the OFS to a level that would be acceptable to Senior Project Lenders. The completion date for this upgraded study was originally targeted for June 2011. The in-depth work conducted by SRK, incorporating preliminary estimates from other project consultants, indicated certain increases in the original capital costs forecast in the July 2010 study, especially in the area of roads, water, power and other infrastructure, which accounted for approximately one third of the preliminary initial capital cost estimate. Andean American management requested SRK and the partner consultants working on the project to conduct further work, specifically trade-off studies, to determine where capital costs could be optimized. Examples of trade-offs included the relocation of the plant and tailings dam to reduce duplicated infrastructure and the use of an aerial cableway transportation system to move ore, people and consumables to reduce the number of kilometres of road development.

On October 28, 2011, Andean American announced the decision to delay completion of the upgraded Feasibility Study for the Invicta Gold Project. In this announcement, management stated that this delay was necessary in the light of the (then) current financial market conditions, the significant capital requirements needed to develop the Invicta Gold Project, the need to preserve Andean American's cash balance, and the potential for opportunities for value-adding mergers and acquisitions which typically arise in volatile markets.

Although the upgraded Feasibility Study was not completed, Andean American disclosed that early indications were that the initial capital cost to build an underground mine at Invicta would be considerably higher than forecast in the OFS and may exceed US$150 million. Indications based on the work done to that date were that the mine plan would only support an ore production rate of 4,000 tonnes per day and not 5,000 tonnes per day as per the OFS. Management further estimated that the project's operating costs could range from US$30 to US$40 per ore tonne (not finalized by SRK and other Feasibility Study consultants), compared to the US$28 per ore tonne indicated in the OFS.

In January 2013, Andean American and SRK Consulting (Canada) Inc. completed a structural geological study of the Invicta Gold Project. The objective of this study was to improve Andean American's understanding of the controls on the distribution of gold, silver and base metal mineralization at Invicta with a view to identifying additional potential mineralization and to develop an integrated structural framework to be used for future exploration targeting. This study identified a number of exploration priorities, including the possible continuation of the Atenea Vein to the north of an east-west trending dextral-reverse fault that post-dates and offsets mineralization. More detailed structural-geological mapping was undertaken by Andean American to identify exposed vein systems which are sub-parallel to the Atenea Vein and north of the Pucamina and south of the Dany Faults. In addition, Andean American was evaluating the potential for vein systems that may occur sub-parallel to the Pucamina and Dany Faults. SRK also recommended developing a structural and stratigraphic 3D model combined with a regional interpretation of available remote sensing data to identify targets covering a wider region.

On February 13, 2013, Andean American announced that it had commissioned SRK Consulting (US) Inc., Lakewood, CO, USA ("SRK Consulting US") to update the existing Invicta Gold Project resource estimate dated November 2009, which was subsequently completed April 6, 2013 and published on April 30, 2013. This report is entitled "NI 43-101 Technical Report on Resources, Invicta Gold Project, Huaura Province, Peru" (the "SRK Technical Report") and is available on SEDAR at www.SEDAR.com .

The SRK Technical Report was prepared by SRK Consulting US and the Qualified Persons for this resource estimate, for the purposes of NI 43-101, are Peter Clarke, Allan V. Moran, Ivo Vos, Jeff Volk, Deepak Malhotra and Terry Braun.

An extract from the SRK Technical Report detailing the new resource estimate is shown in the table immediately below:

Mineral Resource Statement for the Invicta Gold-Silver-Copper-Lead-Zinc Deposit, Huaura Province, Peru, SRK Consulting (U.S.) Inc., April 6, 2013*

Zone	**Resource** Category	**Tonnes** (000's)	**Metal Grade**						**Contained Metal (000's)**					
			Au Eq	**Au (g/t)**	**Ag (g/t)**	**Cu (%)**	**Pb (%)**	**Zn (%)**	**Au Eq Oz**	**Au Oz**	**Ag Oz**	**Cu Lbs**	**Pb Lbs**	**Zn Lbs**
Atenea - All Zones	Measured	131	6.65	4.29	31.71	0.73	0.39	0.38	28	18	133	2,119	1,110	1,105
	Indicated	5,696	3.83	2.34	17.99	0.45	0.28	0.34	701	429	3,294	56,848	35,251	43,094
	M+I	5,827	3.89	2.39	18.29	0.46	0.28	0.34	729	447	3,427	58,967	36,361	44,198
	Inferred	1,533	3.56	2.35	10.93	0.46	0.13	0.19	175	116	539	15,574	4,495	6,373
Dany	Measured	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
	Indicated	868	1.97	0.54	13.45	0.58	0.11	0.09	55	15	375	11,151	2,153	1,723
	M+I	868	1.97	0.54	13.45	0.58	0.11	0.09	55	15	375	11,151	2,153	1,723
	Inferred	668	1.72	0.14	12.66	0.53	0.58	0.16	37	3	272	7,876	8,496	2,387
Pucamina	Measured	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
	Indicated	1,064	2.53	1.97	6.98	0.10	0.23	0.28	87	67	239	2,277	5,315	6,614
	M+I	1,064	2.53	1.97	6.98	0.10	0.23	0.28	87	67	239	2,277	5,315	6,614
	Inferred	202	1.96	1.38	8.68	0.14	0.14	0.18	13	9	56	625	605	781
Ydalias - All Zones	Measured	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
	Indicated	12	7.16	3.63	34.89	1.43	0.29	0.19	3	1	13	379	77	51
	M+I	12	7.16	3.63	34.89	1.43	0.29	0.19	3	1	13	379	77	51
	Inferred	35	2.66	0.41	58.19	0.21	1.25	0.04	3	0	65	159	951	27
Zone 4	Measured	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0
	Indicated	872	3.31	2.15	12.94	0.44	0.12	0.10	93	60	363	8,393	2,375	2,000
	M+I	872	3.31	2.15	12.94	0.44	0.12	0.10	93	60	363	8,393	2,375	2,000
	Inferred	95	2.74	0.87	15.37	0.78	0.16	0.14	8	3	47	1,645	344	285
Total - All Zones	Measured	131	6.65	4.29	31.71	0.73	0.39	0.38	28	18	133	2,119	1,110	1,105
	Indicated	8,513	3.43	2.09	15.65	0.42	0.24	0.28	939	573	4,285	79,048	45,171	53,482
	M+I	**8,644**	**3.48**	**2.13**	**15.90**	**0.43**	**0.24**	**0.29**	**967**	**591**	**4,418**	**81,167**	**46,281**	**54,587**
	Inferred	2,534	2.90	1.61	12.02	0.46	0.27	0.18	236	131	979	25,879	14,891	9,854

*Notes:

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimate will be converted into a Mineral Reserves estimate;
- Resources stated as contained within potentially economically mineable underground solids stated above a 1.3g/t Au equivalent cut-off;
- The resource is stated at a 1.30 g/t gold equivalent cut-off contained within potentially economically mineable mineralized solids. Metal prices assumed for the gold equivalent calculation are US$1,500/oz for gold, US$32.50/oz for silver, US$3.90/lb for copper, US$1.05/lb for lead and US$1.00/lb for zinc. The gold equivalent calculation assumes 100% metallurgical recovery, and does not account for any smelting, transportation or refining charges;
- Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding;

- Mineral resource tonnage and grade are reported as diluted to reflect a potentially minable underground selective mining unit of 3.0m; and
- The resource model has not been depleted for historical artisanal mining as the location and extent of these workings are largely un-documented.

Invicta Production Plans

At present, the Invicta Gold Project is considered to be in a pre-construction stage.

Management believes that an Invicta mining operation working at a capacity of approximately 300 tonnes per day can be permitted and be operational in 2015, for total remaining capital expenditures of approximately US$2,012,000, comprised of:

Amount* US$000's	**Description**
850	Mine development comprised of underground ramps, safety bays and miscellaneous tunnel work
300	Surface facilities and other infrastructure
450	Mine road upgrades
150	Permitting, engineering and technical studies
262	Contingency (15%)
2,012	

***** - based on internally-generated geology and engineering estimates. Timeframes to commissioning of production may be extended based on metals prices, ability to finance, permitting delays, contractor performance, and other factors beyond management's control. These amounts do not include costs associated with community agreements and administrative and operating personnel.

The Company has been able to utilize a number of previously issued permits and technical reports, re: the existing Invicta Environment Impact Assessment ("EIA") approved by the MEM in 2009 and amended in 2012; a Closure Plan for AAG's previously proposed 5,100 t/d of mineralized material mine plan which was approved by the MEM in January 2012 and which is presently being amended; a Certification of the Absence of Archaeological Ruins (CIRA) from the Ministry of Culture covering the area of the Invicta resources; an agreement with the community of Santo Domingo de Apache (the community that owns the surface rights for the concession on which the Invicta mineral resource estimate is located), as well as information from a number of technical studies completed by previous owners, including: metallurgy; rock mechanics; structural geology on the mine area; hydrology; hydrogeology; power line access from Andahuasi; and other engineering analyses.

In addition, the Company has received approval of its Mining Plan and a Certificate of Mining (as announced on February 25, 2015), which allows the start of mine development work. Such work will require the use of explosives, approval of which was received March 20, 2015.

The remaining necessary certificates and permits, covering approval of: the final amended Invicta EIA; a final amended Closure Plan; and the Start of Exploitation Activities, are expected to be received by the end of Q2-15 and within a project schedule for commencing commercial operations before the end of 2015.

Management believes that a small-scale Invicta operation can be feasibly achieved by implementing a full contractor-based mining model, including contract mine development (including safety bays, alternate escape ways, and ventilation circuit upgrades), mining, road construction and upgrades, contract transport and contract processing of Invicta's mineralized rock, thereby eliminating significant capital and finance risk to the operation and the Company.

In Q4-2014, the Company received proposals from a number of mining contractors who were invited to bid in response to the Company's specific requirements related to their specific experience and qualifications, including technical capability, safety performance, environmental and community responsibility, availability and other mining-related factors. The Company subsequently selected a preferred contractor for the required mine development, mining, road construction, and transport work, and is in the process of evaluating available alternatives for the toll processing of the Invicta mineralized rock.

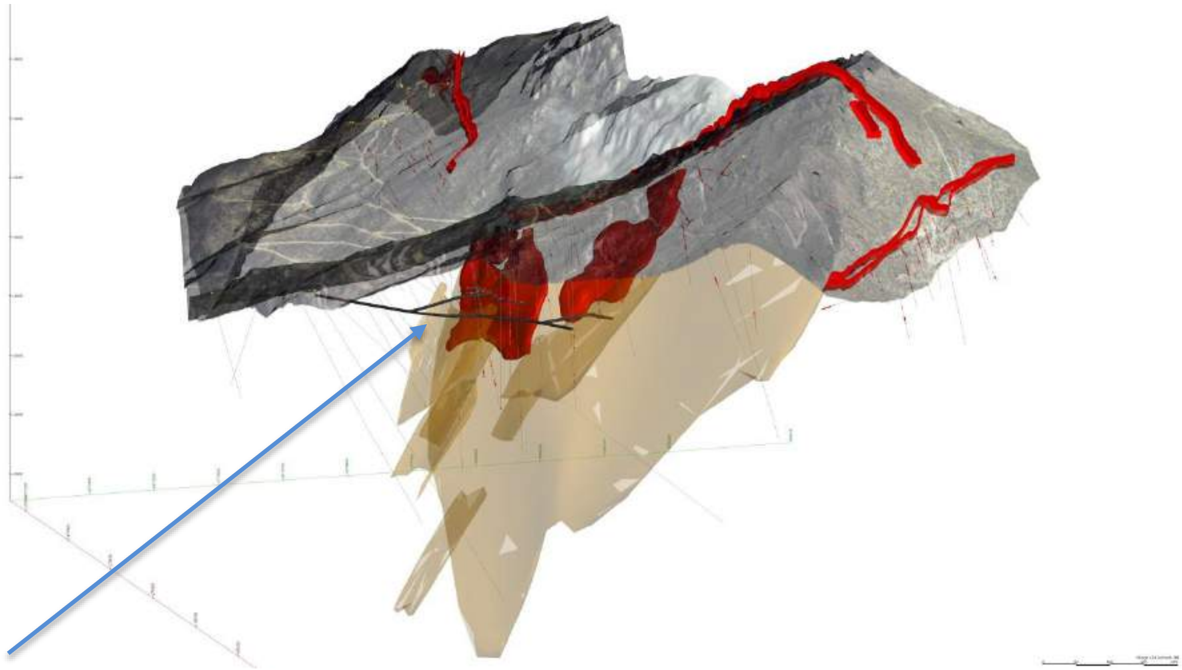
Technical Advisors

The Company engaged Aminpro - Peru S.A.C. to complete metallurgical assessments, plant design and an evaluation of the available process options for the mineralized rock from the Invicta Gold Project.

The Company has also engaged SVS Ingenieros of Lima Peru (a subsidiary of SRK Global Consulting) to provide mine engineering and project management consulting services for the Invicta mine operations.

The planned mining operation would utilize the underground workings built by previous owners at an internally-estimated cost of US$15,000,000. These workings directly access the high-grade Au mineralized rock contained in the measured resource estimate that is primarily contained in the Atenea Vein (see Figure 1 below).

Figure 1: Invicta Gold Project Underground Workings Intersecting the Highest Grade Areas Within the Atenea Vein



Primary development to date: 1.2 kms of adit, cross-cuts and underground workings

Invicta Gold Project production plan highlights:

- Remaining mine permitting, engineering, development and infrastructure costs of approximately $US2,012,000, funded from the Company's treasury and/or alternative financing sources;
- Securing the necessary, remaining permits within the next 3 months;
- Contractor pre-production mine development would commence after receiving required permits and it is estimated that such work would be completed within 3 months;
- Utilize the existing 1.2 kms of tunnels, drifts, and cross cuts that access the measured resource mineralization;
- Construction of mine safety, alternate escapes, and ventilation upgrades as part of the pre-production development;
- Utilizing a low-cost and scalable sub-level open-stoping mining method;
- Commencing initial production in the latter half of 2015;
- Over the first 12 months, extracting approximately 100,000 tonnes of mineralized rock from the areas containing the measured category of the mineralized resource estimate; and
- Shipping and selling mineralized rock directly to local custom toll mills, thereby avoiding capital cost and permit delays associated with plant construction, tailings and water impacts.

Production is planned to initially target some of the highest grade gold and copper mineralization within the Atenea Vein, which contains the majority of the current Invicta gold resource. Based on internally-generated geology and engineering estimates, management believes that mineralized rock in the quantities and grades given in Table 1 below is readily accessible for extraction in the first nine years of production from the mineralized resource estimates identified in the Invicta Technical Report.

The Company has identified sufficient resources within the block model, which are accessible by the existing mine development tunnels, to justify proceeding with engineering, technical studies, permitting and mine development -- those resource blocks are summarized in Table 1 below. Management believes that the high-grade mineralization within the existing Invicta mineralized resource estimate envelope could be extended as development advances and exploration is conducted from underground to define those zones. The Company will pursue known high grade drill intercepts with definition/infill drilling as development allows.

Table 1: Resource Block Model Mineralization Accessible from Existing Infrastructure *

Invicta Block Model	Elevation m	Tonnes T	Width m	Au g/t	Ag g/t	Cu %	Pb %
	3359	159,751	18.36	6.43	33.25	1.13	0.25
	3383	154,010	13.53	5.48	29.74	0.84	0.37
	3407	163,812	14.92	5.26	40.89	0.91	0.56
	3431	101,200	7.91	5.2	45.31	0.94	0.55
	3455	81,431	14.22	4.32	38.45	0.89	0.26
Total		660,204	14.27	5.47	36.82	0.95	0.4

***** - Timeframes to commissioning of production from this identified mineralization may be extended depending on metals prices, ability to finance, permitting delays, contractor performance, and other factors beyond management's control.

The Company recently completed a sampling and mapping program on mineralization exposed within the existing drift and cross-cut development at the 3,400 meter level, which lies within the existing mineral resource estimate envelope.

Two main adjacent mineralized veins within the Atenea Vein were identified and correlated separately, with assay values averaging as follows:

Atenea Vein	Length Meters	Width Meters	Au gpt	Ag gpt	Cu %	Pb %	Zn %
Footwall Split	105	6.40	6.38	83.00	1.68	0.79	0.75
Hanging wall split	125	6.16	2.15	59.22	1.52	1.87	0.70

Management believes that the above-noted program confirms that the mineralization exposed in the existing workings is consistent with the Company's understanding of the mineralization that is being initially targeted in the production plans for Invicta.

The decision to commence pre-production permitting, engage technical consultants and update internal studies for the Invicta Gold Project was based on economic models prepared by the Company in conjunction with management's knowledge of the property and the existing preliminary estimates of the measured, indicated and inferred mineral resources on the property. The decision was 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 this production decision, 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 rock 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. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.

Metallurgical studies (Note 2)
A series of metallurgical tests were conducted on samples of the Invicta mineralization, with the results being announced by the Company on October 28, 2014 (see www.lupakagold.com News / 2014 News Releases), as follows:

Table 2: Distribution of Metal

Recovery of metal in Concentrate Streams (%)

Concentrate	Au	Ag	Pb	Cu	Zn	Fe
Copper (Cu)	72.2	31.6	21.6	80.3	24.8	10.8
Lead (Pb)	14.6	43.0	70.5	12.0	20.8	2.6
Zinc (Zn)	4.9	6.0	0.9	1.1	43.0	33.3
Global Recovery [1]	**94.6%**	**94.6%**	**96.8%**	**97.8%**	**95.3%**	**52.8%**

Note 1 – Individual recoveries stated in the table values cannot be directly added to determine Global Recovery. Global Recovery includes all streams not reporting to tails. As an open circuit test, not all of the streams assayed were concentrates, some were tailings that under operating conditions will be re-circulated, get cleaned and ultimately report to the concentrate streams.

Note 2 – The metallurgical and processing information in Table 2 and Table 3 has been reviewed and approved by Roger Amelunxen, President of Aminpro Mineral Processing Ltd. of Canada and Chile, P.Eng with the APEGBC and a consultant to the Company, and a Qualified Person as defined by National Instrument 43-101. Mr. Amelunxen was directly involved in handling all of the test work at Aminpro-Peru, and has verified the metallurgical and processing information contained in this news release.
As reported on March 17, 2014 (see www.lupakagold.com News / 2014 News Releases), the Company intends to commence production at an initial rate of 300 tpd, and initially target some of the highest grade gold and copper mineralization within the Atenea Vein.

Table 3: Concentrate Grades Per Tonne

Concentrate	Au g/t	Ag g/t	Pb %	Cu %	Zn %	Fe %
Copper (Cu)	79	461	6.5	29.2	4.7	27
Lead (Pb)	30.5	1201	40.9	8.4	7.5	12.6
Zinc (Zn)	2.5	41	0.13	0.19	3.8	38.9

This metallurgical test work and associated engineering was executed at the Aminpro Mineral Processing Ltd. ("Aminpro") laboratory in Lima on underground samples with assays ranging between 4-7 g/t Au, 54 and 103 g/t Ag, 1.6 – 2.3% Pb, 1.6 – 2.5% Cu and 1.3% Zn. Lab test work showed that the precious metals and Pb, Cu and Zn respond well to flotation. The Invicta concentrates are also not expected to incur charges for penalty elements, as values reported for As, Sb and Bi in the concentrates are below 0.03%.

Engineering studies conducted by Aminpro indicate that at a plant scale, approximately 87% of the gold and 92% of the copper is expected to report into the lead and copper concentrates. The zinc concentrate assays reported as 3.8% Zn is for a primary flotation concentrate, which at time of press was confirmed to be upgradable to 58.4%. Gold values reporting to a zinc concentrate are not considered by Management to be payable.

Quality Control and Assurance
The analyses for the above-noted sampling campaign were carried out by Alfred H. Knight ("AHK"), an accredited independent laboratory, in Lima, Peru, exercising a thorough Quality Assurance and Control program (QA/QC). AHK labs is ISO/IEC 17025:2005 and ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 accredited and compliant.

Community Relations and Social Responsibility

Invicta staff continue to work diligently with the communities directly and indirectly affected by the Invicta Gold Project. These communities largely consist of farmers that mainly cultivate avocadoes and peaches along the valley slopes, roughly 2 km from the Invicta Gold Project.

Two communities, called Lacsanga and Santo Domingo de Apache, will be directly impacted by the extraction and transport of mineralized rock from an Invicta mining operation. Other local communities may be indirectly impacted.

To date, the Company has signed a 20-year agreement with the community of Santo Domingo de Apache. In addition, the Company has signed several other related agreements to acquire secondary parcels of land for the purpose of infrastructure development to support the project as needed, and to improve local medical and school facilities. The Company is presently in discussions with the community of Lacsanga covering the terms and conditions for an agreement similar to that currently in existence with the community of Santo Domingo de Apache.

All agreements signed by the Company include long-term commitments to contribute to social development and to maintaining a close partnership with the surrounding communities.

The Company has and is supporting the following ongoing community initiatives and programs:

- Pine Tree Nursery (Community of Santo Domingo de Apache) - 50,000 pine tree seedlings (40 ha's) planted to create the beginning of a sustainable commercial wood source. The Company contributed approximately US$40,000 towards this project;
- School classroom and medical clinic additions (Community of Paran) – construction of 3 school classroom additions to current schools, as well as a small medical clinic facility in the community. These infrastructure additions are legacy items made by previous owners of the Invicta Gold Project and have an estimated cost of US$175,000. The Company is currently in discussions with the Paran Community to agree on the scope and construction specifications of these items;
- Churca - Corona, San Miguel de Lucmacoto (Community of Santo Domingo de Apache), San Miguel de Lucmacoto (Community of Santo Domingo de Apache) and El Ahorcado (Community of Sayan) irrigation channels - improvement and construction of irrigation channels, as well as training on the implementation of new irrigation technologies. The Company assisted the communities by funding consulting work to produce their government applications, the funding of which totalled approximately US$100,000.

Concessions – Invicta

A listing of the Company's Invicta Gold Project concessions is as follows:

	Concession Name **(7)**	Area (Ha.s)	Identification Code	Status	Grant Date	Maximum Concession Expiry Date**(1)(2)(3)(4)**
1	INVICTA I	1,000	10312905	Concession	14-Oct-05	14-Oct-28
2	INVICTA II	1,000	10313005	Concession	10-Oct-05	10-Oct-28
3	INVICTA III	1,000	10313105	Concession	14-Oct-05	14-Oct-28
4	INVICTA IV	1,000	10313205	Concession	14-Oct-05	14-Oct-28
5	INVICTA V	900	10313305	Concession	10-Oct-05	10-Oct-28
6	INVICTA VI	600	10306609	Concession	8-Jan-10	8-Jan-30
7	INVICTA VII	300	10313705	Concession	17-Oct-05	17-Oct-28
8	INVICTA VIII	800	10336305	Concession	15-Oct-05	15-Oct-28
9	INVICTA IX	800	10336405	Concession	16-Nov-05	16-Nov-28
10	INVICTA X	900	10336505	Concession	3-Nov-05	3-Nov-28
11	INVICTA XI	1,000	10336605	Concession	16-Nov-05	16-Nov-28
12	INVICTA XII	600	10336705	Concession	16-Nov-05	16-Nov-28
13	INVICTA XV	1,000	10169606	Concession	27-Apr-06	27-Apr-28
14	INVICTA XVI	300	10169706	Concession	2-May-06	2-May-28
15	INVICTA XVII	1,000	10596907	Concession	10-Dec-07	10-Dec-28
16	INVICTA XVIII	1,000	10597007	Concession	12-May-08	12-May-28

17	INVICTA XIX	1,000	10598907	Concession	18-Feb-08	18-Feb-28
18	INVICTA XX	1,000	10599007	Concession	11-Dec-07	11-Dec-28
19	INVICTA XXI	500	10601907	Concession	10-Dec-07	10-Dec-28
20	INVICA XXII	800	10602007	Concession	11-Dec-07	11-Dec-28
21	INVICTA XXIII	1,000	10622307	Concession	30-Sep-10	30-Sep-30
22	INVICTA XXV	1,000	10622507	Concession	30-Sep-10	30-Sep-30
23	INVICTA XXVI	900	10103709	Concession	20-May-09	20-May-29
24	INVICTA XXX	800	10103809	Concession	20-May-09	20-May-29
25	INVICTA XXXI	500	10103909	Concession	29-Apr-09	29-Apr-29
26	INVICTA XXXII	1000	10104009	Concession	19-May-09	19-May-29
27	INVICTA XXXIII	1000	10104109	Concession	29-Apr-09	29-Apr-29
28	INVICTA XXXIV	800	10104209	Concession	29-Apr-09	29-Apr-29
29	INVICTA XXXV	1,000	10104309	Concession	22-Jan-10	22-Jan-30
30	INVICTA XXXVI	617	10209010	Concession	26-Jul-10	26-Jul-30
31	INVICTA XXXVII	800	10208910	Concession	20-Jul-10	20-Jul-30
32	INVICTA XXXVIII	1000	10476110	Concession	7-Jan-11	7-Jan-31
33	INVICTA XXXIX	900	10476210	Concession	10-Dec-10	10-Dec-30
34	INVICTA XL	1000	10573411	Concession	10-Dec-10	10-Dec-30
35	INVICTA XLII	800	10573511	Concession	10-Dec-10	10-Dec-30
36	INVICTA XLIII	600	10573611	Concession	10-Dec-10	10-Dec-30
37	INVICTA XLV	800	10573811	Concession	10-Dec-10	10-Dec-30
38	INVICTA XLVI	1000	10281912	Concession	10-Dec-10	10-Dec-30
39	INVICTA XLVII	1000	10282012	Concession	10-Dec-10	10-Dec-30
40	INVICTA XLVIII	500	10282012	Petition	16-Jul-12	16-Jul-32
41	INVICTA XLIX	300	10281812	Concession	10-Dec-10	10-Dec-30
42	VICTORIA UNO **(5)**	1,000	10334195	Concession	23-May-96	23-May-28
43	VICTORIA DOS **(6)**	400	10336295	Concession	21-Jun-96	21-Jun-28
44	VICTORIA TRES **(6)**	900	10335795	Concession	14-Jun-96	14-Jun-28
45	VICTORIA CUATRO **(6)**	400	10197196	Concession	20-Sep-96	20-Sep-28
46	VICTORIA SIETE **(6)**	1,000	10231196	Concession	11-Oct-96	11-Oct-28

(1) Assumes the concession-holder complies with regulatory and statutory requirements, and provides sufficient justifications (which are accepted) to maximize the deadline date if required.

(2) Effective October 11, 2008, amendments were made to the determination of the maximum deadline, whereby the initial ten year period begins from the year following the issuance of mining concession title.

(3) For concessions where the mining concession title grant date was prior to October 11, 2008, the year 2018 was declared as the universal end of the ten year period for production to begin.

(4) If production is not attained by the tenth year, annual penalties are assessed and payable until the year when the minimum level of production is attained. Should production not be attained by the fifteenth year, the concession-holder can apply for a further extension of up to an additional five years which may or may not be granted, depending upon the justification(s) given for the extension.

(5) This concession contains the Atenea Vein and other vein deposits that hold the estimated measured, indicated and inferred resources for the Invicta Gold Project.

(6) This concession is one of the 5 contiguous "Victoria" concessions which comprise and make up the Invicta Gold Project, and is subject to the Barrick Royalty Agreement.

(7) The listed concessions numbered 1 thru 41 hold exploration potential and are continually being evaluated by the Company's technical staff for such potential.

The Company is, to its knowledge, in full compliance with all of its Invicta concession-holder requirements, and confirms that the above-referenced concessions are in good standing, except that as at December 31, 2014 only the annual concession fees for the five Victoria concessions have been paid and are current (Note, the Invicta mineralized resource estimate is located on the Victoria Uno concession). Additionally, these are the only Invicta concessions for which the Company has recorded any carrying value.

On an ongoing basis, the Company evaluates the future exploration and development potential of its Invicta concessions.

For 2014, the Company spent approximately $1.7 million on exploration and related technical and community relations costs for the Invicta Gold Project.

Geology and Mineralization

The western part of Peru consists of the Andean Cordillera, a major mountain range parallel to the Peru-Chile oceanic trench that developed as a result of subduction of the Nazca plate beneath the South American plate. The Coastal Batholith is divided into several plutonic complexes one of which is the Huaura complex, comprised mainly granodiorite, tonalite and diorite.

On a regional scale, the contact between intrusive rocks of the Coastal Batholith and the Calipuy Group (mafic to felsic volcanic to sub-volcanic rocks) exhibits distinct west-northwest or eastnortheast trending orientations, which may be related to large-scale regional faults.

The Invicta Gold Project geology comprises mainly mafic volcanic rocks of the Calipuy Group that overlie diorite, tonalite and granodiorite of the Paccho pluton, an intrusive suite that is part of the Huaura plutonic complex (Coastal Batholith).

In general, mineralization is characterized by the presence of quartz-pyrite-chalcopyrite-acanthitehematite bearing quartz veins with common crustiform, banded and cockade textures exhibiting distinctive vugs. The sulfide mineralogy comprises stringers and blebs of pyrite and chalcopyrite and pods of sphalerite and galena. Minor chalcocite, digenite, chalcopyrite and bornite are also reported with traces of tennantite. Petrographic studies conducted suggest that gold occurs as free grains in fractured quartz and pyrite. These characteristics are typical of epithermal vein systems. Mineralization is hosted dominantly by (sub-) volcanic mafic rocks of the Calipuy Group.

At least three mineralized zones have been identified to date which are spatially associated with the Atenea, Pucamina and Dany Fault.

The primary mineralized zone, in terms of the mineral resources stated, is the Atenea vein. Lesser mineral resources are hosted by, or associated with, the Pucamina and Dany faults and include the Ydalias, Dany and Pucamina Zones. Other quartz-sulfide vein zones are exposed at the Invicta Gold Project. Limited trenching and minimal drilling has tested these zones and indicated that these vein zones also carry gold, copper and silver attesting to the further exploration potential of the area. SRK has not inspected these other vein zones in detail. The presence of copper-rich quartz-sulfide veins may suggest a stage of mineralization and deformation that may pre-date the dominant gold-silver-copper mineralization.

Exploration to date

During 1997 and 1998, a 112 hole diamond drill program was completed by Pangea. Other work included detailed geological mapping, a stream sediment geochemical survey, and a resource calculation. Between July 2006 and May 2008 Invicta drilled 52 diamond drillholes in two separate phases.

Surface samples have been taken from the Atenea and the Pucamina Zones, and additional samples have been taken from the 3,400 m level adit, which extends into the Atenea vein. The surface sampling was conducted to explore the continuity of the Atenea Vein along the surface. Adit sampling was performed to augment and support the existing database.

A study was conducted between July and December 2010 to better understand the mineralogical and structural characteristics relating to the origin of the Invicta deposit. The study involved geological field work, surface sampling, review of satellite imagery, microscopic and electron microscopic investigations, chemical analysis, petrographic analysis and analysis of fluid inclusions.

Between August 2011 and March 2013, the Invicta geological team completed 47.8 ha of detailed geological mapping in an area centered on the Atenea and Pucamina Zones. During November 2011, SRK conducted a review of the structural and geological mapping to date carried out by the Invicta geological team.

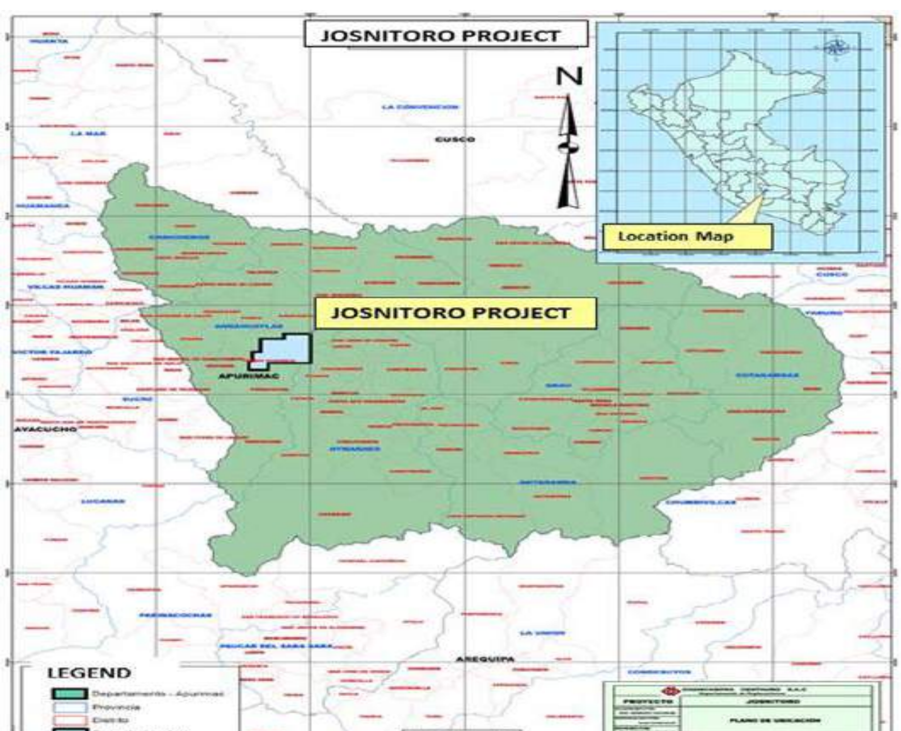
SRK’s interpretation of the Invicta exploration programs is that of an appropriately-planned and executed exploration program. Contractors and Invicta personnel are knowledgeable in mapping, sampling, and drilling procedures. SRK found that the procedures in place for exploration data gathering, and data verifications meet industry norms for precious metals exploration methods.

SRK has suggested that there is potential for mineralization similar to the Atenea Vein at depth below the breccia zones at the surface along the projected continuation of the Atenea Vein, and believes that this is a high priority exploration target that requires drilling to 1) test the presence of potential mineralization similar to the Atenea Vein at depth; and 2) if mineralization is encountered, determine the strike, dip and plunge extent of economic zones of mineralization. Other exploration targets have been identified for the Invicta Gold Project.

Based on the presence of gold and copper within poorly explored quartz-sulfide vein zones at the Invicta Gold Project, SRK believes that the Invicta Gold Project has good potential for expansion of the current resource base. In particular, the implementation of diligent structural geology mapping procedures will aid in delimiting the strike, dip and plunge extent of additional vein zones. A program of focused trenching coupled with targeted drilling is required to test the economic potential of these known as well as other vein zones that may potentially exist in the area.

Josnitoro Gold Project

Josnitoro is an exploration stage gold and copper project in the Department of Apurimac with significant surface gold values in oxide veins and veinlets on the perimeter of a central oxide copper skarn. It is located approximately 600 kilometres by road southeast of Lima in the Department of Apurimac, southern Peru.



On November 26, 2013, the Company announced that it had entered into a memorandum of understanding (“MOU”) with Compañía Minera Ares S.A.C. and Minera del Suroeste S.A.C. (indirect subsidiaries of Hochschild Mining plc ("Hochschild")) with regards to the execution of a definitive agreement (the “Josnitoro Agreement’) that will allow the Company to earn-in to a 65% interest in Josnitoro in Southern Peru. The Josnitoro Agreement was executed and registered with the Cusco Mining Registry with an effective date of September 18, 2014.

The Josnitoro Gold Project is an exploration stage gold and copper project in the Department of Apurimac with significant surface gold values in oxide veins and veinlets on the perimeter of a central oxide copper skarn. The Project is located approximately 600 kilometres by road southeast of Lima in the Department of Apurimac. There are no communities or families living on the immediate mining concession areas. Three communities are located approximately 50 km from the Josnitoro concessions, and own the surface rights.

During the Company’s due diligence evaluation of Josnitoro, LGP’s geologists visited the Josnitoro site and confirmed historical geologic mapping and conducted a limited confirmation sampling program. They sampled the disseminated gold zone, obtaining values of 9 grams gold per tonne (“g/t”) at surface, and sampled the central copper skarn zone receiving values of 1.76% copper and 1.2 g/t gold (see - Figure 2 below). The Company believes that the mineralization of interest continues at depth and is controlled by structures and permeability of the host rock.

Pursuant to the Josnitoro Agreement, Lupaka will be the project operator and must pay 100% of the cost of the required earn-in activities. In order to exercise the option to acquire a 65% interest, Lupaka must obtain the required permits and licenses within 2 years of the execution of a definitive agreement, so as to subsequently conduct a minimum 10,000 meter diamond drill program and complete a preliminary economic assessment (“PEA”) within a total 6-year period. In the event that Lupaka cannot receive community permission to commence drilling, the Company can abandon the option with no penalty.

Upon completing the PEA, Lupaka Gold may exercise the option at which point a NEWCO will be formed, the mining concessions transferred, and the participating 65/35 joint venture established. Hochschild may buy back 30% of the joint venture (raising their interest to 65%) by paying three times Lupaka’s incurred expenses plus a $2.0 million payment. If Hochschild elects to claw-back, they must notify Lupaka within 90 days of delivery of the PEA.

If Hochschild does not exercise its claw-back rights and retains its 35% JV interest, they may elect to convert this interest into a 5% net smelter return royalty (“NSR”). In that event, Lupaka may buy-down the NSR to 1.5% (reducing by 3.5%) by making a one-time payment of $10.5 million in cash.

Management projects that the costs of meeting the earn-in requirements will be approximately $300,000 per year for the first two years, $3.0 million for drilling 10,000 meters and $0.3 million to prepare a PEA.

Development Going Forward

Community relations and permitting activities have commenced and are continuing at Josnitoro. Early approaches to the community and the artisanal miners operating in the copper oxide area, are making progress.

Management believes that the Company may be granted a social license in 2015 and could commence basic surface field exploration work at that time. Exploration field work will then focus on mapping and sampling the gold zones to assess the mineral potential and plan for a future drilling campaign. Field work would also begin with an objective to identify a regional geology mineral emplacement model and test the large copper skarn porphyry theory.

Exploration to date

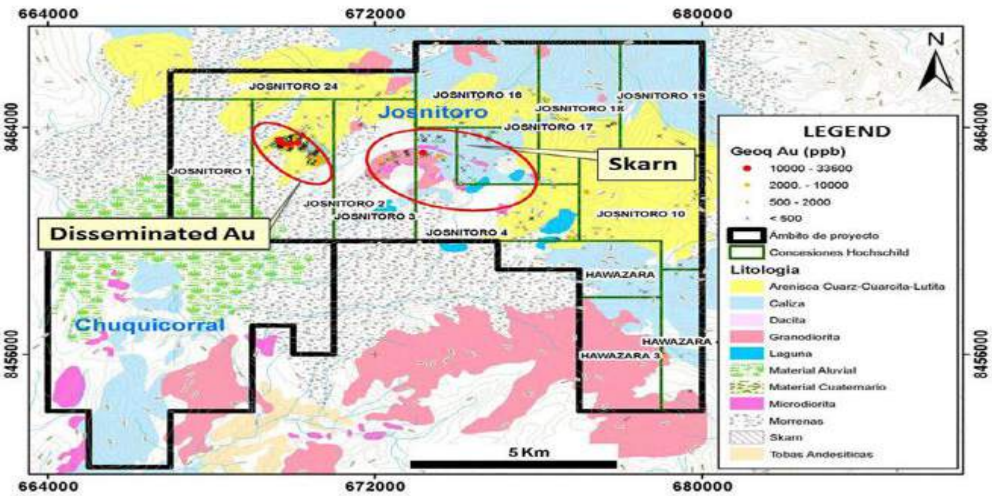
Historical work on the project has consisted of geologic mapping and rock chip and trench sampling. Past rock chip samples on the property have returned results of up to 7.74 g/t Au, and trench sampling has returned results of up to 33.6 g/t Au. There have been 174 rotary percussion holes drilled on the property up to 18m deep each for a total drill amount of 2,856m. Highlights include 12m @ 4.02 g/t Au and 6m @
4.88 g/t Au.

The mineralization at Josnitoro has been recognized in two styles (and areas):

1. The Cu-Au skarn mineralization related to the Ferrobamba calcareous formation and associated with the diorite intrusion, which presents the typical garnet-wollastonite-barite-sericite-magnetite-specularite assemblage, with economic Cu-Zn-Pb sulfides contents and important premium in Au. This mineralization is located in the Huancabamba Community lands.
2. The gold dissemination within the quartzite and sandstones of the Soraya formation is marked by Au-As-Pb-Cu-Zn anomalies at surface. This sequence is crosscut by hydrothermal sub-vertical breccias that have been

altered showing the following assemblage: illite, smectite, kaolin, goethite, quartz, jarosite, scorodite, goethite and hematite. Gold mineralization is primarily controlled by the local structures and it is also disseminated in the fractured sandstones and quartzites.

Figure 4: Josnitoro Gold Project Concession Package, Geology and Mineralization



Concessions – Josnitoro

All of the Josnitoro Gold Project's 19 concessions lie within the Tumay Huaraca District of the Province of Andahuaylas in the Department of Apurimac, and comprise the following:

MINING CONCESSION	CÓDE INGEMMET	HA's
JOSNITORO 1	010005200	1,000
JOSNITORO 2	010005300	1,000
JOSNITORO 3	010005400	1,000
JOSNITORO 4	010005500	1,000
JOSNITORO 10	010056000	1,000
JOSNITORO 16	010077404	900
JOSNITORO 17	010077504	400
JOSNITORO 18	010077604	900
JOSNITORO 19	010077704	800
JOSNITORO 24	010071809	600
JOSNITORO 25	010120909	700
HAWAZARA	010072009	600
HAWAZARA 1	010076409	600
HAWAZARA 2	010090609	600
HAWAZARA 3	010105609	800
HAWAZARA 4	010105709	500
HAWAZARA 5	010120709	1,000
HAWAZARA 6	010120809	800
HAWAZARA 7	010149909	400
	Total	14,600

The carrying value as at December 31, 2014 and December 31, 2013 of the Josnitoro Gold Project, for which no consideration has been paid, was $Nil.

During the year ended December 31, 2014, the Company incurred approximately $422,000 in expenditures covering concession fees, site personnel and internal assay sampling for the Josnitoro Gold Project.

The Company is, to its knowledge, in full compliance with all of its Josnitoro Gold Project concession-holder requirements, and the above-referenced concessions are in good standing.

Investment in Southern Legacy Minerals Inc.
As a result of the October 2012 acquisition of AAG, the Company acquired 9,841,269 common shares in Southern Legacy, representing approximately 17% of the issued and outstanding ownership shares of Southern Legacy, and which the Company classified as an available-for-sale financial asset. At the October 1, 2012, date of initial recognition, the fair market value of this investment was $3,986,000.

On October 22, 2013, the Company acquired an additional 208,333 common shares in Southern Legacy at a cost of $52,000. As a result of this acquisition, the Company owned a total of 10,049,602 common shares in Southern Legacy, representing approximately 17% of the issued and outstanding ownership shares of Southern Legacy.

On July 30, 2014, the Company sold all of its shares of Southern Legacy in an open-market transaction conducted through the TSX Venture Exchange for net proceeds of approximately $995,000. This sale resulted in a realized loss of $3,043,000, of which the Company recognized a net gain of $90,000 in 2014, a loss of $1,657,000 in 2013 and a loss of $1,476,000 in 2012.

Mining Authorities and Permitting in Peru
Government mining authorities
There are a number of mining sector authorities in Peru, as set out below, who are responsible for fostering mining development as well as ensuring compliance with various mining-related acts and regulations:

- Ministry of Energy and Mines or MEM – overall energy and mining industry standard-setting body, responsible for the enforcement of the Mining Law of Peru
- Mining and Metallurgic Geology Institute of Peru (“INGEMMET”) – mining rights concession granting body
- Ministry of Labour and Employment (“MINTRA”) - governing body for labour in Peru, including enforcement of legislation, such as health and safety
- Agency for the Assessment and Environmental Control (“OEFA”) - environmental enforcement and compliance body
- National Water Authority (“ANA”) – a specialized agency under the Ministry of Agriculture of Peru, which establishes procedures and rules for the management of sustainable water resources

Permitting
Three permits are required for the conduct of exploration or mining within a concession: Environmental, Community and Water. The Environmental and Water permits are renewable according to the term specified in the permits, which may be annual or bi-annual. The Community permit is an agreement between the holder of the mining concession and the local communities.

Additionally, the Company obtains an agreement and permission from the families occupying the concession areas before any exploration work is conducted, for which the Company pays a modest annual rental fee.

Environmental compliance and reclamation
The Company is committed to ensuring that it is compliant with all material aspects of the environmental regulatory environment in Peru.

The Company is not presently subject to any significant monetary environmental liabilities although there are environmental responsibilities as prescribed in the environmental permits and community/family agreements for the Crucero and Invicta Gold Projects, such as reclamation of access road, drilling platform and camp locations, and other waste rock or soil disturbances. On an ongoing basis, the Company accrues and records estimated costs for such remediation (see “*Critical Accounting Estimates*”).

Concession grants
Mining activities in Peru are subject to the provisions of the Uniform Text of Mining Law, approved by the Supreme Decree N°. 014-92-EM of September 2, 1992 (hereinafter the "Mining Law"), as well as its Regulations which have been subsequently approved by Supreme Decree and/or are in effect.

Under Peruvian law, and as a general rule, any investor may carry out mining activities throughout the country. Discrimination based, inter alia, on the nationality or legal structure of the concerned investor, is precluded. However, before an applicant can carry out exploration activities, they must file a petition for a mining concession to be granted by INGEMMET to carry out any mining activities different than: reconnaissance; prospecting; and commercialization of mining products or minerals of any type and condition.

Following a review of the petition, a determination that there are no conflicts or contested rights, and favorable technical and legal opinions are given, the INGEMMET shall grant the title deed to the concession.

A concession grants to its titleholder real rights consisting of all the attributes acknowledged by the Mining Law to the concessionaires. It allows its holder to carry out exploration and exploitation activities. Exercise of the rights derived from a mineral concession, including the right to explore, develop and further exploit on an exclusive basis only the designated minerals within the internal boundaries of the mineral concession, is subject to the awarding of the required permits, authorizations and approvals, including relevant surface rights.

Concessions are irrevocable, provided the titleholder complies with the obligations imposed by the Mining Law to retain their validity.

Titleholders must respect archaeological or historical monuments, the national road system, oil pipelines, military buildings, ports or any other construction or infrastructure built for national defense or technical or scientific purposes, located within the boundaries of a mineral right.

The petition application for a mining concession involves the following:

- an Official Form for a mining pediment has to be filled-in with information regarding the requested area and the petitioner, and filed with INGEMMET;
- the petitioner has to pay an administrative fee equivalent to 10% of a Peruvian Tax Unit and the validity fee ("License Fee") corresponding to the year in which the petition application is filed; and
- an affidavit must be filed regarding the petitioner's social responsibility commitment with the communities located in the areas surrounding the area contained in the petition application.

After the petition application is filed, it will be evaluated by the technical and legal areas of INGEMMET (which, in practice, usually takes approximately 4 weeks). If the evaluations are favourable, the petitioner will receive standard form documents (regarding the petition's existence and the area covered by it) from INGEMMET that must be published in the official gazette and in a newspaper within the area in which the concession is located.

The petitioner has 30 business days to make these publications and then 60 days to provide INGEMMET evidence that such publications have been completed. Within the next 30 business days, INGEMMET will issue additional technical and legal reports. If these reports confirm the technical and legal viability of the concession, the concession title should be granted.

The title does not allow the concession-holder itself to carry out mining exploration or exploitation. Consequently, the concession-holder shall obtain:

- the approval of the National Institute of Culture of declarations, authorizations or certificates that are required for the exercise of mining activities.
- approval of an environmental certification issued by the competent environmental authority (such as OEFA), subject to the rules of citizen participation.
- authorization for the use of land by an agreement with the owner of the land surface or the culmination of the procedure for administrative easement, which is not a common procedure nor is it granted lightly.
- any other permissions, licenses and authorizations that are required by all applicable legislation (such as from MINTRA), according to the nature and location of the activities that will be developed.

The Company's experience is that the process for the granting of a mining concession title can take up to 28 months. However, this period could be longer if technical or legal objections are raised during the process (e.g., overlapping with other mining rights or within protected areas, etc.). Once the concession title is granted, its holder must wait for approximately another month to obtain an official document stating that no objections were filed against such concession title. Once this document is obtained, the concession-holder can apply for its recording in the Peruvian Public Registry (which will provide full enforceability to the concession). For this, the concession-holder shall present a certified copy of the Mining Concession Title and copy of the Certificate of Consent to the Peruvian Public Registry. This recording takes approximately 5-10 days to be completed.

Notwithstanding the above, pursuant to the provisions of Article 71 of the Peruvian Constitution, foreigners are restrained from holding, directly or indirectly, property rights in areas located within 50 kilometres from any of the country's boundaries, except in case of public need expressly declared by a Supreme Decree approved by the Government's Counsel according to the pertinent laws.

The Mining Law sets forth obligations that the concession title-holder must comply with in order to maintain their concessions in force, such as the concession-holder must:

(a) engage in the economic exploitation of the correspondent concession, and attain a minimum level of mineral production before the end of the tenth year following the year in which the mining concession title is issued. If production is not attained by the tenth year, annual penalties are assessed and payable until the year when the minimum level of production is attained. Should production not be attained by the fifteenth year, the concession-holder can apply for a further extension of up to an additional five years which may or may not be granted, depending upon the justification(s) given for the extension; and
(b) pay the annual License Fee based on a specific rate in effect at the time, per each hectare held.

The Mining Law also provides for the lapsing of the applicable concession in case the concession-holder does not comply with its obligations of making payments as noted above. That is, a mineral pediment or concession will be forfeited in the event that the License Fees or the penalties, when applicable, are not paid when due. Concessions for processing and mineral transportation will also be forfeited in the event the License Fees, when applicable, are not paid when due.

The concession area size generally granted ranges from a minimum of 100 to a maximum of 1,000 hectares, but may extend to a maximum of 10,000 hectares when the concessions are located in the sea.

A concession-holder may hold two or more concessions, whether or not of the same type and nature, provided that it complies with the relevant legal requirements.

Concessions may be transferred, conveyed and subjected to mortgage, while any movable assets engaged to mining activities as well as minerals extracted and/or processed from such concessions that belong to the concession-holders may be subject to pledge. Any and all of these transactions and contracts must be formally put into a public deed and registered before the Public Registry for them to be enforceable against the State and third parties.

Concession-holders are required to perform their mining activities in accordance with the systems, methods and techniques that lead to an improvement in the development of such activities, and in compliance with the health and safety and environmental regulations applicable to the mining industry in Peru. They must take all necessary steps to avoid damages against third parties, and are required to permit the entrance to the area of their concessions, at any time, of the mining authorities in charge of controlling the concession-holder's obligations.

In May 2011, changes in the Peruvian legal framework were made which require consultation with indigenous or native peoples prior to the grant or issuance of titles or rights to investors that may conflict or affect indigenous or native peoples' interests. These changes did not affect any of the original six mining concession titles comprising the Crucero Gold Project or the concessions comprising the Invicta Gold Project, as they were applied for and granted prior to the effective date of these legal provisions.

During 2012, there were changes made to the Peruvian mining legislation, with the objective of: i) formalizing all informal miners referred to as "informales" by establishing a mechanism to this end; and ii) reduce or eliminate illegal mining activities in Peru. These illegal activities, which until that date were only an administrative offence in the country, also include the extraction, exploitation and processing. In addition to setting penalties which could include prison sentences, it includes a transition period in order for the informales to comply to the new legal framework. The Company is in compliance with law and continues to monitor the situation and assess the impact if any, of this new legislation on its current administrative and operational procedures. The Company expects that this new mining law will over time clarify the current situation of the Peruvian mining industry and will in fact open up new opportunities for the Company in Peru.

RISK FACTORS

Potential investors in the Company should be aware that investing in its securities involves a high degree of risk. The risk factors outlined in this section and elsewhere in this Annual Information Form should be carefully considered by investors when evaluating an investment in the Company. These risk factors list some, but not all, of the risks and uncertainties that may have a material adverse effect on the Company's securities. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also impair the Company's business operations. If the Company is unable to prevent events that have a negative effect from occurring, then its business, results of operations and financial condition and the market price of its securities could be materially and adversely affected.

Requirement for Additional Funds

The Company will require additional funds to fund ongoing administrative activities, pre-production and working capital requirements for the Invicta Gold Project and/or further exploration at the Crucero Gold Project and the Josnitoro Gold Project.

The Company does not have sufficient funds on hand to carry out the completion of all proposed activities, and will have to obtain other financing or raise additional funds. The Company has limited financial resources, has no source of operating cash flow, and has no assurance that additional funding will be available to the Company to carry out the completion of all proposed production activities, for additional exploration, or for property acquisitions.

There can be no assurance that the Company will be able to obtain adequate additional financing or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Crucero Gold Project, the Invicta Gold Project and any other properties in which the Company may acquire an interest, or bankruptcy.

Going Concern

The Company's consolidated financial statements for the years ended December 31, 2014 were prepared using International Financial Reporting Standards ("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. Several adverse conditions cast significant doubt upon the validity of the going concern assumption.

The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or obtain alternative financing, which it has been successful in doing so in the past. In addition, if the Company is to advance or develop its Invicta Gold Project, it will be necessary to obtain additional financing. As the outcome of these matters cannot be predicted at this time, if the Company is unable to obtain additional financing, management may be required to curtail certain expenses.

Production at the Invicta Gold Project

The decision to commence pre-production permitting, engage technical consultants and update internal studies for the Invicta Gold Project was based on economic models prepared by the Company in conjunction with management's knowledge of the property and the existing preliminary estimates of the measured, indicated and inferred mineral resources on the property. The decision was 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 this production decision, 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 rock 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. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, pit wall failure and other conditions involved in drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Although steps to minimize risk are being taken, milling operations are subject to hazards such as fire, equipment failure or failure of retaining dams around tailings disposal areas that may result in environmental pollution and consequential liability.

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines and no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will results in a profitable commercial mining program. The economics of developing gold and other mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Environmental Risks and Other Regulatory Requirements

The current or future operations of the Company, including exploration and development activities and the commencement of production on the Crucero Gold Project, Invicta Gold Project, the Josnitoro Gold Project or any other mineral properties in which it might acquire an interest require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land and water use, environmental protection, mine safety and other matters.

In Peru, exploration permits are, as a practical matter, subject to the discretion of government authorities and there can be no assurance that the Company will be successful in maintaining such permits for the Crucero Gold Project, the Invicta Gold Project or the Josnitoro Gold Project. There can be no assurance that all permits which the Company may require for future exploration activities or any construction of mining facilities or conduct of mining operations will be obtainable on reasonable terms or at all, or that the terms of such permits or applicable laws and regulations will not have an adverse effect on any exploration or mining project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Potential Political, Social and Economic Instability in Peru

The Company's mineral property assets are located in Peru, South America. Consequently, the Company is subject to various risks associated with operating in a developing country such as Peru, including possible political or economic instability and governmental policies which may result in the impairment or loss of mineral concessions or other mineral rights in the Crucero Gold Project and Invicta Gold Project or otherwise adversely affect the Company.

Peru's history since the mid-1980s has been one of political and economic instability under both democratically elected and dictatorial governments. These governments have frequently intervened in the national economy and social structure, including periodically imposing various controls the effects of which have been to restrict the ability of both domestic and foreign companies to freely operate. Peru's recent political and fiscal regimes were generally favourable to the mining industry and have been relatively stable over the past ten years or so. However, there is a risk that this will change.

On July 28, 2011, Ollante Humala, the leader of the Gana Peru party, was officially installed as the new President of the Republic of Peru. Although the Gana Peru party does not have a majority of the members of the Peruvian Congress or the constitutional assembly in Peru, this change in the government of Peru is expected to result in changes to governmental policies that affect foreign mining companies that have operations in Peru and may have an adverse effect on the Company's business, such as additional taxes on profits and assets, increased royalties on production of minerals and additional requirements for profit-sharing with Peruvian employees.

The Company's interests and operations may be affected by government regulations with respect to restrictions on property access, permitting, price controls, export controls, foreign exchange controls, income taxes, foreign investment, expropriation of property, environmental legislation and mine safety. There is also a risk of other adverse developments, such as labour unrest, widespread civil unrest or rebellion, which may adversely affect the Company.

The Company's activities and results of operations may also be adversely affected by economic uncertainty associated with operating in a developing country. Peru has experienced inflation rates as high as 6% since 2002.

There can be no assurance that any governmental action will be taken to control inflationary or deflationary situations or that any such action will be effective. Future governmental action may trigger inflationary or deflationary cycles or otherwise contribute to economic uncertainty. Additionally, changes in inflation or deflation rates and governmental actions taken in response to such changes may affect currency values. Any such events or changes could have a material adverse effect on the Company's results of operations and financial condition.

In addition, labour in Peru is customarily unionized and there are risks that labour unrest or wage agreements may adversely impact the Company's operations. These and other uncertainties associated with the Company's mineral property interests being located in a developing country may make it more difficult for the Company and any future joint venture partners to obtain any required financing for exploration and development of mineral projects in Peru.

Potential Profitability Depends Upon Factors Which Are Beyond the Control of the Company

Even if the Company is able to define mineral reserves and bring a mineral project to commercial production, the potential profitability of any such producing mineral properties would be dependent upon many factors beyond the Company's control. For instance, world prices of and markets for gold and other minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of mined ore may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, water environmental compliance or other production inputs. Such costs fluctuate in ways that cannot be predicted, or controlled, impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

Key Personnel

The Company's future success depends, in significant part, upon the continued service and performance of its senior management. The experience and ability of these individuals will be a factor contributing to the Company's success and growth. The loss of the services of one or more of these individuals could have a material adverse effect on the Company's business prospects. The Company has not obtained key man insurance with respect to any of its senior management.

Title Matters, Surface Rights and Access Rights

While the Company has performed its own due diligence with respect to title of the Crucero Gold Project and Invicta Gold Project concessions, this should not be construed as a guarantee of title. The Crucero Gold Project or Invicta Gold Project may be subject to prior unregistered agreements of transfer or indigenous land claims, and title may be affected by undetected defects. Until any such competing interests have been determined, there can be no assurance as to the validity of title of LGP to the Crucero Gold Project or Invicta to the Invicta Gold Project and any other mining or property interests derived from or in replacement or conversion of or in connection with the claims comprising the Crucero Gold Project and the Invicta Gold Project or the size of the area to which such claims and interests pertain. LGP's application for mining concessions pursuant to two mining petitions (Pacacorral 2, Pacacorral 3) that form part of the Crucero Gold Project may not result in the grant of related mining concessions.

Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mineral exploration and development activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are local populations or land owners, such as the areas in which the Crucero Gold Project and Invicta Gold Project are located, it is necessary, as a practical matter, to negotiate surface access. There is a risk that local communities or affected groups may take actions to delay, impede or otherwise terminate the contemplated activities of the Company. There can be no guarantee that the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration and development activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be effective. If the development of a mine on the Crucero Gold Project or the Invicta Gold Project becomes justifiable it will be necessary to acquire surface rights for mining, plant, tailings and mine waste disposal. There can be no assurance that the Company will be successful in acquiring any such rights.

Governmental Permits and Licensing

In the ordinary course of business, the Company and any other entities through which the Company may obtain an interest in mineral properties will be required to obtain and renew governmental permits and licenses for the operation and expansion of existing operations or for the commencement of new operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process, which will also involve local communities. The duration and success of the efforts to obtain and renew permits and licenses are contingent upon many variables not within the control of the Company including the interpretation of applicable requirements implemented by the permitting or licensing authority. Permits and licenses or the renewals thereof that are necessary to the operations in which the Company has an interest, or the cost to obtain or renew permits and licenses, may exceed what the Company expects. Any unexpected delays or costs associated with the permitting and licensing process could delay the development or impede the operation of the Crucero Gold Project, the Invicta Gold Project or any other projects in which the Company acquires an interest.

LGP Purchase Agreement does not contain any Representations or Warranties

Although the Company understands this to be consistent with normal practice in Peru, the LGP Purchase Agreement does not contain any representations or warranties in respect of the Crucero Gold Project, including LGP's title to the Crucero Gold Project. As a result, the Company does not have the benefit of any representations and warranties regarding the Crucero Gold Project and therefore may not be able to obtain a remedy from the LGP Vendors in respect of title defects or other matters which would typically be the subject matter of representations and warranties in agreements similar to the LGP Purchase Agreement in North America.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The Crucero Gold Project lies in a remote area with limited infrastructure. In addition, unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect operations on the Crucero Gold Project and the Company's operations, financial condition and results of operations.

Market Financial Conditions

Current financial markets have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. Ongoing solvency and debt extension crisis with certain European countries and the United States of America also have the potential to continue to negatively impact the stability of global market conditions. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and the price of the shares of the Company could be adversely affected.

Repatriation of Earnings

Currently there are no restrictions from Peru as to the repatriation of earnings to foreign corporate parent entities. Peru does maintain free trade agreements with a number of countries, including Canada, that allows the repatriation of earnings without subjecting those earnings to a withholding tax. However, there can be no assurance that restrictions on repatriation of earnings from Peru will not be imposed in the future.

Currency Fluctuation
The Company's current exploration and property acquisition commitments are denominated primarily in Peruvian Nuevo Soles and United States Dollars. If the Company receives revenue as a result of its interests in the Crucero Gold Project or the Invicta Gold Project, it expects that most of any such revenues will be in Peruvian Nuevos Soles and United States Dollars. This Company may in the future be exposed to foreign currency fluctuations which may materially affect its financial position and operating results.

Uninsurable Risks
In the course of exploration, development and production of mineral properties involves numerous risks, including from unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Such risks may result in liabilities that reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Company.

The Company is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate their available funds or could exceed the funds available to pay such liabilities and result in bankruptcy. Should the Company be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedy.

Operating Hazards and Risks
In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. It is not always possible to fully insure against such risks and the Company may decide not to insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Conflicts of Interest
Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company, and the Company's interests may be adversely affected.

No History of Earnings
The Company has no history of earnings, and there is no assurance that the Crucero Gold Project, the Invicta Gold Project or any other mineral properties in which it might acquire an interest will generate earnings, operate profitably or provide a return on investment in the future. The Company expects to incur losses and negative operating cash flow for the foreseeable future as it conducts its exploration activities on the Crucero Gold Project and the Invicta Gold Project. The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future. The future dividend policy of the Company will be determined by its directors.

Negative Operating Cash Flow
Since commencing its operations during the financial year ended December 31, 2010, the Company has had negative operating cash flow and incurred losses. The negative operating cash flow and losses are expected to continue for the foreseeable future. The Company may never achieve positive operating cash flow.

Acquisition of Additional Mineral Properties
If the Company abandons or loses its interests in its mineral projects or the subsidiaries that hold those interests , there is no assurance that the Company will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSX or applicable regulatory authorities. There is also no guarantee that the TSX will approve the acquisition of any additional mineral property interests by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional property interests.

Competition
Significant and increasing competition exists for mining opportunities internationally. As a result of this competition, much of which is with large established mining companies with substantial capabilities and far greater financial and

technical resources than the Company, the Company may be unable to acquire additional attractive mining properties or financing on terms it considers acceptable. The Company also competes with other mining companies in the recruitment and retention of qualified employees.

Financial Risk

The Company is exposed in varying degrees to a number of risks arising from financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Board approves and monitors the risk management process.

The types of risk exposure and the way in which such exposures are managed as follows:

a) Credit risk - is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its payment obligations. The Company's exposure to credit risk consists of cash and cash equivalents. The risk exposure is limited to the carrying amount at the date of the financial position statement.

   Cash and cash equivalents are invested in two major financial institutions. The risk is mitigated because the financial institutions are major Canadian chartered banks with high credit ratings.

b) Liquidity risk – is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by actively forecasting, planning, reviewing and monitoring expenditures and commitments and anticipated financial requirements.

   At December 31, 2014 and 2013, the Company's contractual obligations (undiscounted) and their maturity dates were as follows:

In thousands of dollars	**December 31, 2014 $**	**December 31, 2013 $**
Trade and other payables (within 12 months)	1,159	1,406
Provision for reclamation (over 5 years)	380	371
Total	1,539	1,777

c) Market risk - is the risk that changes in market prices, such as gold and precious mineral prices, foreign exchange rates and interest rates will affect the Company's income. The object of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

   1. Commodity price risk – this is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant. Price risk cannot be estimated at this stage of the Company's development. The Company does not have any hedging or other commodity-based risks respecting its operations.

   2. Currency risk - the Company's exploration expenditures are predominantly in US Dollars and any future equity raised is expected to be predominantly in Canadian Dollars. The Company conducts the majority of its business in Peru, which uses the US Dollar as one of its primary economic currencies. Future project exploration and development expenditures are expected to be paid in US Dollars. A significant change in the relative currency exchange rates between the Canadian Dollar and the US Dollar would have an effect on the Company's statements of financial position, loss and cash flows. As such, the Company is subject to risk due to fluctuations in the exchange rates for the US and Canadian Dollar. The Company has not

hedged its exposure to currency fluctuations. At December 31, 2014, the Company' cash and cash equivalents were predominantly in Canadian Dollars.

3. Interest rate risk - the Company is not exposed to significant interest rate risk since its financial instruments can be quickly converted into cash, thus avoiding additional risks.

DIVIDENDS AND DISTRIBUTIONS

There are no restrictions that could prevent the Company from paying dividends on its common shares.

The Company has not paid any dividends on its common shares and it is not contemplated that the Company will pay any dividends in the immediate or foreseeable future. It is the Company's intention to use all available cash flows to finance further operations and exploration of its resource properties.

CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

As at March 26, 2015, there are 92,545,110 common shares (see "*Common Shares*" below) and 8,985,000 share purchase warrants issued and outstanding (see "*Share Purchase Warrants*" below).

There are no outstanding preferred shares.

Additionally, the Company has granted share options to purchase an aggregate of 9,198,000 common shares (see "*Share Options*" below).

Common shares - following is a continuity listing of the Company's outstanding common shares for the twelve months ended:

	2014		2013	
	Number	**$000's**	**Number**	**$000's**
Common shares				
Balance – beginning of year	84,495,110	56,380	81,751,769	55,782
Shares issued	8,050,000	980	3,221,127	598
Returned to treasury	–	–	(477,786)	–
Balance – end of year	92,545,110	57,360	84,495,110	56,380

Under the terms of the Assignment and Assumption Agreement, and based on the results of the February 2014 resource update, Lupaka Gold issued 3,221,127 common shares to K-Rok on March 22, 2013. The share issuance was calculated as being two shares for each ounce by which the estimated (uncapped) gold resources exceed the baseline resource ounces from the initial NI-43-101 compliant resource update, based on consistent methodology as provided for in the Assignment and Assumption Agreement. In December 2013, 477,786 of these shares were returned to the Company's treasury as a result of the amended and re-stated resource estimate above.

On August 7, 2014, the Company closed a non-brokered private placement (the "Placement") and issued 8,050,000 units (the "Units") priced at $0.20 per Unit, with each Unit consisting of one common share in the capital of Lupaka and one transferable common share purchase warrant (the "Placement Warrant"). Each Placement Warrant entitles the holder to purchase one additional common share, exercisable at $0.30 up to and including August 7, 2017. As part of the Placement, certain directors and officers of the Company acquired a total of 1,050,000 Units. The common shares and Placement Warrants issued in the Placement were subject to a four-month hold period, which expired on December 7, 2014. Finders' fees payable in connection with the Placement consisted of approximately $73,000 in commissions and 322,500 finders' Warrants. Share issue costs, including commissions, totalled approximately $89,000.

Proceeds and related issue costs of the Placement have been allocated between share capital and warrants based on the residual value of the underlying common shares and Placement Warrants. For purposes of this allocation, the Company allocated $0.14 of the issue price of each common share and $0.06 of the issue price for the issue of each

Placement Warrant, calculated using the Black-Scholes model. The assumptions used to value the Warrants include an expected life of 1.5 years, 106% expected annual volatility, a risk-free rate of 1.07% and expected dividends of $Nil.

Share Purchase Warrants - following is a continuity listing of the Company's outstanding share purchase warrants for the twelve months ended December 31, 2014:

	2014		2013	
	Number	$000's	Number	$000's
Balance – beginning of year	7,297,167	716	8,079,167	802
Acquired on acquisition of AAG	–	–	–	–
Placement Warrants issued	8,372,500	541	–	–
Expired	(6,666,667)	(716)	(800,000)	(86)
Balance – end of year	8,985,000	541	7,279,167	716

The Placement Warrants are subject to an acceleration clause. In the event that the closing price of Lupaka's common shares is greater than $0.40 for a period of 20 consecutive trading days, Lupaka may accelerate the expiry date of the Warrants by giving notice to the holders thereof, through the issuance of a press release or written notice. In such case, the Warrants will expire on the 30th day after the date on which such notice is given.

The following table summarizes information about the warrants outstanding and exercisable at December 31, 2014:

Expiry date	**Exercise price $**	**Number of share purchase warrants**
February 12, 2015	1.87	612,500
August 7, 2017	0.30	8,372,500

Special Warrants -
During 2010 and 2011, special warrants were issued by the Company ("Special Warrants"). Each Special Warrant had no voting rights and entitled the holder to acquire, without payment of any consideration, a common share of the Company on the first business day following the receipt of the Company's IPO.

As at December 31, 2010 the Company had issued 4,568,600 Special Warrants for $4,568,600 and had received deposits totalling $317,000 for 317,000 Special Warrants. These were issued on February 7, 2011. Upon filing of the Company's final prospectus on June 15, 2011, all of the Company's Special Warrants were deemed to have been exercised.

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 two and five years.

Vesting terms are determined for each grant by the Company's Board of Directors. The options granted in the three years ended December 31, 2014 vest in equal amounts beginning as early as from the date of grant and ending up to eighteen months from the date of grant.

A summary of changes to share options outstanding and exercisable is as follows:

	2014	2013	2012

	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Options outstanding – beginning of year	8,439,350	0.57	6,348,475	0.86	3,697,000	0.73
Granted	1,735,000	0.13	3,675,000	0.34	1,980,000	0.53
Forfeited	(976,350)	0.62	(1,144,350)	0.94	(173,000)	1.33
Cancelled	–	–	(434,875)	1.93	–	–
AAG options forfeited	–	–	–	–	(525,525)	2.16
Exercised	–	–	–	–	(100,000)	0.50
Acquired on acquisition of AAG	–	–	–	–	1,678,250	2.22
AAG options expired	–	–	(4,900)	1.63	(208,250)	2.90
Options outstanding – end of year	9,198,000	0.48	8,439,350	0.57	6,348,475	0.86
Options exercisable – end of year	7,444,250	0.56	5,855,600	0.67	4,708,475	0.96

Pursuant to the terms of the share option grant agreements between the holders of the 2,475,000 options and the Company, these options became exercisable on December 25, 2011. In addition, the common shares issuable upon the exercise of the share options held by certain insiders of the Company are subject to escrow restrictions.

On January 15, 2011, the directors of the Company granted 175,000 share options to an employee, at an exercise price of $0.50 per share and having an expiry of January 15, 2016. Pursuant to the terms of the share option grant agreements between the holder of these options and the Company, these options vested 180 days from the date of the Company's IPO.

On January 24, 2011, the directors of the Company granted 300,000 share options to a director and officer, at an exercise price of $0.50 per share and having an expiry of October 9, 2015. Pursuant to the terms of the share option grant agreements between the holder of these options and the Company, these options vested 180 days from the date of the Company's IPO.

On November 9, 2011, the directors of the Company granted 1,222,000 share options to directors, officers, employees and consultants, at an exercise price of $1.21 per share and having an expiry of November 9, 2016. Pursuant to the terms of the share option grant agreements between the holders of these options and the Company, these options vest on the basis of 25% from the date of grant and every six months thereafter to May 9, 2014.

On February 9, 2012, the directors of the Company granted 140,000 share options to an officer at an exercise price of $1.35 per share and having an expiry of February 9, 2017. Pursuant to the terms of the share option grant agreement between the holder of these options and the Company, these options vest on the basis of 25% from April 9, 2012 and every six months thereafter to August 9, 2013.

On April 1, 2012, the directors of the Company granted 50,000 share options to an employee at an exercise price of $1.23 per share and having an expiry of April 1, 2017. Pursuant to the terms of the share option grant agreement between the holder of these options and the Company, these options vest on the basis of 25% from July 1, 2012 and every six months thereafter to October 1, 2013.

Prior to the acquisition of Andean American on October 1, 2012, there were 150,976,810 Andean American Shares outstanding, which were subsequently converted (rounded down to the nearest whole share) to 36,989,313 Lupaka Gold Shares, and outstanding Andean American stock options and warrants exercisable to acquire 6,850,000 Andean American Shares and 2,500,000 Andean American Shares, which, upon exercise, would be converted to stock options and warrants exercisable to acquire 1,678,250 and 612,500 Lupaka Gold Shares, respectively.

On November 8, 2012, the directors of the Company granted 1,790,000 share options to directors, officers, employees and consultants, at an exercise price of $0.45 per share and having an expiry of November 8, 2017. Pursuant to the terms of the share option grant agreements between the holders of these options and the Company, these options vest on the basis of 25% from the date of grant and every six months thereafter to May 8, 2013.

On February 1, 2013, the directors of the Company granted 250,000 share options to an employee at an exercise price of $0.40 per share and having an expiry of February 1, 2018. Pursuant to the terms of the share option grant agreement between the holder of these options and the Company, these options vest on the basis of 25% from May 1, 2013 and every six months thereafter to August 1, 2013.

On February 13, 2013, the directors of the Company granted 100,000 share options to an employee at an exercise price of $0.425 per share and having an expiry of February 13, 2018. Pursuant to the terms of the share option grant agreement between the holder of these options and the Company, these options vest on the basis of 25% from August 13, 2013 and every six months thereafter to February 13, 2014.

On April 29, 2013, the directors of the Company granted a total of 750,000 share options to a consulting firm, with 250,000 share options each at exercise prices of $0.30, $0.40 and $0.75 per share and having an expiry of April 28, 2015. Pursuant to the terms of the share option grant agreement between the holder of these options and the Company, these options vest on the basis of 25% (at each price) from the date of grant and every three months thereafter to January 29, 2014.

On May 16, 2013, the directors of the Company granted 165,000 share options to new directors, at an exercise price of $0.315 per share and having an expiry of May 16, 2018. Pursuant to the terms of the share option grant agreements between the holders of these options and the Company, these options vest on the basis of 25% from the date of grant and every six months thereafter to November 16, 2014.

On August 8, 2013, the directors of the Company granted 125,000 share options to employees, at an exercise price of $0.20 per share and having an expiry of August 8, 2018. Pursuant to the terms of the share option grant agreements between the holders of these options and the Company, these options vest on the basis of 25% from the date of grant and every six months thereafter to February 8, 2015.

On October 1, 2013, the directors of the Company granted a total of 500,000 share options to a consulting firm, with 250,000 share options each at exercise prices of $0.30 and $0.60 per share and having an expiry of October 1, 2015. Pursuant to the terms of the share option grant agreement between the holder of these options and the Company, these options vest on the basis of 25% (at each price) from the date of grant and every three months thereafter to July 1, 2014.

On November 7, 2013, the directors of the Company granted 1,785,000 share options to directors, officers, employees and consultants, at an exercise price of $0.24 per share and having an expiry of November 7, 2018. Pursuant to the terms of the share option grant agreements between the holders of these options and the Company, these options vest on the basis of 25% from the date of grant and every six months thereafter to May 7, 2015.

On November 6, 2014, the directors of the Company granted 1,685,000 share options to directors, officers, employees and consultants, at an exercise price of $0.125 per share and having an expiry of November 6, 2019. Pursuant to the terms of the share option grant agreements between the holders of these options and the Company, these options vest on the basis of 25% from the date of grant and every six months thereafter to May 7, 2016.

On November 20, 2014, the directors of the Company granted a total of 50,000 share options to a consultant at an exercise price of $0.13 per share and having an expiry of November 20, 2019. Pursuant to the terms of the share option grant agreement between the holder of these options and the Company, these options vest on the basis of 25% (at each price) from the date of grant and every three months thereafter to August 20, 2015.

Post-IPO to December 31, 2012 Securities Transactions:

In connection with the acquisition of 100% of AAG's outstanding shares on October 1, 2012, the Company issued 36,989,318 common shares of Lupaka Gold (valued at $0.70 per share, which represents the market price of the common shares on the date of issuance) to the former shareholders of Andean American.

In connection with the acquisition of the remaining shares of LGP on January 19, 2012, the Company issued 5,200,000 common shares of Lupaka Gold (valued at $1.00 per share) to the former non-controlling shareholders of LGP.

On June 28, 2011 the Company completed an IPO of 13,333,334 units (the "Units") of the Company at a price of $1.50 per Unit for aggregate gross proceeds of $20,000,001. The Agents to the IPO received a cash commission equal to 6% ($1.2 million) of the gross proceeds of the Offering, as well as 800,000 common share purchase warrants (“Broker warrants”, see “Share purchase warrants” below).

Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, an "IPO Warrant"). Each IPO Warrant is exercisable to purchase an additional common share of the

Company until June 28, 2014 at a price of $2.25 per share. The Company allocated $1.44 of the issue price for the issue of each common share and $0.06 of the issue price for the issue of each one-half common share purchase warrant.

In connection with the IPO completed on June 28, 2011 there were 16,087,717 common shares, nil special warrants and 1,500,000 common shares issuable upon the exercise of options, all subject to an escrow agreement. These escrowed securities are to be released in equal tranches of 25% on the date of listing and then every six months thereafter. As at December 31, 2011 there were 8,043,589 common shares and 1,500,000 common shares issuable upon the exercise of options, subject to an escrow agreement at the time – see "*Escrowed Securities"* below.

Pre-IPO Securities Transactions:

Changes in Structure

On April 26, 2010, Lupaka Gold amended its authorized capital as follows: 500,000 Class A common voting shares and 500,000 Class B common voting shares were changed to an unlimited number of common voting shares without par value; 100,000 Class C preferred non-voting redeemable shares were changed to an unlimited number of preferred non-voting redeemable shares with a par value of $0.01 per share; and the 100,000 Class D preferred non-voting redeemable shares with a par value of $1.00 were eliminated. In addition, new articles of Lupaka Gold were adopted.

On May 4, 2010, Lupaka Gold subdivided its outstanding common voting shares, being 305,100 common voting shares, on the basis of 10 shares for 1 into 3,051,000 common voting shares of Lupaka Gold. On January 11, 2011, Lupaka Gold amended its articles to remove the Pre-Existing Company Provisions.

On January 28, 2011, Lupaka Gold amended its authorized share capital as follows: the common voting shares were changed to an unlimited number of Common Shares without par value; and the preferred non-voting redeemable shares with a par value of $0.01 per share were changed to an unlimited number of preferred shares without par value. In addition, the articles of Lupaka Gold were amended to add special rights and restrictions to the preferred shares to allow holders of preferred shares, on a liquidation or dissolution of Lupaka Gold or other distribution of assets, to receive, before any distribution to holders of Common Shares, the amount paid up with respect to each preferred share together with all accrued and unpaid dividends.

Financings

On June 5, 2010, Lupaka Gold issued 1,772,000 special warrants at a price of $0.05 per special warrant for total proceeds of $88,600.

On June 23, 2010, Lupaka Gold issued 1,000,000 common shares at a price of $0.05 per common share for total proceeds of $50,000.

On August 13, 2010, Lupaka Gold issued 7,358,000 special warrants at a price of $0.50 per special warrant for total proceeds of $3,679,000.

On September 17, 2010, Lupaka Gold issued 1,060,000 special warrants at a price of $0.50 per special warrant for total proceeds of $530,000.

On February 7, 2011, Lupaka Gold issued 1,819,500 special warrants at a price of $1.00 per special warrant for total proceeds of $1,819,500.

On February 11, 2011, Lupaka Gold issued 350,000 special warrants at a price of $1.00 per special warrant for total proceeds of $350,000.

MARKET FOR SECURITIES

Lupaka Gold's common shares and warrants are listed and posted for trading on the Toronto Stock Exchange under the symbol LPK. The Toronto Stock Exchange (Venture Exchange) reported the following price ranges and volumes traded in respect of Lupaka Gold's common shares in each month of the fiscal year ended December 31, 2014:

Month	High	Low	Volume
January 2014	0.24	0.20	28,100
February 2014	0.23	0.19	58,300
March 2014	0.22	0.16	50,700
April 2014	0.19	0.14	23,500
May 2014	0.17	0.14	23,200
June 2014	0.20	0.12	38,300
July 2014	0.25	0.16	55,300

August 2014	0.20	0.16	26,000
September 2014	0.19	0.14	40,000
October 2014	0.16	0.11	51,900
November 2014	0.17	0.09	65,000
December 2014	0.15	0.07	55,700

PRIOR SALES

Except with respect to stock options issued under Lupaka Gold's stock option plan as set out in the table below, Lupaka Gold did not issue any securities in its most recent financial year that are of a class that is not listed or quoted for trading on a marketplace.

Date Granted	Number	Exercise Price
November 6, 2014	1,685,000	$0.125
November 20, 2014	50,000	$0.13

ESCROWED SECURITIES

None

DIRECTORS AND OFFICERS

The name, province and country of residence and position with Lupaka Gold of each director and officer of Lupaka Gold, the principal business or occupation in which each director and officer of the Company has been engaged during the immediately preceding five years, the period during which each director has served as director and the number and percentage of Lupaka Gold's Common Shares owned, directly or indirectly, or controlled or directed by each director and officer as at the date of this AIF is set out in the table below. Each director's term of office will expire at the next annual general meeting of Lupaka Gold.

Name, Province and Country of Residence	**Position with the Company**	**Principal Occupation During the Past Five Years**	**Period as Director and/or Officer**	**Number of Common Shares Held** (1)
Gordon Ellis British Columbia, Canada	Executive Chairman and Director	Business Executive	President from November 3, 2000 to January 20, 2011. Executive Chairman since January 20, 2011 and Director since November 3, 2000.	11,773,373(2)
Eric Edwards British Columbia, Canada	President, Chief Executive Officer and Director	Business Executive	President and Chief Executive Officer since January 20, 2011 and Director since January 25, 2011.	1,149,507
Darryl Jones British Columbia, Canada	Chief Financial Officer	Chartered Accountant.	Officer since October 1, 2010	989,133
Kathleen Scales British Columbia, Canada	Corporate Secretary	Corporate Secretary.	Officer since July 15, 2010	129,500
Hernan Barreto(3) Lima, Peru	Director	Business Executive	Director from May 16, 2014 to February 11, 2015.	Nil
John Graf(4)(5) British Columbia, Canada	Director	Chartered Accountant.	Director since November 16, 2010	150,000(7)

Name, Province and Country of Residence	Position with the Company	Principal Occupation During the Past Five Years	Period as Director and/or Officer	Number of Common Shares Held (1)
Norman Keevil (4)(5)(6) British Columbia, Canada	Director	Engineer and Business Executive.	Director since August 17, 2010	325,000(8)
Jaime Pinto(5) Lima, Peru	Director	Business Executive	Director since May 16, 2014	Nil
Luquman Shaheen(6) British Columbia, Canada	Director	Engineer and Business Executive,	Director since May 16, 2014	Nil
Stephen Silbernagel(4)(6) British Columbia, Canada	Director	Retired Lawyer.	Director since June 18, 2010	505,000(9)

(1) All Common Shares are held directly unless otherwise indicated herein.

(2) Includes 341,500 Common Shares held directly by Mr. Ellis, 2,293,164 Common Shares held by Gordann, 2,295,368 Common Shares held by ABE, 6,743,341 Common Shares held by K-Rok, and 100,000 Common Shares held by Loadxi Minerals Limited, a company which is wholly-owned by Mr. Ellis.

(3) Mr. Barreto resigned from the Company on February 11, 2015.

(4) Member of the Audit Committee.

(5) Member of the Governance and Nominating Committee.

(6) Member of the Compensation Committee.

(7) Number of Common Shares held jointly by Mr. Graf and his spouse, with shared voting and dispositive power.

(8) Number of Common Shares held by 0860904 BC Ltd., a company in which Mr. Keevil and his spouse each hold 50% interest, with equal voting and dispositive power.

(9) Includes 175,00000 Common Shares held by Mr. Silbernagel and 330,000 Common Shares held by L.E. Management Ltd., a company owned by Mr. Silbernagel.

Shareholdings of Directors and Senior Officers

Our directors and executive officers, as a group, beneficially own, control or direct, directly or indirectly, 15,021,513 Common Shares representing approximately 16.23% of the issued and outstanding Common Shares and hold options and Placement Warrants to acquire an additional 5,971,000 Common Shares, representing approximately 5.39% of the Common Shares on a fully-diluted basis.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or within the 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any other Company that: (i) was the subject of a cease trade order or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days (an "Order") that was issued while the director or executive officer was acting in the capacity of a director, chief executive officer or chief financial officer; (ii) was subject to an Order issued after the director, chief executive officer or chief financial officer ceased to act in that capacity and which resulted in an event that occurred while that person was acting in that capacity.

To the knowledge of the Company, no director or executive officer or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or within the 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any other Company that became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the knowledge of the Company, no director or officer of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities authority, or has had any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

To the knowledge of the Company, no director or officer of the Company or shareholder holding a sufficient number or securities of the Company to affect materially the control of the Company, or a personal holding Company of any such person, has, during the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to a bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Indebtedness to the Company

As at the date of this AIF, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries

Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest between the Company and any of our directors or officers as a result of such individual's outside business interests at the date hereof. However, certain of our directors and officers are, or may become, directors or officers of other companies, with businesses which may conflict with our business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on behalf of the Company.

Pursuant to the British Columbia Business Corporations Act ("BCBCA"), directors are required to act honestly and in good faith with a view to the best interests of the Company. As required under the BCBCA and our Articles, a director or executive officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or executive officer of the Company, must promptly disclose the nature and extent of that conflict.

A director who holds a disclosable interest (as that term is used in the BCBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve the contract or transaction.

Generally, as a matter of practice, directors or executive officers who have disclosed a material interest in any transaction or agreement that our Board is considering will not take part in any Board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will abstain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, we will establish a special committee of independent directors to review a matter in which directors, or management, may have a conflict.

AUDIT COMMITTEE INFORMATION

Charter of the Audit Committee - the mandate of Lupaka Gold's audit committee is attached as Schedule A to this AIF.

Composition of the Audit Committee

The audit committee presently consists of John Graf (Chair), Norman Keevil, and Stephen Silbernagel.

The board of directors of Lupaka Gold has determined, in accordance with Multilateral Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("MI 52-110"), that each member of the audit committee is both financially literate and independent.

Relevant Education and Experience

The education and experience of each member of the audit committee that is relevant to the performance of his responsibilities as an audit committee member is described below:

John Graf, C.A.	Mr. Graf has been a Chartered Accountant since 1968, and has served on the audit committee of the board of directors of a natural resource mining company listed on the Exchange. As well, Mr. Graf was an independent commissioner of the British Columbia Securities Commission between December 1998 and March 2008 and served as Chair of its audit committee. Mr. Graf obtained his Bachelor of Commerce degree from the University of British Columbia in 1966.
Stephen Silbernagel	Mr. Silbernagel has served on the audit committees of various Canadian and U.S. public companies over the past 20 years, and was a lawyer from 1973 to his retirement in December 2009. Before his retirement, Mr. Silbernagel practised with the firm Munro & Crawford between April 2008 and December 2009. Previously, Mr. Silbernagel practiced with the firm Silbernagel & Company until March 2008. Mr. Silbernagel obtained his Bachelor of Laws degree in May 1972.
Norman Keevil	Mr. Keevil is a Professional Engineer and the President of Poncho Wilcox Engineering and sits on the Board of Teck Resources (formerly Teck Cominco). He has founded and held senior roles in a number of technology companies, including President, VP and COO roles, and has been a member and chair of numerous Board committees at these companies.

Pre-Approval Policies and Procedures

The audit committee must pre-approve all non-audit services to be provided to the Company by its external auditors. The audit committee may delegate that authority to any member of the committee, provided that a report on any such pre-approval is made to the committee at its next scheduled meeting.

<u>External Auditor Service Fees</u>

The following table sets forth, by category, the fees billed by PricewaterhouseCoopers LLP, Lupaka's auditors, in the years ended December 31, 2014 and 2013:

	Fees Billed In	
	2014 $000's	2013 $000's
Audit fees [1]	112	104
Quarterly review fees[2]	-	31
All other fees [3]	6	-
Total	118	135

[1] The aggregate fees billed by PricewaterhouseCoopers LLP, the Company's Independent Registered Chartered Accountants, in the fiscal years ended December 31, 2014 and 2013 for professional services rendered by PricewaterhouseCoopers LLP for the audit of the Company's annual consolidated financial statements and internal control over financial reporting, and services that are normally provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings or engagements for those years were $112,000 and $104,000, respectively.

[2] The aggregate fees billed by PricewaterhouseCoopers LLP in the fiscal years ended December 31, 2014 and 2013 for services provided by it for quarterly review of unaudited interim consolidated financial statements were $Nil and $31,000, respectively.

[3] The aggregate fees billed by PricewaterhouseCoopers LLP in the fiscal year ended December 31, 2014 and 2013 for services provided by PricewaterhouseCoopers LLP, other than the services reported in the preceding two paragraphs, were $6,000 and $Nil, respectively.

PROMOTERS

Gordon Ellis and Geoff Courtnall may be considered promoters of the Company, as that term is defined in the *Securities Act* (British Columbia).

Mr. Ellis directly directly holds 341,500 Common Shares and 250,000 Placement Warrants, and indirectly holds 2,293,164 Common Shares held by Gordann, 2,295,368 Common Shares held by ABE, 6,743,341 Common Shares held by K-Rok, and 100,000 Common Shares held by Loadxi Minerals Limited, a company which is wholly-owned by Mr. Ellis. Mr. Ellis has also been granted 665,000 stock options in Lupaka Gold.

Pursuant to the terms of a consulting services agreement renewed on January 31, 2015 between Lupaka Gold and Gordann, Gordann receives a consulting fee of $2,000 per month for services provided by Mr. Ellis as Executive Chairman. For the year ended December 31, 2014, Gordann has been paid or accrued aggregate consulting fees of $48,000 from the Company.

Mr. Courtnall directly holds 363,200 Common Shares and 125,000 Placement Warrants, and indirectly holds through Havilah and Courtco Developments Ltd. 3,011,134 and 91,000 Common Shares, respectively. Mr. Courtnall has also been granted 597,000 stock options of Lupaka Gold.

Pursuant to the terms of a consulting services agreement renewed on January 31, 2015 between Lupaka Gold and Havilah, Havilah receives a consulting fee of $10,000 per month for corporate and investor relations services provided by Mr. Courtnall. For the year ended December 31, 2014, Havilah has been paid or accrued aggregate consulting fees of $116,000 from the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than stated below the Company is not the subject of, or party to, any legal proceedings that may be considered material to the Company, and it is not and has not been subject to any penalties or sanctions imposed by a court or a securities regulatory authority.

SUNAT, the Peruvian tax authority, completed its audit of the tax filings of a former AAG Peruvian subsidiary for the years 2002 to 2004. SUNAT has challenged the deductibility of certain property write-offs and foreign exchange losses in those filings that may result in additional tax assessments and the imposition of fines and interest amounting in total to approximately US$5,000,000. The Company is of the opinion that these deductions are legitimate and can be successfully defended in the appeals processes that are available under Peruvian law, which may take as long as five years to reach a conclusion. As at December 31, 2014, no loss provision has been made in these consolidated financial statements.

AUDITORS, TRANSFER AGENTS AND REGISTRAR

The auditors of the Company are the firm of PricewaterhouseCoopers LLP, Chartered Accountants, of 250 Howe Street, Suite 700, Vancouver, British Columbia, V6C 3S7.

The Registrar and Transfer Agent for the Common Shares of Lupaka Gold is Computershare Investor Services Inc., 2nd Floor - 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

On November 26, 2013, the Company entered into a memorandum of understanding with Compania Minera Ares, S.A.C. and Minera del Suroeste S.A.C. (indirect subsidiaries of Hochschild Mining plc) with the intention of executing a definitive agreement (the "Josnitoro Agreement") that will allow the Company to earn-in to a 65% interest on the Josnitoro project in Souther Peru. Pursuant to the Josnitoro Agreement, which was registered on June 18, 2014 with the Cusco Mining Registry, the Company will be the project operator and must pay 100% of the cost of the required earn-in activities.

Below are material contracts entered into by the Company in a previous fiscal year, which are still in effect.

- As a result of the October 2013 acquisition of Andean American, the Company assumed the terms, conditions and obligations of an Option Agreement for the Victoria Concessions (Invicta Gold Project) which was entered into by Andean American in 2005 with Minera Barrick Misquichilca (Barrick"); and
- As a result of the Concession Assignment Agreement, LPG assumed the Crucero NSR obligations. LGP also agreed to pay the annual concession payments required by the Peru Government to maintain the Assigned Concessions.

INTERESTS OF EXPERTS

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants, of Vancouver, British Columbia. PricewaterhouseCoopers LLP, Chartered Accountants, report that they are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

None of the following companies, partnerships or persons, each of whom are named in this AIF as having prepared reports or having been responsible for reporting exploration results relating to our mineral properties and whose profession or business gives authority to such reports, or any director, officer, partner, or employee thereof, as applicable, received or has received a direct or indirect interest in our property or of any of our associates or affiliates. As at the date hereof, and except as noted below, such persons, and the directors, officers, partners and employees, as applicable, of each of the following companies and partnerships beneficially own, directly or indirectly, in the aggregate, less than one percent of the securities of the Company:

1. William Burstow, P. Geo
2. Greg Mosher, P. Geo, an employee of Tetra Tech
3. Roger Amelunxen, P. Eng., President of Aminpro Mineral Processing Ltd. of Canada and Chile

None of such persons, or any director, officer or employee, as applicable, of any such companies or partnerships, is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any of our associates or affiliates.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Additional information with respect to directors' and officers' remuneration and indebtedness, principal holders of Lupaka Gold's securities and securities authorized for issuance under equity compensation plans is contained in the management information circular for our next meeting of shareholders.

Additional financial information is provided in the Company's consolidated financial statements and MD&A for its most recently completed consolidated financial statements, also filed on SEDAR. In addition, copies of these documents may be obtained from Lupaka Gold by contacting Lupaka Gold at #220 – 800 West Pender Street, Vancouver, British Columbia V6C 2V6, telephone: (604) 681-5900, fax: (604) 637-8794.

SCHEDULE A

AUDIT COMMITTEE MANDATE

I. Purpose

The purpose of the Audit Committee (the "Committee") is to assist the Board of Directors of the Company (the "Board") in fulfilling its oversight responsibilities by reviewing the financial information which will be provided to the shareholders and others, identifying and monitoring the management of the principal risks that could impact the financial reports of the Company, reviewing the systems of corporate controls which management and the Board have established, and monitoring auditor independence and the audit process. The Committee is directly responsible for overseeing the work of the external auditors. The Committee also provides an avenue of communication among the external auditor, management and the Board.

More specifically the purpose of the Committee is to satisfy itself that:

A. The Company's annual consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company and are suitable to recommend to the Board for its approval.

B. The financial information contained in the Company's quarterly financial statements, Annual Report and other financial publications such as Management's Discussion and Analysis, the Annual Information Form and financial information contained in any other material disclosure document, is fairly presented in all material respects and is suitable to recommend to the Board for its approval.

C. The Company has appropriate systems of internal control over the safeguarding of assets and financial reporting to ensure compliance with legal and regulatory requirements. This would include appropriate disclosure controls and procedures that enable financial information to be recorded, processed, summarized and reported within the time periods required by law.

D. The external auditor is independent and qualified; the external audit function has been effectively carried out; and, any matter which the external auditors wish to bring to the attention of the Board has been addressed. The Committee will also recommend to the Board the re-appointment or appointment of auditors and their remuneration.

II. Composition and Terms of Office

A. Following each annual meeting of shareholders of the Company, the Board shall appoint not less than two members and if there are three or more independent directors then at least three members to the Committee. Each member of the Committee shall be independent[1].

B. All members shall be financially literate, (as defined by applicable legislation). At least one member shall have accounting or related financial management expertise and, if required by applicable legislation, at least one member shall be a financial expert.

C. The Committee Chair shall be appointed by the Board.

D. Any Committee member may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director of the Company. Each member shall hold office until the close of the next annual meeting of shareholders of the Company or until the member resigns or is replaced, whichever first occurs.

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[1] [1] A director is **independent** if he or she would be independent for the purposes of (i) Canadian Securities Administrators Multilateral Instrument 52-110 – Audit Committees; and (ii) any other applicable legislation or policy.

E. The Committee Chair shall, in consultation with the Committee members, determine the schedule and frequency of meetings, provided that the Committee meets at least four times per year. Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any Committee member, the Board or by the external auditors.

F. A quorum for the transaction of business at all meetings of the Committee shall be a majority of the appointed members. Resolutions arising at any meeting shall be passed by a majority of votes of the members present, and in case of an equality of votes the Chair does not have a second or casting vote.

G. The Committee may invite any person it sees fit to attend meetings and assist in the discussion and consideration of the business of the Committee, but without voting rights.

H. The Committee may retain, at the Company's expense, outside consultants or advisors to assist the Committee in the performance of its duties when it considers this action necessary or advisable.

I. The Committee will meet regularly with management and the external auditors in separate sessions.

J. The Committee shall meet in camera, without management present, at the end of each regularly scheduled Committee meeting.

K. The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in the books kept for that purpose, and shall report on its activities to the Board at such times as the Board may require, but no later than the next meeting of the Board.

L. Information reviewed by the Committee will be available for examination by any director upon request to the Corporate Secretary of the Company.

III. Duties and Responsibilities

A. Audit Committee Charter

The Committee shall review and assess the adequacy of its Audit Committee Charter at least annually and submit any changes to the Board for approval.

B. Financial Reporting Control Systems

The Committee shall:

(i) satisfy itself that the Company's disclosure controls and internal controls are adequate, and that the related CEO and CFO certifications, including discussion of any significant changes or deficiencies in such controls, are appropriately given;

(ii) review the management letter of the external auditors and the Company's responses to suggestions made;

(iii) review (prior to hiring in the case of the CFO or the Controller) any new appointments to senior positions with financial reporting responsibilities ; and

(iv) review, in consultation with management, significant financial risks and the steps management has taken to monitor, control, and report such risks and review any significant recommendations prepared by the external auditors, together with management's responses.

C. Interim Financial Statements

The Committee shall:

(i) review interim financial statements with Company officers prior to their release and recommend their approval to the Board; this will include a detailed review of quarterly and year-to-date results and management's discussion and analysis; and

(ii) review narrative comments and associated press releases accompanying interim financial statements.

D. Annual Financial Statements and Other Financial Information

The Committee shall:

(i) review any changes in accounting policies or financial reporting requirements that may affect the current year's financial statements;

(ii) obtain summaries of significant issues regarding accounting principles, practices and significant management estimates and judgments, and other potentially difficult matters whose treatment in the annual financial statements merits advance consideration;

(iii) obtain draft annual financial statements in advance of the Committee meeting and assess, on a preliminary basis, the reasonableness of the financial statements in light of information provided by the Company officers;

(iv) review and discuss reports from external auditors on:

(a) all critical accounting policies and practices to be used;

(b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;

(c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences; and

(d) the external auditors attestation of management's internal control report if required by applicable law.

(v) review disclosures made to the Committee by the CEO and CFO during their certification process for any statutory documents about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls;

(vi) review with management, including the CEO and CFO, management's internal control report required to be included in any statutory document;

(vii) review and investigate complaints and confidential submissions to the Company or the Committee regarding internal controls or questionable accounting or auditing matters;

(viii) review a summary provided by the Company's legal counsel of the status of any material pending or threatened litigation, claims and assessments;

(ix) review and discuss the annual financial statements and the auditors' report thereon with the Company's officers and the auditors;

(x) review financial information contained in the Annual Report and other public information documents and any related press releases, prior to their release;

(xi) provide to the Board a recommendation as to whether the annual financial statements should be approved;

(xii) ensure that appropriate disclosure controls and procedures are in place and annually assess the adequacy of such procedures; and

(xiii) review the Company’s various sources of risk and management’s plans to mitigate such risk including insurance, hedging, etc.

E. External Audit Terms of Reference, Reports, Planning and Appointment

The external auditor shall report directly to the Committee. The Committee shall:

(i) review the audit plan with the external auditors and oversee the work of the external auditors in preparing and issuing the auditors’ report and performing other audit, review or attest services for the Company;

(ii) annually review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors’ independence;

(iii) discuss with the external auditors, without management present, matters affecting the conduct of their audit and other corporate matters;

(iv) consider the external auditors’ judgments about the quality and appropriateness of the Company’s accounting principles;

(v) recommend to the Board each year the retention or replacement of the external auditors; if there is a plan to change auditors, review all issues related to the change and the steps planned for an orderly transition;

(vi) annually review and recommend for approval to the Board the terms of engagement and the remuneration of the external auditors;

(vii) pre-approve all non-audit services to be performed by the external auditors that are not prohibited by law (unless such approval is not required by applicable law);

(viii) ensure the rotation of the lead or coordinating audit partner having primary responsibility for the audit as required by law; and

(ix) review the Company’s hiring policies regarding employees and former employees of the Company’s present and former external auditors who may be hired by the Company to perform financial functions.

F. Whistleblower Policy

The Committee shall establish procedures for:

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters; and

(ii) the confidential, anonymous submission by employees of the Company of concerns regarding fraudulent or dishonest use of the Company's resources or questionable accounting or auditing matters.

G. Material Disclosure Documents

The Committee shall review any financial information within any prospectus, information circular or other material disclosure documents prior to their release and recommend to the Board whether these materials should be approved.

H. Other

The Committee shall:

(i) keep themselves current with industry trends and developments in accounting practices.

(ii) have such other powers and duties as delegated to it by the Board.

Reviewed by the Audit Committee on the 7th day of November, 2014.

Approved by the Board of Directors on the 7th Day of November, 2014.

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