



LUPAKA GOLD REPORTS PERFORMANCE AND FINANCIAL HIGHLIGHTS FOR THE FISCAL QUARTER ENDED MARCH 31, 2013

VANCOUVER, BRITISH COLUMBIA, May 13, 2013 -- Lupaka Gold Corp. ("Lupaka Gold" or "the Company") (TSX:LPK, BVL:LPK) reports performance highlights and financial results for the fiscal quarter ended March 31, 2013. The following is taken from the Company's interim Management's Discussion and Analysis and unaudited consolidated financial statements, both of which are filed at www.sedar.com.

Overall Performance

The Company is a mineral exploration company involved in the acquisition and assessment of mineral properties in Peru. Lupaka Gold's common shares trade on the Toronto Stock Exchange ("TSX") and on the Bolsa de Valores de Lima ("BVL", otherwise known as the Lima Stock Exchange) under the symbol LPK, and its share purchase warrants trade on the TSX under the symbol LPK.WT.

The Company's activities and events of note since January 1, 2013 are as follows:

- On February 27, 2013, the Company announced an updated NI 43-101 compliant Indicated and Inferred mineral resource estimate for the Crucero Gold Project. The updated resource estimate was prepared by Tetra Tech WEI Inc. ("Tetra Tech"), formerly Wardrop Engineering, of Vancouver, Canada, and reported an indicated resource of 31.4 million tonnes at 1.01 gold grams per tonne (g/t) capped grade for 1,017,999 gold ounces and an inferred resource of 37.2 million tonnes at 1.00 g/t capped grade for 1,190,526 gold ounces at the A-1 Zone. Both the inferred and indicated categories now have a gold grade of 1 g/t or higher as a result of the 2012 drill results. Compared to the March 2012 resource update, these results represent an 11% decrease in the indicated resource and an 84% increase in the inferred resource, for the A-1 Zone (see "Mineral Project" below);
- Lupaka Gold's common shares were listed for trading on the BVL in February 2013, under the symbol LPK;

Outlook

The Company's primary priorities are to continue its mineral exploration and development activities on the Crucero Gold Project, to review potential options regarding the Invicta Gold Project, and to maximize the potential return on its investment in Southern Legacy Minerals.

The Company will also remain vigilant towards the potential acquisition of interests in other mineral resource properties in Peru that are assessed to be of merit.

Financial Highlights

All amounts are in Canadian Dollars unless otherwise stated.

Unaudited financial results for the three month periods ended March 31, 2013 and 2012 are summarized as follows:

	Three month period ended March 31	
	2013 (\$000's)	2012 (\$000's)
Operating expenses		
Exploration	1,658	669
General and administration	873	764
Operating loss	2,531	1,433
Impairment loss on available-for-sale financial asset	985	-
Finance expense – accretion	-	22
Finance income – interest	(27)	(12)
Foreign exchange loss (gain)	(9)	23
Loss for the period	3,480	1,466
Loss per share - Basic and diluted	\$0.04	\$0.03

The loss for the three month period ended March 31, 2013 was \$3,480,000, compared to \$1,466,000 for the comparative period in 2012, reflecting the impairment loss on the Company's investment in Southern Legacy, the Company's increase in operations related to the Crucero Gold Project, and the addition of operations related to the Invicta Gold Project as a result of the October 1, 2012 acquisition of Andean American Gold Corp. ("Andean American").

The largest components of the first quarter's exploration expenses were \$791,000 (\$321,000 – three month period ended March 31, 2012) for project administration, \$644,000 (\$214,000 – three month period ended March 31, 2012) for camp, community relations and related costs, and \$172,000 (\$39,000 – three month period ended March 31, 2012) for technical reports, assays and related costs.

The significant increases in project administration and camp and related costs, in 2013 directly reflect a comparable increase in personnel and operational levels that were achieved in Peru since the comparative period in 2012 in accordance with the Company's development and exploration plans, as well as the addition of operations at the Invicta Gold Project. The increased technical report and assay costs are a result of a more comprehensive metallurgical and recovery test program related to the mineralization at Crucero.

Following is a summary of exploration expenditures, by project, during the three month period ended March 31, 2013, in thousands of dollars:

	Crucero	Invicta	Total
Project administration	477	314	791
Camp, community relations and related costs	495	149	644
Technical reports, assays and related costs	169	3	172
Transportation	29	-	29
Reclamation	-	14	14
Consulting and professional fees	6	2	8
	1,176	482	1,658

General and administrative expenses, which all relate to the Canadian operations of Lupaka Gold, totalled \$873,000 for the three month period ended March 31, 2013, (\$764,000 – three month period ended March 31, 2012) and included:

- salaries and benefits of \$451,000 (\$396,000 – three month period ended March 31, 2012), the increase due in part to consulting fees paid to a former employee of Andean American to assist with post-acquisition transition activities;
- professional and regulatory fees of \$159,000 (\$128,000 – three month period ended March 31, 2012), the increase reflecting higher regulatory fees and;
- office and general costs of \$79,000 (\$54,000 – three month period ended March 31, 2012), reflecting overhead costs associated with the acquisition of Andean American.

Also included in exploration and general and administration expenses for the three month period ended March 31, 2013 and 2012 was share-based compensation (a non-cash expense reflecting the estimated value of share option benefits to option-holders for the period), in the expense categories noted below:

(in thousands)	Three month period ended March 31	
	2013 (\$000's)	2012 (\$000's)
Salaries and benefits	109	116
Project administration	38	88
Shareholder and investor relations	26	39
Camp and related	4	–
Consulting and other	3	5
Total share-based compensation	180	248

As a result of the acquisition of Andean American, the Company owns 9,841,269 common shares in Southern Legacy Minerals Inc. (“Southern Legacy”), representing approximately 17% of the issued and outstanding ownership shares of Southern Legacy, and which the Company classifies as an available-for-sale financial asset. As at December 31, 2012, the aggregate fair market value of this investment, as quoted by the TSX Venture Exchange, was \$2,510,000. As at March 31, 2013, the aggregate fair market value of this investment was \$1,525,000, for which the Company has recorded an impairment loss of \$985,000 for the three-month period ended March 31, 2013 in other operating expenses. Southern Legacy’s common shares also trade on the BVL.

The Company's accumulated deficit was \$23,019,000 as at March 31, 2013 (December 31, 2012 - \$19,539,000), with \$3,480,000 reflecting the loss incurred for the three month period ended March 31, 2013. A snapshot of the Company's balance sheet is as follows:

Liquidity and Capital Resources		
(in thousands)	March 31, 2013 (\$000's)	December 31, 2012 (\$000's)
Cash and cash equivalents	8,696	10,716
Working capital (defined as current assets less current liabilities)	7,432	9,737
Total assets	39,721	42,780
Current liabilities	1,668	1,563
Shareholders' equity	38,053	41,217

The principal changes in the Company's cash during the three month period ended March 31, 2013 were as follows:

- Cash used in operating activities in the three month period ended March 31, 2013 was \$1,936,000 (2012 – \$1,260,000).
- Net cash used in investing activities in the three month period ended March 31, 2013 totalled \$94,000 for purchases of equipment. Net cash used in investing activities in the three month period ended March 31, 2012 totalled \$3,139,000, including \$3,057,000 (US \$3 million) for the final payment toward the purchase of the Company's initial 60% interest in MP.
- The Company had no cash flows from or used in financing activities in the three month period ended March 31, 2013. Net cash used in financing activities during the first three months of 2012 totalled \$4,051,000, resulting from the payment of \$4,076,000 (US \$4 million) for the remaining 40% of MP that it did not already own and the exercise of stock options.

Total current liabilities as at March 31, 2013 were \$1,668,000 (December 31, 2012 – \$1,563,000), comprised of \$1,138,000 (December 31, 2012 – \$1,019,000) of accounts payable and accrued liabilities for current community obligations, drilling and assays, and \$530,000 of provisions for reclamation (December 31, 2012 – \$544,000).

As at March 31, 2013, the Company's aggregate common share capital was \$56,380,000 (December 31, 2012 - \$55,782,000) representing 84,972,896 issued and outstanding common shares without par value (December 31, 2012 - 81,751,769) and 8,079,167 share purchase warrants outstanding (December 31, 2012 - 8,079,167) with a fair value of \$802,000.

Outstanding Share Data

As at May 9, 2013, the following securities were issued and outstanding:

- basic – 84,972,896 common shares
- fully-diluted – 99,882,688 common shares, after including:
 - 6,830,625 stock options, with exercise prices ranging from \$0.30 to \$4.08, of which 5,103,125 options are vested; and
 - 8,079,167 share purchase warrants, with a weighted average exercise price of \$2.22.

Award of Incentive Stock Options

The Company also announces that subsequent to March 31, 2013, it has granted 750,000 incentive stock options at exercise prices of \$0.30 to \$0.75 to consultants of the Company.

About the Company

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

Lupaka Gold's flagship project is the Crucero Gold Project, its 5,500 hectare gold property located in southern Peru. The Company, based in Vancouver, Canada, is project operator and holds a 100% indirect interest in the Crucero Gold Project. Since commencing active exploration in April 2010, the Company has reported annual NI 43-101 compliant gold resource estimate increases for the Crucero Gold Project in the first quarter of 2011 and 2012 (see the Company's most recent technical report on www.sedar.com).

As a result of the Company's recent acquisition of Andean American Gold Corp., Lupaka Gold's assets now include the 100% owned Invicta Gold Project (north Peru), which has near-term underground gold and poly-metallic development potential, and a strategic 17% stake in Southern Legacy Minerals Inc., owner of the AntaKori copper-gold deposit located in central Peru.

Qualified Person

William Burstow, Lupaka Gold's consulting geologist and a "qualified person" as defined by National Instrument 43-101, has reviewed and approved the scientific and technical information contained in this news release, and has verified the opinions contained in this news release.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Forward Looking Information

This news release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities regulations in Canada and the United States (collectively, "forward-looking information"). The forward-looking information contained in this news release is made as of the date of this news release. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Forward-looking information includes, but is not limited to, statements with respect to the Company's planned work programs on the Crucero Gold Project and Invicta Gold Project, the anticipated effect of completed drill results on the Crucero Gold Project and the Invicta Gold Project, future upgrading of mineral resources and expected outcomes. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or the negatives thereof 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 contained in this news release is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for gold will be sustained or will improve, that general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms, that supplies, equipment, personnel, permits and local community approvals required to conduct the Company's planned exploration and development activities will be available on reasonable terms, 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.

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 factors include, among others, 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, risk of accidents, labour disputes and other risks generally associated with mineral exploration and unanticipated delays in obtaining or failure to obtain community, governmental or regulatory approvals or financing. 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.