



LUPAKA GOLD INITIATES DEVELOPMENT OF INVICTA GOLD PROJECT

VANCOUVER, BRITISH COLUMBIA, January 22, 2018 -- Lupaka Gold Corp. ("**Lupaka Gold**" or the "**Company**") (TSXV:LPK, FRA:LQP) is pleased to provide an update on operational advancements associated with the Invicta Gold Development Project ("**Invicta**", or "**Invicta Project**").

Highlights:

- Mining contractor selected, mobilization has commenced and expected to take 2-3 weeks
- Rehabilitation, preparation and initial development of Invicta will commence in February 2018 with 3 crews, new adit and 3430 Level to be constructed
- Bulk samples to be extracted and sent to toll-milling facilities in order to test and optimize metallurgical recoveries and concentrate quality
- Road construction resumes after holiday period and is approximately 20% complete
- PEA on track for completion in the first quarter of 2018 ("**Q1 2018**")

Mining Contractor Commences Rehabilitation, Preparation and Development Work

PLH S.A.C. ("**PLH**"), the mining contractor selected for the Invicta Project, has commenced mobilization activities that will take 2-3 weeks to complete. By early February 2018, the Company anticipates PLH will have established three crews at site focused on:

- Rehabilitation of the existing 3400 Level including widening access points, reinforcing ground support, and the installation of services;
- Driving a new access drift from surface to develop the first sublevel for mining and a cross-cut at the 3430 Level. This new access point, when connected by the raise from the 3400 Level, will complete the ventilation circuit and provide a secondary egress from underground;
- Preparing initial development on the 3430 Level access to the mineralized zone. Sampling will be performed and cross-referenced with the block model. Bulk samples will be sent to toll-mill facilities to test and optimize throughput rates, metallurgical recoveries, and concentrate quality.

The rehabilitation, preparation and initial development activities are expected to be completed mid-2018.

Road Construction Progress Update

To avoid disruption with local communities over the holiday period, and maintain safety standards, road construction was temporarily suspended from December 22, 2017 until January 5, 2018. Progress now continues on three fronts and project is approximately 20% complete. Efforts to date have been primarily focused at the top section of the road in advance of the rainy season and in constructing bypasses around local communities.

Pictures of the road construction program can be found on our website under the following link: <http://www.lupakagold.com/s/photogallery.asp?ReportID=809914>

Preliminary Economic Assessment

Further to the announcement on November 28, 2017, the Company has engaged SRK Consulting Canada Inc. (“**SRK**”) as the lead contractor to prepare a Preliminary Economic Assessment (“**PEA**”) on Invicta. The PEA remains on track for completion in Q1 2018 and will be used as a basis for additional development by PLH.

Related Party Transaction

In December 2017, the Company sold 200,000 of its Goldmining Inc. (TSXV: GOLD) shareholdings, which were received as consideration for the Company’s November 2017 sale of the Crucero Project, to Mr. Will Ansley, CEO of the Company. This transaction was made in order to take advantage of an allowable, one-time block-sale under the Sale Purchase Agreement with Goldmining Inc.

The sale of the Goldmining shares is considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101") because it involves a director and officer of the Company, Mr. Ansley. The transaction was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 in reliance on the exemptions set forth in sections 5.5(a) and 5.7(1)(a) of MI 61-101 as neither the fair market value of the Goldmining shares nor the consideration for the Goldmining shares exceeded 25% of the Company’s market capitalization (as determined in accordance with MI 61-101). The Company did not file a material change report more than 21 days before the expected closing of the sale of the Goldmining shares as the details of the sale and the participation therein by Mr. Ansley were not settled until shortly prior to closing and the Company wished to close on an expedited basis for sound business reasons.

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

About Lupaka Gold

Lupaka is an active Canadian-based company focused on creating shareholder value through discoveries and strategic development of its assets in some of the most prolific mining regions of Peru.

Invicta Gold Development Project – 100% owned, the Company’s flagship project is an advanced stage gold-copper polymetallic underground deposit located approximately 120 kilometres north of Lima. Over \$15 million of capital has been spent by previous owners on development and infrastructure at Invicta, and management expects to commence potential production in the second half of 2018 by using third-party mining contractors and utilizing the adit and existing workings. The Invicta project is fully permitted and community agreements are in place.

The potential underground operation will be focused on accessing Invicta's Measured and Indicated mineral resources, which was prepared by SRK Consulting (US) Inc. in 2012 estimated as:

Measured mineral resource - 131,000 tonnes grading 6.65 grams per tonne ("g/t") gold equivalent for 28,000 contained ounces ("ozs") of gold, from: 18,000 ozs Au grading at 4.29 g/t, 133,000 ozs Ag grading at 31.71 g/t, 2,119k lbs Cu grading at 0.73%, 1,110k lbs Pb grading at 0.39% and 1,105k lbs of Zn grading at 0.38%.

Indicated mineral resource - 8,513,000 tonnes grading 3.43 g/t gold equivalent for 939,000 contained ozs of gold, from: 573,000 ozs Au grading at 2.09 g/t, 4,285,000 ozs Ag grading at 15.65 g/t, 79,048k lbs Cu grading at 0.42%, 45,171k lbs Pb grading at 0.24% and 53,482k lbs of Zn grading at 0.21%.

An Inferred mineral resource estimate of 2,534,000 tonnes grading 2.90 g/t gold equivalent for 236,000 contained ozs of gold has also been established.

The 2012 Mineral Resource Estimate was stated at a 1.30 g/t gold equivalent cut-off. Metal prices assumed for the gold equivalent calculation are US\$1,500/oz for gold, US\$32.50/oz for silver, US\$3.90/lb for copper, US\$1.05/lb for lead and US\$1.00/lb for zinc. The gold equivalent calculation assumes 100% metallurgical recovery, and does not account for any smelting, transportation or refining charges. See further disclosure regarding the calculated gold equivalent cut-off grade, as below.

Invicta's approved EIA allows for mine production of 1,000 tpd, although the current mining plan is limited to 350 tpd.

Cautionary Note Regarding the Invicta Production Decision

The decision to commence potential production at the Invicta Gold Project and the Company's plans for a mining operation as referenced herein (the "**Production Decision and Plans**") were based on economic models prepared by the Company in conjunction with management's knowledge of the property and the existing estimate of measured, indicated and inferred mineral resources on the property. The Production Decision and Plans were not based on a preliminary economic assessment, a pre-feasibility study or a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with the Production Decision and Plans, in particular the risk that mineral grades will be lower than expected, the risk that construction or ongoing mining operations are more difficult or more expensive than expected, the risk that the Company will not be able to transport or sell the mineralized material it produces to local custom toll mills on the terms it expects, or at all; production and economic variables may vary considerably, due to the absence of a detailed economic and technical analysis according to and in accordance with NI 43-101.

Josnitoro Gold Project – the Company holds an option to earn a 65% interest on this project from Hochschild Mining PLC. The project is located approximately 800 kilometres by road southeast of Lima in the Department of Apurimac, southern Peru, within the Andahuaylas-Yauri Belt, in which the Las Bambas mine (MMG Limited) and the Constancia mine (HudBay Minerals) are located. Historical work on the disseminated gold zones includes over 170 shallow drill holes and extensive surface trenching, as well as artisanal mining.

FOR FURTHER INFORMATION PLEASE CONTACT:

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

Qualified Person

The technical information in this document has been reviewed and approved by Julio Castañeda Mondragon, MAIG, the President of Lupaka Gold Peru S.A.C., a Peruvian subsidiary of the Company, and a Qualified Person as defined by National Instrument 43-101. Mr. Castañeda has verified the scientific and technical information, including sampling, analytical and test data underlying the information or opinions contained in this news release.

The Invicta Gold Project mineral resource estimates referred to in this news release are disclosed in the technical report dated April 16, 2012, titled "Technical Report on Resources, Invicta Gold Project, Huaura Province, Peru" (the "Invicta Technical Report"), and prepared by SRK Consulting (U.S.) Inc., which is available at www.sedar.com under Lupaka Gold Corp's profile. The metal prices used to calculate the gold equivalent cut-off grade in the Invicta Technical Report are based on prices at the time. Investors are cautioned that current metal prices are now lower and as a result, the above-referenced cut-off grade could be materially affected based on current prices. Investors are further cautioned that the prices of precious metals can fluctuate in wide ranges over short periods of time.

Cautionary Statements Regarding Forward Looking Information

All statements, trend analysis and other information contained in this press release relative to anticipated future events or results constitute forward-looking statements. All statements, other than statements of historical fact, included herein, including, without limitation, statements relating to improvements in the road to the Invicta Project and its anticipated benefits and the timing of completion of the improvements, the timing of the commencement of potential production from the Invicta Project and the generation of cash therefrom, the anticipated methods of production, the receipt of and anticipated use of proceeds of the PLI Financing, the Company's plans and intentions for Invicta, mineral resource estimates, are forward-looking statements. Forward-looking statements are based on assumptions, estimates and opinions of management at the date the statements are made that the Company believes are reasonable, including: that the repayment of the PLI Financing is consummated on the anticipated terms, that the supplies, equipment, personnel, permits, and local community approvals required to conduct the Company's planned pre-production and development activities will be available on reasonable terms, that the Company will be able to comply with the delivery and other obligations in the PLI Financing Agreement, that results of exploration activities will be consistent with management's expectations and that the Company will not experience any material accident, labour dispute, or failure of equipment and with respect to the planned mining operations at Invicta; that pre-production mine development can be completed in the time and for the cost projected; that the Company will be able to obtain funding for planned production expenses; that mineralization at Invicta will be of the grades and in the locations expected; that the Company will be able to extract and transport mineralized rock efficiently and sell the mineralized rock at the prices and in the manner and quantities expected; that permits will be received on the terms and timeline expected and that other regulatory or permitting issues will not arise; that mining methods can be employed in the manner and at the costs expected and that such methods yield the results the Company expects them to. However, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks, uncertainties and other factors include, among others: all of the risks described in this news release; failure of the PLI Financing to complete on the proposed terms or at all, including due to the Company's inability to complete the conditions precedent, the risk that actual results of exploration

and development activities will be different than anticipated; that the Company will not be able to comply with the delivery or other obligations in the PLI Financing Agreement and the risk that PLI will enforce its security over the Company's assets, including its mineral properties; that cost of labour, equipment or materials will increase more than expected; that the future price of gold will decline; that the Canadian dollar will strengthen against the U.S. dollar; that mineral resources are not as estimated; unexpected variations in mineral resources, grade or recovery rates; risks related to shipping mineralized rock; the risk that local mills cannot or will not buy or process mineralized rock from the planned production for the prices expected or at all; risk of accidents, labour disputes and other risks generally associated with mineral exploration; unanticipated delays in obtaining or failure to obtain community, governmental or regulatory approvals or financing; and all of the risks generally associated with the development of mining facilities and the operation of a producing mine, as well as the risks described in the Company's annual information form, which is available on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to not be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof. Lupaka Gold does not undertake any obligation to update forward-looking statements except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.