

Lupaka Gold Corp.

Consolidated Financial Statements
For the three months ended March 31, 2019 and 2018
(Presented in Canadian Dollars)

(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Lupaka Gold Corp.

Consolidated Statements of Loss and Comprehensive Loss For the three months ended March 31, 2019 and 2018

(expressed in Thousands of Canadian Dollars, Except Share Data)

	March 31, 2019 \$	December 31, 2018 \$
Assets		
Current assets		
Cash	575	233
Trade and other receivables (Note 5)	87	76
Inventory	69	71
Prepaid expenses and deposits	14	35
	745	415
Non-current assets		
Value-added tax receivable (Note 5)	836	843
Equipment (Note 6)	254	272
Mineral property under development (Note 7)	22,176	22,149
Total assets	24,011	23,679
Liabilities		
Current liabilities		
Accounts payables and accrued liabilities	2,109	2,404
Due to related parties (Note 9)	48	62
Settlement liabilities	50	312
Metals derivative liability (Note 12)	4,077	3,413
Deferred revenue (Note 11)	3,154	3,056
Loans (Note 10)	–	539
	9,438	9,786
Long-term liabilities		
Long-term portion of accounts payable (Note 8)	171	–
Long-term portion of settlement liabilities (Note 8)	225	–
Reclamation and closure cost obligations (Note 13)	757	758
Total liabilities	10,591	10,544
Shareholders' Equity		
Common shares (Note 14 (a))	59,625	59,360
Warrants (Note 14 (b))	2,189	813
Contributed surplus	5,917	5,845
Deficit	(55,623)	(54,519)
Accumulated other comprehensive income	1,312	1,636
Total equity	13,420	13,135
Total liabilities and equity	24,011	23,679
Nature of operations and going concern (Note 1)		
Contingencies (Note 12)		

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Lupaka Gold Corp.

Consolidated Statements of Loss and Comprehensive Loss For the three months ended March 31, 2019 and 2018

(expressed in Thousands of Canadian Dollars, Except Share Data)

	Three months ended March 31,	
	2019	2018
	\$	\$
Operating expenses		
Exploration		
Project administration	–	28
Camp, community relations and related costs, net of recoveries	–	(251)
	–	(223)
General and administration		
Salaries and benefits	141	218
Professional and regulatory fees	28	28
Shareholder and investor relations	21	45
Office and general	21	34
Travel	2	9
	213	334
Operating loss	213	111
Financing expenses (Note 16)	160	288
Loss (gain) on metals derivative liability (Note 12)	731	(38)
Net loss for the period	1,104	361
Other comprehensive loss (income)		
Change in fair value of securities	–	443
Currency translation adjustment on foreign operations	324	(231)
Comprehensive loss for the period	1,428	573
Weighted average number of shares outstanding, basic and diluted	<u>126,467,188</u>	<u>119,390,117</u>
Loss per share, basic and diluted	<u>\$0.01</u>	<u>\$0.00</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Lupaka Gold Corp.

Consolidated Statements of Cash Flows

For the three months ended March 31, 2019 and 2018

(presented in Thousands of Canadian Dollars)

	Three months ended March 31,	
	2019	2018
	\$	\$
Cash flows from (used in) operating activities		
Net loss for the period	(1,104)	(361)
Adjustment for items not affecting cash:		
Unrealized foreign exchange (Note 16)	(8)	(124)
Finance expense (loan accretion) (Note 16)	1	19
Share-based compensation expense (Note 14)	53	60
Loss (gain) on metals derivative liability (Note 12)	731	(38)
Finance expense (Note 16)	159	356
Depreciation (Note 6)	–	3
	(168)	(85)
Changes in non-cash working capital		
Trade and other receivables	(12)	(4)
Prepaid expenses and deposits	22	220
Inventory	2	–
Accounts payables and accrued liabilities	71	137
Settlement liabilities	(14)	–
Due to/from related parties (Note 9)	(14)	60
Net cash from (used in) operating activities	(113)	328
Cash flows from (used in) investing activities		
Mineral property costs	(176)	(2,431)
Proceeds on sale of marketable securities	–	3,000
Purchase of equipment	–	(36)
Net cash from (used in) investing activities	(176)	533
Cash flows from financing activities		
Proceeds from private placement, net (Note 14)	636	–
PLI Financing (Note 11)	–	3,153
Exercises of warrants	–	218
Exercises of options	–	23
Net cash from financing activities	636	3,394
Net increase in cash	347	4,255
Cash- beginning of period	233	1,656
Effect of foreign exchange rate changes on cash	(5)	58
Cash - end of period	575	5,969

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Lupaka Gold Corp.

Consolidated Statements of Changes in Equity For the three months ended March 31, 2019 and 2018

(presented in Thousands of Canadian Dollars, Except Share Data)

	Three months ended March 31,			
	2019		2018	
	Number	\$	Number	\$
Common shares (Note 14 (a))				
Balance – beginning of period	122,009,860	59,360	118,734,680	58,774
Issued pursuant to private placements	11,083,333	31	–	–
Shares issued for debt	15,416,175	234	–	–
Share purchase warrants exercised	–	–	1,616,430	267
Stock options exercised	–	–	340,000	39
Balance – end of period	148,509,368	59,625	120,691,110	59,080
Share purchase warrants (Note 14 (b))				
Balance – beginning of period		813		1,286
Issued pursuant to a private placement		587		–
Shares-for-debt warrants issued		772		–
Finders warrants issued pursuant to private placement		17		–
Share purchase warrants exercised		–		(49)
Agent’s warrants issued pursuant to PLI Financing (Note 11)		–		19
Balance – end of period		2,189		1,256
Contributed surplus				
Balance – beginning of period		5,845		4,802
Share-based compensation		72		123
Stock options exercised		–		(16)
Balance – end of period		5,917		4,909
Deficit				
Balance – beginning of period		(54,519)		(54,834)
Net loss for the period		(1,104)		(361)
Balance – end of period		(55,623)		(55,195)
Accumulated other comprehensive income				
Balance – beginning of period		1,636		1,181
Change in fair value of securities		–		(443)
Currency translation adjustment on foreign operations		(324)		231
Balance – end of period		1,312		969
Total shareholders’ equity		13,420		11,019

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

1 Nature of operations and going concern

Lupaka Gold Corp. (“Lupaka”) was incorporated in Canada on November 3, 2000 under the legislation of the Province of British Columbia, and is in the business of acquisition, exploration and development of mineral resource properties. Lupaka was dormant prior to January 1, 2010.

Lupaka’s resource projects are located in Peru and are held by Lupaka’s 100%-owned subsidiaries.

Lupaka’s head office is located at #1413 - 181 University Avenue, Toronto, Ontario, M5H 3M7 and its registered and records office is located at Suite 1000 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5. Lupaka’s common shares trade in Canada on the TSX Venture Exchange (“TSX.V”) and in Germany on the Frankfurt Exchange under the symbol LQP.

Collectively, Lupaka and its subsidiaries are referred to hereafter as “the Company”.

These unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“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.

As at March 31, 2019, the Company has a working capital deficit of \$8,693,000 and negative cash flow from operating activities of \$113,000 for the three months ended March 31, 2019. In addition, as disclosed in Note 11, the Company is in breach of certain covenants that resulted in a technical default. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon its ability to generate positive cash flow from operating activities or to raise funds primarily through the issuance of shares or obtaining alternative financing, which it has been successful in doing so in the past. The ability to generate positive cash flow is contingent on regaining access to the Invicta mine site by successfully resolving the Paran demonstration. There is no certainty that sufficient financing can be obtained in the future.

As the outcome of these matters cannot be predicted at this time, if the Company is unable to generate positive cash flow from operating activities or obtain additional financing, management may be required to further curtail certain expenses.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

2 Basis of preparation

The principal accounting policies applied in the preparation of these unaudited condensed consolidated financial statements are set out below. These policies have been consistently followed, unless otherwise stated.

2.1 Reclassification of comparative figures

Certain comparative figures for the three months ended March 31, 2018 have been changed as a result of a reclassification of such figures.

2.2 Statement of compliance

These unaudited condensed consolidated interim financial statements (“consolidated financial statements”) have been prepared in accordance with IAS 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”). As such, these interim financial statements do not include all of the information required by IFRS for annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2018, in addition to any new accounting policies applicable for the period ended March 31, 2019.

These consolidated financial statements were approved by the Company’s Board of Directors on May 22, 2019.

2.3 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2.4 Basis of consolidation

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the results of subsidiaries to bring their accounting policies into line with those used by the Company. Inter-company transactions, balances, loss, comprehensive loss and expenses are eliminated on consolidation, where appropriate.

The consolidated financial statements include the accounts of Lupaka and its subsidiaries, all of which are 100% owned:

- Andean American Gold Corp. (“AAG”), a Canadian company
- Lupaka Gold Peru S.A.C. (“LGP”), a Peru company
- Invicta Mining Corp S.A.C. (“IMC”), a Peru company
- Andean Exploraciones S.A.C. (“AES”), a Peru company (inactive)
- Greenhydro S.A.C. (“Greenhydro”), a Peru company (inactive)

2.5 Significant accounting judgments and key sources of estimate uncertainty

In preparing these consolidated financial statements, the Company is required to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

Estimates and judgments used in developing and applying the accounting policies are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

Significant accounting judgments

The following are the significant judgments and estimates, that management made in the process of applying the Company's key accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Reclassification of exploration & evaluation assets to mineral property under development – the decision to declare technical feasibility and commercial viability at the Invicta Gold Project and therefore reclassify the Invicta asset from an exploration and evaluation asset to a mineral property under development (the “Production Decision and Plans”) are based on economic models prepared by the Company in conjunction with management's knowledge of the property and the existing estimate of Indicated and Inferred Mineral Resources on the property.

Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs – this review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future.

Reclamation obligations – provision is made for the anticipated costs of future reclamation and rehabilitation of mining areas which have been altered due to exploration activities and/or from which natural resources have been extracted to the extent that a legal or constructive obligation exists. These provisions include future cost estimates associated with reclamation, the calculation of which requires assumptions such as application of environmental legislation, available technologies and engineering cost estimates, and asset specific discount rates to determine the present value of the related cash flows. A change in any of the assumptions used may have a material impact on the carrying value of reclamation provisions.

Valuation of the derivative related to deferred revenues – provision is made regarding the PLI Financing Agreement where the accounting recognition of the prepayment amounts, less any covered metals option value, are recorded as deferred revenue, to be amortized over the expected gold ounces to be delivered under the PLI Financing Agreement. These provisions include the use of future production forecasts as well as estimations of the volatility of the applicable commodity prices, the market prices, and risk-free rate. The valuation of the related derivative in this arrangement is an area of estimation and is determined using discounted cash flow models. These models require a variety of inputs, including, but not limited to, contractual terms, market prices, forward curve prices, mine plans and discount rates. Changes in these assumptions could affect the carrying value of derivative assets or liabilities and the amount of gains or losses recognized in other operation income (expense).

Going concern assumption – presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future, will obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

Impairment of mineral property under development – the carrying value of the Company’s mineral property under development is reviewed by management at each reporting period, or whenever events or circumstances indicate that the carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Recognition of deferred income tax assets - the decision to recognise a deferred tax asset is based on management’s judgment of whether it is considered probable that future taxable profits will be available against which unused tax losses, tax credits or deductible temporary differences can be utilized. The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

No loss provision regarding possible additional tax assessments – the decision that no loss provision be made regarding the challenge to the deductibility of certain property write-offs and foreign exchange losses by SUNAT, the Peruvian tax authority, is based on the Company’s opinion that the deductions are legitimate and can be successfully defended in the appeals process available under Peruvian law. In the event that the Company is not successful in its appeal of the tax proceedings or SUNAT chooses to initiate collection action against IMC, management has been advised by Peruvian legal counsel that the maximum value of the related contingent tax assessment would be capped at the market value of the concessions sold by El Misti Gold, the Company’s former subsidiary at the time, to IMC, which is estimated by an independent valuator to be ~US\$110,000.

2.5 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

3 Significant accounting policies

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries disclosed in Note 2. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation. Control exists where the parent entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

3.1 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These consolidated financial statements are presented in Canadian Dollars, which is Lupaka’s and AAG’s functional currency. The functional currency of LGP, IMC, AES and Greenhydro is the United States Dollars (“USD”).

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

3.2 New standards and interpretations

IFRS 16 - Leases – Effective January 1, 2019 the Company has adopted IFRS 16 Leases (“IFRS 16”) which replaces IAS 17 Leases (“IAS 17”) and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (the lessee and the lessor). Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases that is currently required by IAS 17 and, instead, introduces a single lessee accounting model. From the perspective of the lessor, IFRS 16 substantially carries forward the accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently.

The Company has determined that it does not have any contracts that fall under the scope of IFRS 16 that would require recognition in the current period. Therefore, there is no impact on the Condensed Interim Consolidated Financial Statements for the current or comparative periods. The adoption of IFRS 16 also has no impact on basic and diluted loss per share or opening deficit.

4 Marketable securities

On November 20, 2017 (“Closing Date”), the Company closed the sale of Crucero and acquired 3,500,000 common shares of Goldmining Inc. (TSXV: GOLD, the “GOLD Shares. As at March 31, 2018, Company held 406,600 GOLD shares and as the quoted market value of the GOLD Shares had decreased from the market value at December 31, 2017, the Company recorded a decline in fair value of \$50,000, included in other comprehensive loss, on its GOLD shareholdings. Additionally, the Company realized a total loss of \$393,000 on the sale of 2,448,000 GOLD shares for the three months ended March 31, 2018, which was also included in other comprehensive loss.

5 Value-Added Tax Receivable

Non-current value-added tax receivable (“VAT”) arises from the government of Peru and relates to payments for the Company’s development activities. The actual timing of receipt is uncertain as VAT is refundable only upon commercial operations; therefore, VAT receivable has been classified as a non-current asset.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

6 Equipment

	Vehicles and field equipment \$	Office equip and furniture \$	Total \$
<i>In thousands of dollars</i>			
Cost			
Balance as at December 31, 2017	275	86	361
Additions	7	195	202
Disposals	–	(22)	(22)
Foreign exchange	24	24	48
Balance as at December 31, 2018	306	283	589
Additions	–	–	–
Foreign exchange	(6)	(8)	(14)
Balance as at March 31, 2019	300	275	575
Accumulated depreciation			
Balance as at December 31, 2017	183	83	266
Depreciation	29	13	42
Disposals	–	(22)	(22)
Foreign exchange	17	14	31
Balance as at December 31, 2018	229	88	317
Depreciation	7	5	12
Foreign exchange	(4)	(4)	(8)
Balance as at March 31, 2019	232	89	321
Carrying amounts			
Balance as at December 31, 2018	77	195	272
Balance as at March 31, 2019	68	186	254

During the three months ended March 31, 2019, \$12,000 (2018 – \$3,000) of depreciation was capitalized to the Invicta mineral property under development.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

7 Mineral property under development

The Company's Invicta Gold Project ("Invicta") comprises the Company's sole mineral property under development.

The Company acquired Invicta, in the Lima Region of central Peru, in connection with the Company's October 2012 acquisition of AAG.

Invicta contains a gold-copper polymetallic underground deposit located within the group of 5 Victoria concessions acquired from Minera Barrick Misquichilca ("Barrick") as well as another concession (Invicta II) obtained by IMC through an acquisition and staking program undertaken prior to the Company's AAG acquisition.

After the acquisition of Invicta by the Company in October 2012, costs associated with Invicta were expensed as exploration expenditures up to and including July 2017. Beginning in August 2017, such expenditures were capitalized to mineral property under development as management determined that with the receipt of Tranche 1 of the PLI Financing, the project was able to proceed to construction and pre-production.

Proceeds received for concentrate produced prior to the commencement of commercial production have been deducted from mineral property under development.

The components of the Invicta mineral property under development costs are as follows:

<i>In thousands of dollars</i>	Acquisition Costs \$	Concession Fees \$	Infra- structure \$	Community \$	Project Admin \$	Total \$
Cost						
Balance, December 31, 2018	12,802	211	6,315	1,567	1,254	22,149
Additions	–	11	(20)	2	505	498
Foreign exchange	(291)	(4)	(129)	(31)	(16)	(471)
Balance, March 31, 2019	12,511	218	6,166	1,538	1,743	22,176

The Company conducts impairment assessments of non-financial assets including Mineral Properties Under Development at the end of each reporting period where the Company assesses whether there are any indicators that the value may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. Impairment tests are conducted when events or changes in circumstances suggest that the carrying amount of these assets may not be recoverable. During the period ended March 31, 2019 the Company determined that such indicators did exist on the Company's Mineral Properties Under Development and an impairment test was undertaken but determined that an impairment was not required.

An impairment test is subjective and requires management to make estimates and assumptions for a number of factors including regaining access and restarting the Invicta Mine, estimates of production levels, mineral resources and mineral reserves, operating costs and capital expenditures reflected in the Company's life-of-mine plan, as well as economic factors beyond management's control, such as metal prices and discount rates. For the impairment test conducted at March 31, 2019, the Company used the following assumptions: 1) Flat life-of-mine metal prices and exchange rates as at March 31, 2019. 2) Risk adjusted real discount rate of 25%. 3) Deferred commencement of production to

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

January 1, 2020. Should management's estimates and assumptions regarding these factors be incorrect or vary over time, the Company may be required to modify the impairment charges, if any, which would impact the Company's earnings. It is difficult to predict if and when impairment charges may be incurred.

8 Long-term portions of accounts payable and settlement liabilities

During February 2019 the Company reached agreements to restructure a portion of current accounts payable and settlement liabilities into long-term notes, conditionally payable on achieving future production thresholds at Invicta. As a result of these agreements as at March 31, 2019, \$171,000 and \$225,000, respectively, have been reclassified as long-term accounts payable and long-term settlement liabilities, respectively.

9 Related party transactions

Details of transactions between the Company and other related parties are disclosed below:

(a) Related party expenditures

During the three months ended March 31, 2019, the Company:

- accrued \$16,000 (net of tax) for consulting and advisory services to Havilah Holdings Inc. ("Havilah"), a company wholly-owned by Geoff Courtnall; and
- paid \$40,100 in interest payments related to the Company's bridge loans, to a former officer, a director and former director and/or companies controlled by them or a related party, including \$32,400 due as at December 31, 2018. As at December 31, 2018, these individuals' bridge loan holdings comprised all \$90,000 of BL2 and all \$450,000 of BL3. The bridge loan principal amounts and \$18,600 of interest payments were repaid in their entirety in the Company's shares-for-debt transaction ("SFD Transaction") in March 2019 (Note 14). The balance of \$21,500 in BL2 and BL3 interest was settled with cash.

(b) Key management compensation

Key management includes directors and executive officers of the Company. The compensation paid or payable to key management for employee services is shown below:

	Three months ended March	
	2019	2018
<i>In thousands of dollars</i>	\$	\$
Salaries and benefits	294	69
Share-based compensation	68	99
Total key management compensation	362	168

Of the \$294,000 included in salaries and benefits during the first quarter of 2018, approximately \$209,000 in remuneration was for severance paid in SFD Transaction Units and common shares. See Note 14.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

(c) Due to/from related parties

Amounts due to or from related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties.

As at March 31, 2019, \$48,000 (net of tax) was payable to an officer, director and a company controlled by a related party for services rendered and \$275,000 was payable to a former CEO of the Company pursuant to a March 2018 settlement agreement between the parties and included in Settlement Liabilities. In February 2019, the Company restructured the March 2018 settlement agreement to a cash payment of \$27,500 to be paid in April 2019 and a \$247,500 note, conditionally payable based on achieving future production thresholds at the Invicta Gold Project.

10 Loans

Bridge Loan 2 (“BL2”)

Effective January 12, 2017 (“Closing Date”), the Company completed a bridge loan financing for gross proceeds of \$300,000 with a group of third-party individuals and Insiders of the Company. No finders’ fees were paid in connection with this bridge loan.

BL2 is unsecured and bears simple interest at the rate of twelve percent (12%) per annum, calculated and payable semi-annually, with the first interest payment due on June 30, 2017 and each 6 months thereafter.

The BL2 principal and accrued and unpaid interest is payable in full on or before the earlier to occur of: (i) three months after the Company receives an advance of funds of at least \$8.0 million in new financing, if the noteholder requests repayment of BL2; and (ii) the date that is two years after the Closing Date (being January 12, 2019).

Pursuant to the closing of BL2, the Company issued share purchase warrants (“BL2 Warrants”) – see Note 14.

In May 2018, the Company paid \$210,000 in principal plus \$9,000 of accrued interest to noteholders who requested repayment in accordance with the terms of BL2.

In March 2019 the Company reached an agreement with the BL2 lenders to convert all the remaining principal and most of the interest into Units of the Company. Each Unit was priced at \$0.06 and consisted of one common share of the Company and one transferable common share purchase warrant, with each warrant entitling the holder to acquire one common share of the Company at a price of \$0.10 for a period of 30 months from the date of closing.

To follow is a continuity schedule for BL2:

<i>In thousands of dollars</i>	Liability \$
Balance, December 31, 2017	211
Loan accretion	88
Loans repaid	(210)
Balance, December 31, 2018	89
Loan accretion	1
Loans repaid with Lupaka Units	(90)
Balance, March 31, 2019	–

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

Bridge Loan 3 (“BL3”)

Effective June 30, 2017 (“Effective Date”), the Company completed a bridge loan financing for gross proceeds of \$600,000 with a group of third-party individuals and Insiders of the Company. No finders’ fees were paid in connection with this bridge loan.

BL3 is unsecured and bears simple interest at the rate of twelve percent (12%) per annum, calculated and payable semi-annually.

The BL3 principal and accrued and unpaid interest is payable in full on or before: (i) three months after the Company receives any additional and/or new financing of at least \$4.0 million, if the noteholder requests repayment of BL3; or (ii) the date that is six months after the Effective Date, whichever is the earlier.

Pursuant to the closing of BL3, the Company issued share purchase warrants (“BL3 Warrants”) – see Note 14.

In May 2018 the Company’s directors extended the term of the BL3 loan to June 30, 2019. As a result of the extension, the previously issued BL3 warrants (“BL3a”) were canceled and new BL3 warrants (“BL3b”) were issued – see Note 14.

Also, in May 2018, the Company paid \$150,000 in principal plus \$6,000 of accrued interest to noteholders who requested repayment in accordance with the terms of BL3.

In March 2019 the Company reached an agreement with the BL3 lenders to convert all of the remaining principal and most of the interest into Units of the Company. Each Unit was priced at \$0.06 and consisted of one common share of the Company and one transferable common share purchase warrant, with each warrant entitling the holder to acquire one common share of the Company at a price of \$0.10 for a period of 30 months from the date of closing.

To follow is a continuity schedule for BL3:

<i>In thousands of dollars</i>	Liability \$
Balance, December 31, 2017	600
Loans repaid	(150)
Fair value of BL3b Warrants issued (see Note 14)	(245)
Finance expense	245
Balance, December 31, 2018	450
Loans repaid with Lupaka Units	(450)
Balance, March 31, 2019	–

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

11 Deferred revenue

Management has determined that the net proceeds from the Invicta financing received from PLI, less any Other Metals Option value, for the future delivery of gold ounces from production at the Invicta Project at contractual prices meet the criteria for deferred revenue.

By March 31, 2018, all of the three Tranches were received, with the fair value of the Other Metals Option included in Metals derivative liability.

Invicta financing

By agreement dated June 30, 2017 and amended August 2, 2017, the Company executed the PLI Financing Agreement with PLI to fund the completion of development, and initiate production, at its Invicta Gold Development Project (“Invicta”). PLI is an investment vehicle controlled by Pandion Mine Finance, LLC.

The gross proceeds received was US\$7 Million, payable in three tranches of US\$2.5 Million (“Tranche 1”, received in August 2017), US\$2.0 Million (“Tranche 2”, received in November 2017) and US\$2.5 Million (“Tranche 3”, received in February 2018).

Each Tranche has a grace period of 15 months after which the Company will deliver to PLI a total of 22,680 ounces of gold over the subsequent 45 months. For the repayment ounces, the Company will receive an amount per ounce of gold equal to the market price at the time, less a fixed discount. After the ounces of gold have been delivered, the Company will have no further obligations under the PLI Financing Agreement. During the term of the PLI Financing Agreement, PLI will also share in the upside on any increase in certain metal prices above the base spot price established in the PLI Financing Agreement. See Note 12.

The Company has the right to buy out and terminate the PLI Financing Agreement at any time and the Company’s obligations under this agreement are secured by a first charge over all of the Company’s assets.

As a result of the illegal blockade of the Invicta Mine by the community of Paran, the Company has been unable to generate operating cash flow as scheduled. Consequently, this has caused the Company to delay the delivery of gold to PLI against the PLI Financing Agreement, and the agreement was technically in default as of January 2019. The Company is also in breach of a minimum liquidity covenant and the requirement to maintain a fully executed mineral offtake agreement at all times. The Company is continuing to work with PLI on implementing restructured payment plans and securing necessary waivers. Due to the PLI Financing Agreement being in technical default, all deferred revenue has been reflected as a current liability on the balance sheet.

Concurrent with the receipt of Tranche 1, one-time upfront fees of US\$900,000 were paid to PLI. These fees were netted pro-rata against all three Tranches within Deferred Revenue.

Additionally, pursuant to finder’s fee and advisory agreements entered into with Red Cloud Capital Markets and KLR Capital (the “Agents”), the Company incurred the following financing fees related to Tranche 3, which were included in financing expenses in the statement of loss by March 31, 2018:

1. Cash consideration of \$252,000, (US\$200,000) (“Agents’ Fees”), equivalent to 8% of the funds received; and
2. Agents’ Warrants, with a Black Scholes valuation of \$19,000, equivalent to 1% of the funds received, with an exercise price of \$0.255, and a two-year term expiring on February 9, 2020, respectively (See Note 14 (b)).

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

To follow are continuity schedules for deferred revenue for the three months ended March 31, 2019 and year ended December 31, 2018:

	Three months ended		Year ended	
	March 31, 2019		December 31, 2018	
	CAD	USD	CAD	USD
<i>In thousands of dollars</i>	\$	\$	\$	\$
Opening balance	3,056	2,240	1,177	938
Tranches, net	–	–	3,224	2,500
Less: Other metals derivative liability	–	–	(2,050)	(1,590)
Financing fee accretion	159	120	509	392
Foreign exchange	(61)	–	196	–
Closing balance	3,154	2,360	3,056	2,240

For the three months ended March 31, 2019, the financing fee accretion was \$159,000 (year ended December 31, 2018 - \$509,000) and the foreign exchange gain was \$61,000 (year ended December 31, 2018 – \$196,000 loss).

12 Metals derivative liability

The metals derivative liability, a Level 2 financial instrument, was determined to be a distinct and separate obligation under the PLI Financing Agreement as it provides some upside to PLI in the event that prices for non-gold metals (specifically silver, copper, lead, and zinc) exceed baseline levels set on inception of the agreement, noting this relates only to production of metals at Invicta during the tenure of the PLI Financing Agreement.

Consequently, the metals derivative liability is measured and accounted for separately from the related PLI prepayment deferred revenue (see Note 11).

As a result of the illegal blockade of the Invicta Mine by the community of Paran, the Company has been unable to generate operating cash flow as scheduled. Consequently, this has caused the Company to delay the delivery of gold to PLI against the PLI Financing Agreement, and the agreement was technically in default as of January 2019. The Company is also in breach of a minimum liquidity covenant and the requirement to maintain a fully executed mineral offtake agreement at all times. The Company is continuing to work with PLI on implementing restructured payment plans and securing necessary waivers. Due to the PLI Financing Agreement being in technical default, all of the metals derivative liability has been reflected as a current liability on the balance sheet.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

The following assumptions were applied to the revaluation of Tranche 1, Tranche 2 and Tranche 3 as at March 31, 2019:

	Silver (oz)	Copper (tonne)	Lead (tonne)	Zinc (tonne)
Quantity	178,301	1,193	960	879
Metal price (\$ per unit)	US\$15.11	US\$5,944	US\$2,016	US\$2,911
Exercise price (\$ per unit)	US\$15.62	US\$5,497	US\$2,051	US\$2,453
Risk free interest rate (%)	1.43%			
Expected life (years)	4.00			
Expected volatility (%)	20%	19%	23%	21%

To follow are continuity schedules for the Company's other metals derivative liability for the three months ended March 31, 2019 and year ended December 31, 2018:

	Three months ended March 31, 2019		Year ended December 31, 2018	
	CAD	USD	CAD	USD
<i>In thousands of dollars</i>	\$	\$	\$	\$
Opening balance	3,413	2,502	3,627	2,891
Additions: Tranche derivative liability	–	–	2,050	1,589
Upside payments	(1)	(1)	(10)	(7)
Revaluation	731	550	(2,570)	(1,971)
Foreign exchange	(66)	–	316	–
Closing balance	4,077	3,051	3,413	2,502

For the three months ended March 31, 2019, the revaluation increased the liability by \$731,000 (year ended December 31, 2018 – decreased by \$2,570,000) and the foreign exchange impact was a gain of \$66,000 (year ended December 31, 2018 – \$316,000 loss).

13 Reclamation and closure cost obligations

When the Company exhausts or abandons a mining property or an exploration site, it is required to undertake certain reclamation and closure procedures under the terms of the legislation enacted by the government of Peru. Consequently, the Company records a reclamation provision.

The provision has been measured at the estimated value of future rehabilitation costs and an estimated mine life of 9 years plus an additional 4 years of post-mine life rehabilitation. The estimated cash-flows were discounted to present value using a risk-free discount rate (adjusted to inflation) of 8.1%. Periodically the Company reviews the estimate of future costs of the requisite reclamation and closure work required by current legislative standards. The present value of the

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

estimated future cash outflows to meet required legislative standards for reclamation and closure work is \$757,000. These future cash outflows have been discounted at the risk-free interest rate considered applicable in Peru, where the Company's properties are located.

14 Equity

a) Common shares

Authorized: unlimited with no par value.

On March 13, 2019, the Company completed a non-brokered private placement unit Offering with third-party individuals raising gross proceeds of \$665,000. The Company issued 11,083,333 units (the "March 2019 Unit") priced at \$0.06 per unit. Each March 2019 Unit consists of one common share and one transferable common share purchase warrant (each, a "March 2019 Warrant"). Each March 2019 Warrant entitles the holder to purchase one additional common share, exercisable at \$0.10 for a period of thirty months from the date of the closing of the Offering.

In connection with the subscriptions received in the Offering, the Company paid finders' fees of \$19,350 and issued 322,500 non-transferable common share purchase warrants (each, a "Finders' Warrant"), with each Finders' Warrant entitling the holder to acquire one common share of the Company at a price of \$0.10 for a period of 30 months from the date of the closing of the Offering.

The Company also completed an SFD Transaction in March 2019. Under the SFD Transaction, the Company issued 14,566,175 Units to several creditors under the same terms and pricing as the Private Placement to convert \$873,971 in bridge loans and short-term accounts payable in Canada. Each Unit converted at a deemed price of \$0.06. Certain directors and officers of the Company participated in the SFD Transaction, totalling \$156,250 converting to 2,604,166 Units. In addition to the finders' fees above, share issue costs totalled approximately \$10,000 and related to both the Offering and the SFD Transaction.

On February 7, 2019, the Company issued 850,000 common shares to a creditor at a deemed price of \$0.155 per share.

During the year ended December 31, 2018, 3,275,180 common shares were issued for proceeds of \$446,700 from the exercise of 2,841,430 share purchase warrants for proceeds of \$414,250 at a weighted average price of \$0.146 per share and 433,750 stock options were exercised for proceeds of \$32,450 at a weighted average price of \$0.075 per share.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

b) Share purchase warrants

The Company has the following share purchase warrants outstanding as at March 31, 2019:

Year of Expiry	Range of exercise prices \$	Outstanding and Exercisable		
		Number of warrants outstanding	Weighted average exercise price \$	Weighted average remaining contractual life (years)
2019	0.10 – 0.20	10,779,875	0.13	0.3
2020	0.23 – 0.26	2,122,787	0.23	1.1
2021	0.10	25,972,008	0.10	2.5
	0.10 – 0.26	38,874,670	0.11	1.8

Following is a continuity schedule for the Company's warrants, for the three months ended March 31, 2019 and year ended December 31, 2018:

	Three months ended March 31, 2019		Year ended December 31, 2018	
	Number of share purchase warrants	Weighted average exercise price \$	Number of share purchase warrants	Weighted average exercise price \$
Warrants outstanding – beginning of year	14,402,662	0.15	27,047,397	0.15
Placement Warrants issued	11,083,333	0.10	-	-
SFD Warrants issued	14,566,175	0.10	-	-
Finders Warrants issued	322,500	0.10	-	-
Warrants expired	(1,500,000)	0.20	(9,259,425)	0.16
Bridge Loan 3b Warrants issued	-	-	3,333,333	0.18
Bridge Loan 3a Warrants (canceled)	-	-	(4,000,000)	0.15
Agent's Warrants issued	-	-	122,787	0.26
Warrants exercised	-	-	(2,841,430)	0.15
Warrants outstanding – end of period	38,874,670	0.11	14,402,662	0.15

A total of 7,200,000 warrants issued on February 19, 2016 having an exercise price of \$0.10 are subject to an acceleration clause such that in the event that the closing price of Lupaka Gold's common shares is greater than \$0.30 for a period of 20 consecutive trading days, Lupaka Gold may accelerate the expiry date of these warrants by giving notice to the holders thereof through the issuance of a press release. In such case, these warrants will expire on the 30th day after the date on which such notice is given.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

BL2 Warrants

Pursuant to the closing of BL2 in January 2017, the Company issued to the lenders an aggregate of 1,500,000 non-transferrable warrants (the “BL2 Warrants”), such number being equal to the amount of the Loan divided by \$0.20. Each BL2 Warrant, which expired January 12, 2019, entitles the holder to purchase one common share of the Company at a price of \$0.20 per share.

The weighted average fair value of the BL2 Warrants was estimated to be \$0.10 per warrant at the grant dates using the Black-Scholes option-pricing model and based on the following assumptions:

Exercise price (\$)	0.20
Risk free interest rate (%)	0.77
Expected life (years)	1.5
Expected volatility (%)	145.4

On January 12, 2019, the 1,500,000 BL2 warrants expired.

May 2017 Warrants

Pursuant to the closing of the May 2017 private placement, the Company issued 2,000,000 May 2017 Warrants. Each May 2017 Warrant entitles the holder to purchase one additional common share, exercisable at \$0.23 for a period of thirty-six months from closing.

The weighted average fair value of the May 2017 Warrants was estimated to be \$0.06 per warrant at the grant dates using the Black-Scholes option-pricing model and based on the following assumptions:

Exercise price (\$)	0.23
Risk free interest rate (%)	0.72
Expected life (years)	1.5
Expected volatility (%)	134.4

As at March 31, 2019, there were 2,000,000 May 2017 Warrants outstanding.

BL3 Warrants

Pursuant to the closing of BL3 in June 2017, the Company issued to the lenders an aggregate of 4,000,000 non-transferrable warrants (the “BL3a Warrants”), such number being equal to the amount of the Loan divided by \$0.15. The BL3a Warrants, which were to expire June 30, 2018, entitled the holder to purchase one common share of the Company at a price of \$0.15 per share.

In May 2018, the Company’s directors extended the term of the BL3 loan to June 30, 2019. As a result of the extension the 4,000,000 outstanding warrants were canceled and 3,333,333 new non-transferrable warrants were issued (the “BL3b Warrants”), such number being equal to the amount of the Loan divided by \$0.18. The BL3b Warrants, which expire June 30, 2019, entitle the holder to purchase one common share of the Company at a price of \$0.18 per share.

Also, in May 2018, the Company paid \$150,000 in principal plus \$6,000 of interest to noteholders who requested repayment in accordance with the terms of BL3. Because of the early repayment, the expiry date of the BL3b Warrants held by those noteholders was changed to June 4, 2019, one year from the issuance of the warrants.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

The weighted average fair value of the BL3b Warrants was estimated to be \$0.07 per warrant at the grant dates using the Black-Scholes option-pricing model and based on the following assumptions:

	2018
Weighted average exercise price (\$)	0.18
Dividend yield	—
Risk free interest rate (%)	2.0
Expected life (years)	1.0
Pre-vest forfeiture rate (%)	0
Expected volatility (%)	102.8

As at March 31, 2019, there were 3,333,333 BL3b Warrants outstanding.

Agents' Warrants

In conjunction with the receipt of Tranche 1 in August 2017 (see Note 11), the Company issued 100,844 Agents' Warrants with an exercise price of \$0.20, for a period of two years, expiring on August 4, 2019. The value of the Agents' Warrants is equal to 1% of the funds received, with an exercise price equal to 30% above the 5-day VWAP of the Company's shares.

The fair value of the Tranche 1 Agents' Warrants was estimated to be \$0.06 per warrant at the grant dates using the Black-Scholes option-pricing model and based on the following assumptions:

Exercise price (\$)	0.20
Risk free interest rate (%)	1.34
Expected life (years)	1.5
Expected volatility (%)	115.2

As at March 31, 2019, there were 100,844 Tranche 1 Agents' Warrants outstanding.

In conjunction with the receipt of Tranche 2 in November 2017, the Company issued 145,698 Agents' Warrants with an exercise price of \$0.175, for a period of two years, expiring on November 7, 2019. The value of the Agents' Warrants is equal to 1% of the funds received, with an exercise price equal to 30% above the 5-day VWAP of the Company's shares.

The fair value of the Tranche 2 Agents' Warrants was estimated to be \$0.06 per warrant at the grant dates using the Black-Scholes option-pricing model and based on the following assumptions:

Exercise price (\$)	0.175
Risk free interest rate (%)	1.40
Expected life (years)	1.5
Expected volatility (%)	111.8

As at March 31, 2019, there were 145,698 Tranche 2 Agents' Warrants outstanding.

In conjunction with the receipt of Tranche 3 in February 2018, the Company issued 122,787 Agents' Warrants with an exercise price of \$0.255, for a period of two years, expiring on February 9, 2020. The value of the Agents' Warrants is equal to 1% of the funds received, with an exercise price equal to 30% above the 5-day VWAP of the Company's shares.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

The fair value of the Tranche 3 Agents' Warrants was estimated to be \$0.15 per warrant at the grant dates using the Black-Scholes option-pricing model and based on the following assumptions:

Exercise price (\$)	0.26
Risk free interest rate (%)	1.77
Expected life (years)	2.0
Expected volatility (%)	118.7

As at March 31, 2019, there were 122,787 Tranche 3 Agents' Warrants outstanding.

March 2019 warrants

In conjunction with the March 2019 non-brokered private placement unit Offering and SFD Transaction (see Note 14), the Company issued a total of 25,649,508 transferable common share purchase warrants and 322,500 non-transferable common share warrants, each entitling the holder to purchase one common share, exercisable at \$0.10 for a period of thirty months from the date of the closing of the Offering.

The fair value of the March 2019 Warrants was estimated to be \$0.05 per warrant at the grant date using the Black-Scholes option-pricing model and based on the following assumptions:

Exercise price (\$)	0.10
Risk free interest rate (%)	1.66
Expected life (years)	1.9
Expected volatility (%)	112.4

As at March 31, 2019, there were 25,972,008 March 2019 Warrants outstanding.

c) 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 five years.

Vesting terms are determined for each grant by the Company's Board of Directors. The options granted in the three months ended March 31, 2019 vest in equal amounts beginning as early as on the date of grant and ending up to eighteen months from the date of grant.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

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

	Three months ended March 31, 2019		Year ended December 31, 2018	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Options outstanding – beginning of year	10,162,500	0.14	9,425,000	0.15
Granted	500,000	0.10	3,525,000	0.17
Exercised	–	–	(433,750)	0.07
Forfeited	(328,750)	0.15	(948,750)	0.14
Expired	–	–	(1,405,000)	0.27
Options outstanding – end of period	10,333,750	0.14	10,162,500	0.14
Options exercisable – end of period	7,906,250	0.14	7,502,500	0.14

The weighted average fair value of the share options granted in the three months ended March 31, 2019 was estimated to be \$0.06 (year ended December 31, 2018 – \$0.13) per option at the grant dates using the Black-Scholes option-pricing model and based on the following assumptions:

	Three months ended March 31, 2019	Year ended December 31, 2018
Weighted average exercise price (\$)	0.10	0.17
Dividend yield	–	–
Risk free interest rate (%)	1.8	2.1
Expected life (years)	3.4	3.4
Pre-vest forfeiture rate (%)	10.2	10.8
Expected volatility (%)	124.0	126.0

Option pricing models require the input of highly subjective assumptions including expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

The volatility was calculated using historical volatility of comparable companies as an expectation of the Company's future volatility.

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

Non-cash share-based compensation costs of \$72,000 have been recorded for the three months ended March 31, 2019 (2018 – \$123,000), and allocated as follows:

	Three months ended March 31,	
	2019	2018
<i>In thousands of dollars</i>	\$	\$
Salaries and benefits	49	53
Shareholder and investor relations	4	7
<u>Development costs (capitalized)</u>		
Project Administration	17	56
Community	2	7
Total share-based compensation	72	123

The following table summarizes information about share options outstanding and exercisable at March 31, 2019:

Year of Expiry	Range of exercise prices \$	Outstanding			Exercisable		
		Number of options outstanding	Weighted average exercise price \$	Weighted average remaining contractual life (years)	Number of options exercisable	Weighted average exercise price \$	Weighted average remaining contractual life (years)
2019	0.13	880,000	0.13	0.6	880,000	0.13	0.6
2020	0.06	1,640,000	0.06	1.6	1,640,000	0.06	1.6
2021	0.12 – 0.18	2,075,000	0.16	2.6	2,006,250	0.16	2.6
2022	0.15	2,082,500	0.15	3.6	1,855,000	0.15	3.6
2023	0.12 – 0.23	3,156,250	0.18	4.3	1,400,000	0.20	4.2
2024	0.10	500,000	0.10	4.8	125,000	0.10	4.8
	0.06 – 0.23	10,333,750	0.14	3.1	7,906,250	0.14	2.7

Lupaka Gold Corp.

Notes to the Consolidated Financial Statements

Three months ended March 31, 2019 and 2018

(presented in Canadian Dollars)

15 Segmented information

The Company has two reportable segments. Peru is the Company's principal operating business and includes its mineral property under development. Canada includes the Canadian corporate office and the Company's Management. The Company's reportable segments are based on the reports reviewed by Management that are used to make strategic decisions. Earnings for the three-month periods and total assets by segments are as follows:

	Three months ended March 31	
	2019	2018
<i>In thousands of dollars</i>	\$	\$
Loss (earnings)		
Canada	1,101	583
Peru	3	(222)
	1,104	361

	March 31,	December 31,
	2019	2018
<i>In thousands of dollars</i>	\$	\$
Total assets		
Canada	523	105
Peru	23,488	23,574
	24,011	23,679

16 Financing expenses

	Three months ended March 31,	
	2019	2018
<i>In thousands of dollars</i>	\$	\$
Loan accretion	1	19
Financing expenses	159	356
Interest expense	8	37
Foreign exchange gain (loss)	(8)	(124)
Total	160	288