



LUPAKA GOLD SIGNS LETTER OF INTENT FOR US\$10.6 MILLION TO FUND INVICTA MINE DEVELOPMENT AND PRODUCTION

VANCOUVER, BRITISH COLUMBIA, January 21, 2016 -- Lupaka Gold Corp ("Lupaka Gold" or the "Company") (TSXV:LPK, FRA:LQP) is pleased to announce that it has signed a non-binding Letter of Intent with Pandion Mine Finance, LLC ("Pandion") to fund the completion of development and subsequent production at its Invicta Gold Project ("Invicta").

This financing is subject to Pandion's completion of remaining due diligence within ninety days and the completion and execution of a Prepaid Forward Gold Purchase Agreement. The first tranche of US\$3,600,000 will be used to complete mine development, safety and efficiency upgrades and for the upgrade and completion of access roads. The first tranche will allow the Company to begin operations at 150 tonnes per day ("tpd") utilizing local toll processing plants.

Subject to certain milestones being achieved, by the first anniversary, a second tranche of US\$7,000,000 will be made available to allow Lupaka Gold to complete the expansion of its mine production to 350 tpd and the construction and commissioning of its own processing facility. Such a facility would be located much closer to Invicta than existing toll processors. This new Company owned facility is forecast to realize significant transport and processing cost-savings.

Gordon Ellis, President and CEO commented, "We are very pleased with this funding package in that it has very favourable characteristics including that it is non-dilutive to shareholders, has a fixed term and can be paid out at any time. We look forward to closing this financing transaction as soon as possible".

About Pandion Mine Finance, LLC

Pandion Mine Finance, LLC is a mining-focused investment firm backed by MKS PAMP Group and Ospraie Management, LLC that provides flexible financing solutions to developing mining companies.

About Red Cloud Mining Capital Inc.

In connection with the announced financing, Red Cloud Mining Capital Inc. ("Red Cloud") acted as Lupaka Gold's strategic advisor. Red Cloud is a 'new concept' capital markets strategy firm. Red Cloud uses its network and extensive experience in mining to help companies identify alternative sources of capital and quality actionable growth opportunities.

About Lupaka Gold

Lupaka Gold is a Peru-focused gold explorer and developer with geographic diversification and balance through its interests in asset-based resource projects spread across three regions of Peru.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Investor Relations

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

Cautionary Note Regarding the Invicta Production Decision

The decision to commence production at the Invicta Gold Project and the Company's plans for a mining operation as referenced herein (the "Production Decision and Plans") were based on economic models prepared by the Company in conjunction with management's knowledge of the property and the existing preliminary estimate of measured, indicated and inferred mineral resources on the property. The Production Decision and Plans were not based on a preliminary economic assessment, a pre-feasibility study or a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with the Production Decision and Plans, in particular the risk that mineral grades will be lower than expected, the risk that construction or ongoing mining operations are more difficult or more expensive than expected, the risk that the Company will not be able to transport or sell the mineralized 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.

Cautionary Statements Regarding Forward Looking Information

All statements, trend analysis and other information contained in this press release relative to anticipated future events or results constitute forward-looking statements. All statements, other than statements of historical fact, included herein, including, without limitation, statements relating to the anticipated use of proceeds of the Pandion financing and the expected benefits from a Company owned processing facility, are forward-looking statements. Forward-looking statements are based on assumptions, estimates and opinions of management at the date the statements are made that the Company believes are reasonable, including: that the due diligence is completed and is satisfactory to Pandion, the Prepaid Forward Gold Purchase Agreement is consummated on the anticipated terms, that the supplies, equipment, personnel, permits, and local community approvals required to conduct the Company's planned pre-production and development activities will be available on reasonable terms; that the Company will achieve the milestones required to be achieved as a condition to the advance of the second tranche funding under the Pandion financing, that the contemplated Company owned processing facility will achieve the expected benefits, that results of exploration activities will be consistent with management's expectations and that the Company will not experience any material accident, labour dispute, or failure of equipment and with respect to the planned mining operations at Invicta; that pre-production mine development can be completed in the time and for the cost projected; that the Company will be able to obtain funding for planned production expenses; that mineralization on the Invicta project will be of the grades and in the locations expected; that the Company will be able to extract and transport mineralized rock efficiently and sell the mineralized rock at the prices and in the manner and quantities expected; that permits will be received on the terms and timeline expected and that other regulatory or permitting issues will not arise; that mining methods can be employed in the manner and at the costs expected and that such methods yield the results the Company expects them to. However, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company

to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks, uncertainties and other factors include, among others: all of the risks described in this news release; failure of the Pandion financing to complete on the proposed terms or at all; inability to achieve the milestones referred to above, the risk that the contemplated Company owned processing facility will not be completed or will not achieve the expected benefits, the risk that actual results of exploration activities will be different than anticipated; that cost of labour, equipment or materials will increase more than expected; that the future price of gold will decline; that the Canadian dollar will strengthen against the U.S. dollar; that mineral resources are not as estimated; unexpected variations in mineral resources, grade or recovery rates; risks related to shipping mineralized rock; the risk that local mills cannot or will not buy or process mineralized rock from the planned production for the prices expected or at all; risk of accidents, labour disputes and other risks generally associated with mineral exploration; unanticipated delays in obtaining or failure to obtain community, governmental or regulatory approvals or financing; and all of the risks generally associated with the development of mining facilities and the operation of a producing mine, as well as the risks described in the Company's annual information form, which is available on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to not be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof. Lupaka Gold does not undertake any obligation to update forward-looking statements except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy of this news release.