

Lupaka Provides Update on Illegal Demonstration at Invicta, Announces Non-Brokered Private Placement, and Management Changes

28.01.2019 | [GlobeNewswire](#)

VANCOUVER, Jan. 28, 2019 - [Lupaka Gold Corp.](#) ("Lupaka Gold" or the "Company") (TSX-V: LPK, FRA: LQP) reports that despite considerable effort to broker an end to the illegal demonstration at the Company's Invicta Gold Development Project ("Invicta"), the demonstration continues. As previously announced on October 25, 2018, access to Invicta had been restricted due to an illegal blockade by community members from the nearby community of Paran. In addition, the Company announces that it intends to complete a non-brokered private placement of units (the "Units") of the Company for gross proceeds of up to \$1,000,000 (the "Offering"), and has downsized the workforce in Peru as a result of the blockade.

Illegal Demonstration Update

The demonstration at Invicta has resulted from a land conflict that exists between two of Invicta's neighbouring communities, Paran and Lacsanga. Based on all known information the Company continues to believe that the community of Lacsanga is the legal owner of the land in question, the basis which supports our existing valid community agreement with Lacsanga. Lupaka's management team has worked diligently with the Peruvian authorities to help broker a solution to the conflict and regain access to the Invicta development site. However, efforts to-date have been unsuccessful at removing the blockade. Contributing to the delay in obtaining a resolution was a change in a number of government related positions including at all municipalities, certain key members of the Ministry of the Interior and the counsels of most regional communities effective January 2019. Dialogues continue with the communities, and high-level officials from both the Peruvian Ministry of Energy and Mines and Ministry of the Interior, with support from the office of the Prime Minister and Vice-President of Peru. The Company is confident that these continued efforts will result in a positive, meaningful, long-term solution to the demonstration.

Due to the illegal demonstration the Company has been unable to access or inspect the Invicta development site. Overall project development is approximately 90% complete and the final inspection for the mining exploitation license, which was originally scheduled for October 2018, remains outstanding. The demonstrations have resulted in: 1) significant delays in the Company's ability to develop and operate Invicta, 2) a loss of the contracted toll milling capacity and 3) the ability to reach positive cash flow when originally scheduled. Consequently this has caused the Company to delay scheduled payments on the PLI Financing facility, the outstanding Bridge Loans and to certain vendors. According to the terms of the PLI Financing Agreement and Bridge Loan 2 Agreement, those facilities are technically in default as of January 2019. The Company is working with its lenders and vendors on implementing restructured payment plans and securing necessary waivers. In the meantime, headcount has been dramatically reduced and all non-essential employees have been placed on leave without pay, due to force majeure or have been laid-off.

"We are extremely disappointed that the demonstration has continued and would like to thank our stakeholders for their continued patience as we work to achieve a positive long-term outcome. We look forward to continuing to work to build strong relationships with Invicta's local communities, including Lacsanga, Santo Domingo and Paran."

While we have taken steps to rapidly reduce our short-term cash outflows, we remain committed to completing the commissioning of Invicta. Our understanding of the geological model was validated and greatly enhanced through the excellent results from our underground development and sampling work performed in 2018, which included an average channel sample grade of 9.06 g/t Au-Eq. over a strike length of 235 m, with an average sample width of 3.87 m, on the 3430 sublevel. These results prove the high-grade continuous nature of the deposit and demonstrate the tremendous potential of the Invicta project. We remain*

confident in the ability to grow resources and to generate cash flow from the asset.”

Will Ansley, President and CEO of Lupaka

** Au-Eq. calculations are based on US\$1250 for gold (“Au”), US\$17.00 for silver (“Ag”), US\$3.00 for copper (“Cu”), US\$1.25 for zinc (“Zn”), and US\$1.05 for lead (“Pb”), with assumed metallurgical recoveries of 85% for Au, 80% for Ag, 82 % for Cu and Pb, and 77% for Zn. Individual estimated grades were 4.35 g/t Au, 57.59 g/t Ag, 1.55% Cu, 1.34% Pb, and 1.28% Zn*

Private Placement

The Company will be raising up to \$1,000,000 by way of a non-brokered private placement. Each Unit will be priced at \$0.10 and will consist of one common share of the Company and one transferable common share purchase warrant (each, a “Warrant”), 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 the closing of the Offering. Proceeds from the Offering are intended to be used for general working capital purposes and to continue working with the government to resolve the blockade.

The closing of the Offering is expected to occur on or before February 28, 2019, subject to receipt of approval of the TSX Venture Exchange (“TSXV”). The common shares and Warrants issued in the Placement will be subject to a four-month hold period.

Management Changes

Lupaka also announces that Daniel Kivari, Director of Operations, is no longer with the Company. As part of the separation agreement with Mr. Kivari, the Company intends to issue 850,000 common shares of Lupaka to settle US\$100,000 of debt. The deemed price per Common Share is \$0.155. This issuance of the Common Shares in this shares-for-debt transaction is subject to review and approval from the TSXV and will be subject to a four month hold period which will expire on the date that is four months and one day from the date of issue.

Effective February 1, 2019 Luis Felipe Bravo will join the Company as the Country Manager responsible for all administration and legal representation within Peru. Mr. Bravo was previously the General Manager in Peru of a Canadian based company that operated the San Juan Mine located south of Lima. San Juan is a high-grade, narrow-vein, conventional underground mine operating a 750 tpd flotation and CIL mill, producing approximately 25,000 ounces of Au per year. Mr. Bravo has a master's degree in Corporate Law from Lima University and performed postgraduate studies at Yale University and Universidad de Salamanca. Mr. Bravo will be granted 500,000 incentive stock options, for the purchase of up to 500,000 common shares, pursuant to the Company's 2010 Incentive Stock Option Plan and subject to approval by the TSX Venture Exchange. The options vest over 18 months and are exercisable on or before February 1, 2024 at a price of \$0.10.

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.

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Cautionary Statements Regarding Forward Looking Information

This press release contains forward-looking statements which constitute "forward-looking information" within the meaning of applicable securities laws, including all statements, trend analysis and other information relative to anticipated future events or results. All statements, other than statements of historical fact, included herein are considered forward-looking statements, including, without limitation, statements relating to: discussions with the protesters and the Peruvian Ministry of Energy and Mines and Ministry of the Interior; discussions with the protesters and the lifting of the blockade; the relationship with partner communities; the use of proceeds of the Offering, the receipt of regulatory approval of the Offering, the size and completion of the Offering.

Forward-looking statements are based on assumptions, estimates and opinions of management at the date the statements are made and which the Company believes are reasonable. Such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: that discussions with the protesters are not productive; that regulatory approval of the Offering is not received; that financing will not be available when and if needed on reasonable terms; adverse changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities. This forward-looking information may be affected by risks and uncertainties in the regular course of business and due to market conditions. Additional risks are 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.

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Die URL für diesen Artikel lautet:

<https://www.goldseiten.de/artikel/402658--Lupaka-Provides-Update-on-Illegal-Demonstration-at-Invicta-Announces-Non-Brokered-Private-Placement-and-Man>

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