MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the unaudited condensed consolidated financial statements of Lupaka Gold Corp. ("Lupaka Gold" or "the Company") and the notes thereto for the periods ended March 31, 2020 and 2019 (collectively referred to hereafter as the "Financial Statements").

The 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, the 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, 2019, in addition to any new accounting policies applicable for the period ended March 31, 2020.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company as of the date of and for the periods presented in the filings.

The Company's Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

In this MD&A, "Lupaka", the "Company", or the words "we", "us", or "our", collectively refer to Lupaka Gold and its 100%-owned subsidiaries, Andean American Gold Corp. ("AAG", Canada), Lupaka Gold Peru S.A.C. ("LGP"), Andean Exploraciones S.A.C. ("AES", Peru) and Greenhydro S.A.C. ("Greenhydro", Peru).

This MD&A provides management's comments on Lupaka's operations for the three-month periods ended March 31, 2020 and 2019, and the Company's financial condition as at March 31, 2020, as compared with the prior year-end.

The effective date of this MD&A is July 9, 2020 (the "MD&A Date")**.**

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's Financial Statements. Additionally, references are made in this MD&A to the Company's Annual Information Form filed March 30, 2015 (the "AIF"), each of which can be found at www.sedar.com.

All currency amounts are expressed in Canadian Dollars unless otherwise indicated.

The Financial Statements and the MD&A were approved by the Board of Directors on July 9, 2020.

Forward-Looking Statements

Statements contained in this MD&A 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: resolution of defaults declared under the financing agreement with PLI Huaura Holdings L.P. ("PLI" and the "PLI Financing Agreement") and any related financial obligations; the amount of financings needed; management's expectations regarding the ability to raise equity capital; expected use of proceeds; business objectives and strategies; the assets and liabilities of Lupaka; 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 and development activities; 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. 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: that defaults declared by PLI under the PLI Financing Agreement and any related financial obligations are without merit or can be satisfactorily resolved; 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 2019 will be consistent with the Company's expectations; that the demand for gold and other metals produced by the Company will be sustained; that general business and economic conditions will not change in a material adverse manner; 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 MD&A.

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 development 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 MD&A. 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 MD&A 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 MD&A.

Cautionary Note to US Investors

Information concerning mineral properties in this MD&A has been prepared in accordance with Canadian disclosure standards under applicable Canadian securities laws, which are not comparable in all respects to United States disclosure standards. The terms "mineral resource", "measured resource", "indicated resource" and "inferred resource" (and similar expressions) used in this MD&A are Canadian mining terms as defined in accordance with National Instrument 43-101 under guidelines set out in the standards set by the Canadian Institute of Mining, Metallurgy and Petroleum.

While the terms "mineral resource", "measured resource", "indicated resource" and "inferred resource" are recognized and required by Canadian regulations, they are not defined terms under the standards of the U.S. Securities and Exchange Commission ("SEC"). As such, certain information contained or incorporated by reference in this MD&A concerning descriptions of mineralization and resources under Canadian standards is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC. An "inferred resource" has a great amount of uncertainty as to its existence and as to its economic and legal feasibility. It can't be assumed that all or any part of an "inferred resource" will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred resources may not form the basis of feasibility or other economic studies. Investors are cautioned not to assume that all or any part of measured, indicated or inferred resources will ever be converted into Mineral Reserves. Investors are also cautioned not to assume that all or any part of an "inferred resource" exists or is economically or legally mineable.

Overall Performance

Lupaka Gold is a Peru-focused mineral development and exploration company, focused on the resolution of issues and purported financial obligations arising from PLI's demand actions under the PLI Financing Agreement and the Company's resulting loss of its ownership and control of Invicta Mining Corp. ("IMC") to PLI.

Activities and events of note for the last twelve months are as follows:

- On June 10, 2020, the Company announced that it had closed a non-brokered private placement of 5,000,000 common shares at $0.02 per share for net proceeds of $100,000 utilizing the TSX Venture Exchange's Temporary Relief Bulletin dated April 8, 2020 (see ***LIQUIDITY and CAPITAL RESOURCES/Outstanding Shares***);
- On December 13, 2019, the Company announced that on December 12, 2019 it delivered to the Peruvian Minister of Economy and Finance a Notice of Intent to Submit a Claim to Arbitration in accordance with the 2009 Free Trade Agreement between Canada and Peru (see ***Outlook***);
- On December 3, 2019, the Company advised that PLI had completed certain foreclosure procedures, which resulted in the transfer of all of the ownership shares of Invicta Mining Corp., which holds the Invicta Gold Project, to PLI (see ***Outlook***);
- On November 25, 2019, the Company issued a response to the PLI Letter advising PLI that the Company reserves all of its rights including, without limitation, commencing litigation in New York or another appropriate forum in seeking equitable and legal relief from PLI (see ***Outlook***);
- On November 12, 2019, the Company received a Notice of Indemnification and Reservation of Rights letter dated November 8, 2019 from PLI Huaura Holdings L.P. (the "PLI Letter"), which primarily demands that the Company make the indemnification payments to PLI in respect of the PLI Financing Agreement (which PLI claims, as of October 31, 2019, totals an aggregate of US$ 15,957,086), and all other amounts outstanding under the PLI Financing Agreement (see ***Outlook***);
- In October 2019, the Company was formally advised that pursuant to PLI's security-collateral rights under the PLI Financing Agreement, PLI had seized all of the ownership shares of IMC, effective July 2, 2019 (see ***Outlook***);
- On July 2, 2019 the Company announced that it believes that PLI's and Lonely Mountain's actions in pursuing purported amounts owed by the Company pursuant to PLI's early termination of the PLI Financing Agreement constitute violations of their obligations under the PLI Financing Agreement and as a secured creditor under applicable New York law (see ***Outlook***);
- On July 29, 2019 the Company announced that it had accepted the resignation of Will Ansley as President, CEO, and Director, and Ryan Webster as CFO of the Company, (both) effective July 31, 2019. Gordon Ellis, co-founder and Chairman of the Company's board of directors has been appointed President and CEO and Darryl Jones, the Company's former CFO, will fill the position of CFO; and
- On July 3, 2019 the Company announced that PLI Huaura Holdings L.P., the creditor to the Company under the PLI Financing Agreement, had issued a formal notice of acceleration on the PLI Agreement, as well as declaring an early termination date of the loan and immediate payment of US$15,581,654 (see ***Outlook***).

Outlook – The Company's loss of ownership and control of Invicta Mining Corp. and its Invicta Gold Project

Paran Blockade

As of October 2018, the Company was impacted by an illegal blockade and demonstrations by the community of Paran (the "Paran Blockade"). To date and continuously since October 2018, the demonstrators have blockaded the access road situated on Lacsanga Community land and which is located directly outside of the main gate at Invicta, thereby preventing any access by the Company to the Invicta Gold Project site.

Overall, project development was over 90% complete and initial shipments had been sent to regional processing plants for processing. In addition, a substantial amount of mineralized material had been mined and prepared for transportation to toll mills for processing, while the final inspection for the mining exploitation license, which was originally scheduled for October 2018, could not take place.

The illegal Paran Blockade resulted in:

1) the termination of the Company's ability to develop and operate Invicta, including the inability to obtain the mining exploitation license and realize commercial production;
2) an inability to perform on-site health, safety and environmental assessments;
3) the termination of the Company's Invicta staff;
4) significant and continuing delays in scheduled payments to local suppliers and vendors;
5) a loss of contracted toll milling capacity; and
6) an inability for the Company to achieve operational cash flow and make its PLI Financing Agreement loan repayments as originally scheduled.

Despite numerous requests for resolution assistance from local and federal government officials of the Republic of Peru, the requested assistance was not provided and the blockade continues and/or Paran-controlled access is in place today, resulting in the Company's loss of its ownership of IMC and the Invicta Gold Project in August 2019.

PLI Financing Agreement, Notice of Default and Early Termination

By agreement dated June 30, 2016 and amended August 2, 2017, the Company executed the PLI Financing Agreement with PLI to fund US$7 million for the completion of development and to initiate production at IMC's Invicta Gold Project - see Deferred Revenue below.

On July 2, 2019, the Company received a formal Notice of Acceleration ("Acceleration Notice") from PLI regarding the PLI Financing Agreement. The Acceleration Notice claims that as a result of existing specified claims of alleged default, PLI declared an early termination date of the loan and requested immediate payment of approximately US$15.6 million. In October 2019, the Company was advised that PLI had seized all of the ownership shares of IMC, effective July 2, 2019, resulting in the Company losing all of its control of IMC and Invicta.

On November 12, 2019, the Company received a Notice of Indemnification and Reservation of Rights letter dated November 8, 2019 from PLI Huaura Holdings L.P., which primarily demanded that the Company make the indemnification payments to PLI in respect of the PLI Financing Agreement (which PLI claims, as of October 31, 2019, totals an aggregate of approximately US$16 million), and all other amounts outstanding under the PLI Financing Agreement were to be paid immediately on demand and that PLI hereby made a demand for payment of such amounts. Additionally, an independent valuation of IMC (the "IMC Valuation") ordered by the independent trustee holding the IMC ownership shares under the PLI Financing Agreement's Security Agreement produced a value of approximately US$13 million for the IMC ownership shares seized by PLI.

Arbitration Claim made under the Canada-Peru Free Trade Agreement ("CPFTA")

The specified claims of default relate primarily to the Company's inability to make scheduled repayments against the PLI Financing Agreement as a result of the ongoing illegal road blockade carried out by the community of Paran at Invicta. Despite numerous requests for resolution assistance from local and federal government officials of the Republic of Peru, the requested assistance was not provided and the blockade continued, resulting in the Company's loss of its ownership of IMC and the Invicta Gold Project.

On December 12, 2019, the Company delivered to the Peruvian Minister of Economy and Finance a Notice of Intent to Submit a Claim to Arbitration in accordance with the 2009 Free Trade Agreement between Canada and Peru (the “CPFTA Arbitration”). In this respect, the Company has engaged Lalive (London, UK) LLP to represent its interests in the CPFTA Arbitration.

This illegal road blockade, which commenced in October 2018 and which management believes still continues to date, prevents access to the Invicta site.

The Company does not agree with PLI’s estimation of the early termination amount as set out in the Acceleration Notice or their enforcement on security pursuant to the Acceleration Notice and the Security Agreement related to the PLI Financing Agreement.

On November 25, 2019, the Company responded to PLI, noting that the Company:

- disputes that there remains an outstanding amount due and unpaid of US$15.6 million on the debt; and
- believes that PLI’s early termination clause was not part of the PLI Financing Agreement for the purpose of giving PLI an opportunity to create a windfall benefit to PLI.

Going Concern

These Consolidated 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, 2020, the Company has a working capital deficit (current assets less current liabilities) of $23,691,000 (December 31, 2019 - $21,537,000 deficit) and accumulated deficit of $90,720,000 (December 31, 2018 - accumulated deficit of $88,552,000). For the three months ended March 31, 2020, the Company incurred a loss of $2,168,000 (2019 - loss of $1,104,000) and used cash in operating activities of $32,000 (2019 - cash used of $113,000).

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. There is no certainty that sufficient financing can be obtained in the future. As a result, there are material uncertainties that cast significant doubt about the Company’s ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business.

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.

In 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a potential material impact to the Company’s activities, cash flows, liquidity and its ability to raise additional capital. Various restrictions on gatherings, work and access to remote communities near the Company’s potential/future projects may also impact the Company’s ability to perform operational activities.

Corporate Structure

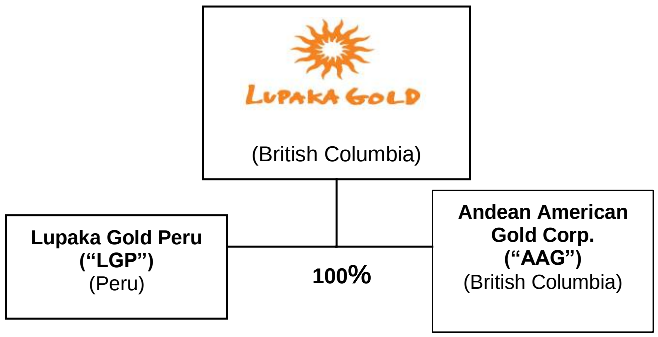
Lupaka Gold was incorporated under the *Company Act* (British Columbia) (predecessor to the British Columbia *Business Corporations Act*) on November 3, 2000 under the name "Kcrok Enterprises Ltd." and transitioned to the *Business Corporations Act* (British Columbia) on November 2, 2005. On May 4, 2010,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

Lupaka Gold's head office and records and registered offices have been relocated to 1569 Dempsey Avenue, North Vancouver, BC V7K 1S8.

Lupaka Gold's common shares trade in Canada on the TSX Venture Exchange ("TSX.V") under the symbol LPK and in Germany on the Frankfurt Exchange under the symbol LQP.

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 2013 to Lupaka Gold Peru S.A.C. Lupaka Gold also owns 100% of the shares of AAG as a result of its October 1, 2012 acquisition of AAG, which until July 2019 owned 100% of IMC.

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 the MD&A Date. The entities below are active unless otherwise noted.



IMC, a Peru company, was a subsidiary of AAG until the loss of control of IMC on July 2, 2019.

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

- Andean Exploraciones S.A.C.
- Greenhydro S.A.C.

As at July 9, 2020, Lupaka Gold had a market capitalization of ~$4.5 million.

Personnel

The Company's corporate head office is located in North Vancouver, B.C., Canada, while its Peru operations are conducted by its local Country Manager in Lima. With the exception of short-term operational requirements for its Peru operations, funds are maintained and controlled in Canada, in both Canadian and US Dollars.

As of the MD&A Date, the number of staff with the Company was as follows:

	Mar 31 2019	Jun 30 2019	Sept 30 2019	Dec 31 2019	Mar 31 2020	MDA Date
Canada	3	3	3	3	3	3
Peru						
Administration	4	4	1	1	1	1
Development & Technical	5	1	-	-	-	-
Total	12	8	4	4	4	4

Due to the illegal Paran Blockade and PLI's actions, staff in Peru resigned or were terminated and no longer work for the Company.

In addition to its staff located in Vancouver and Peru, the Company also engages consultants when necessary, to provide geological, metallurgical and other corporate and technical consulting services.

Management

On July 29, 2019, the Company announced the resignation of Will Ansley as President, CEO, and Director, and Ryan Webster as CFO of the Company, (both) effective July 31, 2019. Gordon Ellis, co-founder and

Chairman of the Company's board of directors was appointed President and CEO and Darryl Jones, the Company's former CFO, will fill the position of CFO.

At present, the Company's directors are comprised of Gordon L. Ellis, Norman Keevil III, Lucio Pareja, Luquman Shaheen, and Mario Stifano.

Business of the Company

The Company is a gold mineral exploration, development, and production company. Its principal activities consist of evaluating, acquiring, exploring and developing gold mining properties to production in Peru. Mineral exploration, development and operations of mining properties are expected to constitute the principal business of the Company for the coming years. In the course of achieving its objectives, it is expected that the Company will enter into various agreements specific to the mining industry, such as purchase or option agreements to purchase mining claims and late-development projects, as well as enter into joint venture and other asset-acquisition agreements.

Please see the Company's AIF (www.sedar.com) for the history of the Company, including, but not limited to the:

- Historical financings of Lupaka Gold and the acquisition of the Crucero Gold Project ("Crucero")
- Agreements with K-Rok Minerals Inc. ("K-Rok", a related party and >10% shareholder of Lupaka Gold)
- LGP Purchase Agreement and the Buyout of the LGP Vendors
- October 2012 acquisition of AAG (which included ownership of a 17% interest in Southern Legacy and a 100% interest in the Invicta Project); and the
- Company's prior mineral project concession listings, related exploration history.

Mineral Projects

After the November 2017 sale of Crucero, the termination of the Josnitoro Gold Project JV with Hochschild Mining plc ("Hochschild"), and PLI's foreclosure actions (whereby PLI obtained all of the ownership shares of IMC), the Company has no remaining development projects. However, management is continuing to actively seek out gold exploration projects for potential development and investment.

For background and other financial information concerning the above-mentioned projects, see the Company's audited consolidated financial statements and related management's discussion and analysis and unaudited interim consolidated financial information and related management's discussion and analysis, all located at www.sedar.com under the Lupaka Gold Corp. profile.

SELECTED FINANCIAL INFORMATION

The following information has been extracted from the Company's audited consolidated financial statements for the years ended December 31, 2019, 2018 and 2017:

In thousands of Canadian Dollars, except for per share amounts

Years ended December 31,	**2019**	**2018**	**2017**
Exploration expenses, net of recoveries	Nil	(201)	1,540
Loss due to loss of control over subsidiary	18,673	Nil	Nil
Write-down of LGP assets	17	Nil	Nil
Loss on re-measurement of PLI liability	14,593	Nil	Nil
Loss on sale of mineral property	Nil	Nil	11,037
General and administrative expenses	703	1,411	870
Financing expenses	333	1,054	1,137
Interest income	(2)	Nil	Nil
Loss (gain) on metals derivative liability	(284)	(2,570)	218
Loss on sale of marketable securities	Nil	Nil	81
Gain on sale of equipment	Nil	(9)	Nil
Loss (earnings) for the year	34,033	(315)	14,883
Loss (earnings) per share, basic	$0.24	($0.00)	$0.13
Loss (earnings) per share, diluted	N/A	($0.00)	N/A

The following table presents selected unaudited quarterly operating results for each of the last eight quarters. Selected quarterly financial information is extracted from unaudited consolidated interim financial statements reported in accordance with International Financial Reporting Standards ("IFRS") applicable to preparation of interim financial statements, including IAS 34, Interim Financial Reporting:

In thousands of Canadian Dollars, except for per share amounts

Three months ended	**Q1-20**	**Q4-19**	**Q3-19**	**Q2-19**	**Q1-19**	**Q4-18**	**Q3-18**	**Q2-18**
Exploration expenses	Nil	Nil	Nil	Nil	Nil	7	1	14
General and administrative expenses	38	136	104	250	213	396	362	319
Loss due to loss of control of IMC	Nil	3,464	15,209	Nil	Nil	Nil	Nil	Nil
Write-down of LGP assets	Nil	17	Nil	Nil	Nil	Nil	Nil	Nil
Loss on re-measurement of PLI liability	2,110	14,593	Nil	Nil	Nil	Nil	Nil	Nil
Financing expenses	20	(4)	15	162	160	185	181	400
Loss (gain) on metals derivative liability	Nil	Nil	Nil	(1,015)	731	(537)	(1,113)	(882)
Interest income	Nil	(2)	1	(1)	Nil	Nil	Nil	Nil
Gain on sale of equipment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(9)
Loss (earnings) for the quarter	2,168	18,204	15,329	(604)	1,104	51	(569)	(158)
Loss (earnings) per share, basic	$0.01	$0.06	$0.10	($0.00)	$0.01	$0.00	($0.00)	($0.00)
Loss (earnings) per share, diluted	N/A	N/A	N/A	($0.00)	N/A	N/A	($0.00)	($0.00)

As the Company has not had any revenue-generating mineral properties or other sources of mining revenue to date, no mining revenues are reflected in the above tables.

Factors that have caused notable fluctuations in the Company's quarterly results include: the Company's loss due to loss of control over IMC and the Invicta Gold Project in Q3-19 and Q4-19, the recognition of the PLI liability in Q4-19, gains on the metals derivative liability related to the PLI Financing Agreement from Q2-18 to Q4-18 and Q2-19 and a loss on the metals derivative liability in Q1-19, share-based compensation costs ("SBC") incurred due to share price variations across all quarters, accretion and interest expenses related to the Bridge Loans for Q3-16 through to Q1-19, financing expenses related to the PLI Financing Agreement from Q4-17 until Q2-18, and foreign exchange gains or losses related to US Dollar-denominated monetary assets and liabilities when the Canadian Dollar exchange rate significantly fluctuates across all quarters.

In periods of loss, basic and diluted loss per share are the same because the effect of potential issues of shares would be anti-dilutive.

The Company operates in one segment, being mineral exploration and development. The consolidated statements of loss, comprehensive loss and deficit for the periods presented reflect both the Company's Canadian and, until the end of 2019, its Peruvian operations.

Financial results for the three and twelve-month periods ended March 31, 2020 and 2019 are summarized as follows:

	Three months ended March 31	
In thousands of dollars	**2020**	**2019**
Operating expenses		
General and administration	38	213
Operating loss	38	213
Loss on re-measurement of PLI liability	2,110	–
Financing expenses	20	160
Loss on metals derivative liability	–	731
Loss (earnings) for the period	2,168	1,104
Loss (earnings) per share – Basic and diluted	$0.01	$0.01

Three months ended March 31, 2020

Compared to the three months ended March 31, 2019, notable expense variances were as follows:

General and administration expenses

The Company's expenses totalled $37,000 for the three months ended March 31, 2020 compared to $213,000 for the three months ended March 31, 2020, with the decrease of $176,000 being the result of:

- Salaries, benefits and fees of $22,000 for the first quarter of 2020 compared to $141,000 for the first quarter of 2019, a decrease of $119,000 due mainly to the resignations of senior management in the third quarter of 2019;
- Professional and regulatory fees totalling $9,000 for the first quarter of 2019 compared with $28,000 for the first quarter of 2019, a decrease of $19,000.
- Office and general expenses totalled $4,000 for the first quarter of 2020 compared to $21,000 for the first quarter of 2019, a decrease of $17,000 due to the Company no longer renting office space;
- Shareholder and investor relations expenses totalling $3,000 for the first quarter of 2020 compared to $21,000 for the first quarter of 2019, a decrease of $18,000; and
- No travel expenses in the first quarter of 2020 compared to $2,000 in the first quarter of 2019.

Financing expenses

$Nil (2019 – $1,000) in loan accretion relating to the Company's bridge loans and $Nil (2018 – $8,000) in interest expense related to the bridge loans were incurred in the three months ended March 31, 2020.

A foreign exchange gain of $20,000 occurred in the three months ended March 31, 2020 compared to an $8,000 foreign exchange gain in the same period of 2019.

Loss on re-measurement of PLI liability during the three months ended March 31, 2020 totalled $2,110,000 compared to a loss on metals derivative liability of $731,000 and financing expenses of $159,000 for the same period of 2019.

Share-based compensation expenses

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. Non-cash share-based compensation costs of $14,000 have been recorded for the three months ended March 31, 2020 (2019 - $72,000), and allocated as follows:

In thousands of dollars	**2020**	**2019**
Salaries and benefits	11	49
Shareholder and investor relations	3	4
Development costs (capitalized)		
Project Administration	-	17
Community	-	2
Total share-based compensation	14	72

LIQUIDITY AND CAPITAL RESOURCES

In thousands of dollars	**March 31, 2020**	**December 31, 2019**
Cash	44	76
Working capital (defined as current assets less current liabilities)	(23,691)	(21,537)
Total assets	68	100
Total liabilities	23,758	21,636
Shareholders' equity	(23,690)	(21,536)

The principal changes in the Company's cash during the three months ended March 31, 2020 were as follows:

- Net cash used in operating activities in the March 31, 2020 was $32,000, which was a product of the Company's loss for the three months of $2,168,000 and the following adjustments for items not affecting cash:
    - Loss on re-measurement of PLI liability of $2,111,000;
    - share-based compensation expense of $14,000; and
    - an $11,000 net increase in non-cash working capital.
- There were no financing or investing activities in the first three months of 2020.

Current liabilities at March 31, 2020 totalled $23,758,000 (December 31, 2019 – $21,636,000), and were comprised of: due to PLI of $22,958,000, accounts payable and accrued liabilities of $771,000 (December 31, 2019 – $760,000) including severance payments to a former CEO of the Company and amounts due to related parties totalling $29,000 (December 31, 2019 – $29,000).

Receivable from IMC - with the Company's loss of its ownership of Invicta Mining Corp., net intercompany advances previously made by Lupaka or its corporate assignees to IMC total approximately US$16.25 million including interest. However, management has estimated that the likelihood of collectability from IMC and/or its owners is uncertain and subject to legal proceedings. Consequently, the Company's carrying value for accounting purposes for the IMC receivable as at March 31, 2020 is $Nil..

Due to PLI and loss on re-measurement of PLI liability

Management disagrees with PLI's estimate of approximately US$16 million (as of October 31, 2019) owed to PLI as a result of PLI's termination of the PLI Financing Agreement. However, in the absence of any discharge, payment or settlement of this disputed obligation, as at March 31, 2020, the Company has a recorded Due to PLI liability of $22.96 million (US$16.2 million). As at December 31, 2019, the recorded liability was $20.8 million (US$16.1 million). During the three months ended March 31, 2020, the Company recorded interest of $177,000 (US$131,00).

The likelihood of PLI continuing to pursue collection of their asserted US$16 million or any other amounts PLI asserts are owed after their seizure of IMC is indeterminable. However, with PLI's seizure of the ownership and control of IMC, which was valued at approximately US$13 million, management asserts that PLI is not entitled to anything further from the Company.

Lupaka continues to consider all actions available to it in response to PLI's Acceleration Notice and foreclosure actions, and the Company's resulting Loss due to loss of control over subsidiary and Invicta.

Deferred revenue

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

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

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, of which US$161,000 remains unpaid and is included in Accounts Payable; 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 12 (b)).

Management 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 accounting criteria for deferred revenue.

Due to the loss of control of IMC, the deferred revenue was re-measured and included in the Due to PLI liability, as the Company will no longer deliver gold into the related, now-terminated PLI Financing Agreement.

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 provided 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 PLI Financing Agreement, noting that this relates only to production of metals at Invicta during the tenure of the PLI Financing Agreement.

Outstanding Shares

As at the MD&A Date, the following securities were issued and outstanding:

- basic – 153,509,368 common shares
- fully-diluted – 190,286,376 common shares, after including:
    - 25,972,008 common share purchase warrants, all with an exercise price of $0.10; and
    - 10,805,000 stock options, with exercise prices ranging from $0.05 to $0.23, of which 8,830,000 options are vested.

As at March 31, 2020 and December 31, 2019, the Company's aggregate recorded common share capital amount was $59,625,000 representing 148,509,368 issued and outstanding common shares without par value.

As at March 31, 2020, the Company had 27,972,008 share purchase warrants outstanding at a weighted average exercise price of $0.11 (December 31, 2019 – 28,094,795 at a weighted average price of $0.11) and 11,355,000 stock options outstanding at a weighted average exercise price of $0.11 (December 31, 2019 – 12,155,000 at a weighted average price of $0.14).

Equity Issued

On June 10, 2020, the Company completed a non-brokered private placement with third-party individuals raising gross proceeds of $100,000 by issuing 5,000,000 common shares at a price of $0.02 per common share. All of the shares issued are subject to a 4- month hold period from the date of issuance.

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 settle $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.

Accumulated Deficit

The Company's accumulated deficit was $90,752,000 as at March 31, 2020 (December 31, 2019 – $88,552,000), with the increase in deficit of $2,168,000 reflecting the net loss for 2019.

Dividends

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 does not intend to pay any dividends in the foreseeable future. It is the Company's intention to use all available cash flows to finance further operations and exploration of its resource properties.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

During the three months ended March 31, 2020, the Company had no related party expenditures.

Key management compensation

Key management includes directors and executive officers of the Company. The compensation paid or payable to key management for employee services for the three months ended March 31, 2020 and 2019 is shown below:

	Three months ended March 31,	
In thousands of dollars	**2020**	**2019**
Salaries, fees and benefits	13	294
Share-based compensation	13	68
Total	26	362

Of the $294,000 included in salaries and benefits during the three months ended March 31, 2020, approximately $209,000 in remuneration was for severance paid in SFD Transaction Units and common shares in 2019.

Due to current and former 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, 2020:
- $2,100 was payable to ABE and $27,300 was payable to Havilah for services rendered in 2019 and prior years, both of which are included in Due to Related Parties;
- $20,696 was payable to a former CEO of the Company for previously deferred salary, which is included in Accounts Payable;
- $15,641 was payable to a former CFO of the Company for outstanding management fees, which is included in Accounts Payable; and
- $266,750 was payable to a former CEO of the Company pursuant to a March 2018 settlement agreement between the parties, which is included in Accounts Payable.

Adoption of new and amended IFRS pronouncements
Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning January 1, 2019, as set out below. Pronouncements that are not applicable to the Company have been excluded from this note.

IFRS 16 **-** Leases was issued in January 2016 and is effective for periods beginning on or after January 1, 2019. It provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The adoption of the standard had no impact on the financial statements.

Significant accounting estimates 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.

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.

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:

Going concern assumption – presentation of the annual financial statements which assumes that the Company will continue in operation for the foreseeable future, 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.

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.

Accounting Policies

The Company's accounting policies are as disclosed in Note 3 of the audited annual consolidated financial statements for the years ended December 31, 2019 and 2018, which can be found at www.sedar.com under the Company’s profile “Lupaka Gold Corp.”.

Financial risk factors

The Company’s activities expose it to a variety of financial risks, which include credit, liquidity, market, foreign exchange, interest rate, and commodity price risks.
Financial risk management is carried out by the Company's management team with oversight from the Company’s Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through the management of its capital structure and assets – see Liquidity and Capital Resources (re: going concern).

At March 31, 2020 and 2019, the Company’s undiscounted contractual obligations were as follows:

In thousands of dollars	March 31, 2020	December 31, 2019
Trade and other payables (within 1 year)	23,758	21,636

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates, prices, interest rates, and commodity prices.

Interest rate risk

The Company is exposed to financial risk related to the fluctuation of interest rates.

Foreign exchange risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has financial liabilities in US Dollars. A significant change in the currency exchange rates would have an effect on the Company’s results of operations. The Company has not hedged its exposure to currency fluctuations..

Operational Risk

Estimates of the recoverable amounts for non-financial assets are subjective and can vary over time. The Company estimates the recoverable amounts of non-financial assets using assumptions and if the carrying value of an asset at that time is determined to be greater than its actual recoverable amount, an impairment will be recognized, along with an increase in the Company’s loss for the period. The Company conducts impairment assessments of non-financial assets at the end of each reporting period and the Company assesses whether there are any indicators that non-financial assets (such as property, plant and equipment) 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. Non-financial assets are tested for impairment when events or changes in circumstances suggest that the carrying amount of these assets may not be recoverable. During the period ended December 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 Project, 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. 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.

Fair value of financial instruments

IFRS 7 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair values as follows:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – valuation techniques based on inputs that are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3 – valuation techniques with unobservable market inputs (involves assumptions and estimates by management of how market participants would price the assets or liabilities).

In evaluating fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and valuation techniques may have a material effect on the estimated fair value amounts.

The fair values of cash, trade and other receivables and trade and other payables approximate carrying value because of their short-term nature. At March 31, 2020, the Company had no marketable securities that are categorized as Level 1 in the fair value hierarchy above that are measured and recognized in the consolidated statement of financial position at fair value.

At March 31, 2020 and December 31, 2019, the Company had no financial instruments that would be categorized as Level 2 in the fair value hierarchy above, while the Due to PLI liability can be categorized as Level 3 in the fair value hierarchy above.

Disclosure Controls and Procedures

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020 and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

Risk Factors – in addition to the Going Concern assumption/risk and the Cautionary Note Regarding the Invicta Production Decision noted above, the Company's Risk Factors are fully set out in its last AIF, which is available at www.sedar.com.