Lupaka Gold lands $49M from Peru to settle dispute

Lupaka Gold (TSX-V: LPK) took a major step toward ending its long-running dispute with Peru this week after receiving about $49.4 million under a negotiated settlement of its international arbitration award related to protests that blocked access to its Invicta project in 2018.

The payment represents 70% of an award granted by the International Centre for Settlement of Investment Disputes (ICSID), which ruled in 2025 that Peru was liable for failing to prevent protests that shut down Invicta in 2018. Peru has agreed to pay the remaining roughly $21.2 million by Dec. 31, with additional interest accruing if it misses the deadline.

Lupaka agreed in exchange to seek the suspension of enforcement proceedings and attachment orders against Peru and refrain from pursuing further enforcement actions in multiple jurisdictions while awaiting the balance of the award.

‘Legal relief for investors’

“We are delighted to have secured a full victory for Lupaka, not only in the ICSID arbitration but also in obtaining subsequent payment from Peru,” Marc Veit, a partner with Lupaka’s Switzerland-based legal counsel Lalive said in a release on Thursday. “Winning an award is only part of the process; securing payment is what ultimately delivers value for clients. This case is a prime example that mining investors can get full legal and financial relief from States with the right strategy and counsel.”

The receipt of the award comes just over one year after the tribunal’s ruling, which Lalive said was the first time in Latin America that the actions of a local community are attributable to the state under international law.

“This has been a long haul and we are pleased that it is almost over and with a positive outcome,” CEO Gordon Ellis said in a release. “We will get the contingent value rights (CVR Holder) payments out as soon as possible now and again upon our receipt of the second Peru payment. We can now move forward and focus on pursuing potential resource development projects.”

Next steps

Lupaka said its first priority is repaying Bench Walk Advisors, which financed the arbitration, along with the firm’s contingent profit share. The company then expects to make its first eligible CVR distribution within 30 days.

Under the June 2022 CVR trust indenture, the first payment will reflect the remaining proceeds after deducting Bench Walk’s entitlement, legal and professional fees, accounts payable and accrued liabilities outstanding as of the June 30, 2025 award date, withholding and distribution taxes, the costs of making the two CVR distributions and up to C$8 million retained for working capital and corporate purposes.

The second CVR distribution will follow receipt of the final payment from Peru. Because most of the deductions will have been covered in the first distribution, the company expects the second payment to be larger.

‘Breached obligations’

Last year, the International Centre for Settlement of Investment Disputes ruled that Peru had breached its obligations with the Canadian miner after failing to prevent community protests that blocked access to Lupaka's Invicta gold project in 2018. The mine, about 120 km north of Lima, was forced to close after road blockades halted operations. The dispute was launched in late 2019 after Lupaka alleged the state had supported the protests.

Before the latest agreement, Lupaka had warned it was pursuing overseas Peruvian assets for potential seizure to enforce the award, which had grown to about $67 million with accrued interest.