



Pucara Gold Ltd. (Formerly, Magnitude Mining Ltd.)
(An Exploration Stage Company)

Interim Condensed Consolidated Financial Statements
(expressed in Canadian dollars)

September 30, 2020

(Unaudited, Prepared by Management)

Pucara Gold Ltd.
1400 - 1040 West Georgia Street
Vancouver, BC V6E 4H1

Reader's Note:

These unaudited interim condensed consolidated financial statements have been prepared by management and have not been reviewed by the Company's auditor

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Pucara Gold Ltd. (Formerly, Magnitude Mining Ltd.)
(An Exploration Stage Company)
Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited, Prepared by Management)

		September 30 2020 \$	March 31 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		8,457,987	193,946
Short-term investments		-	400,000
Receivables		53,790	42,171
Prepaid expenses		63,908	56,894
Total current assets		8,575,685	693,011
Non-current assets			
Exploration and evaluation assets	4	266,185	293,671
Equipment	5	76,515	92,821
Right of use asset	7	48,684	74,144
Total non-current assets		391,384	460,636
TOTAL ASSETS		8,967,069	1,153,647
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		412,158	292,069
Lease liability	7	41,002	41,485
Convertible note	6	-	500,000
Total current liabilities		453,160	833,554
Non-current liabilities			
Lease liability	7	7,263	30,062
TOTAL LIABILITIES		460,423	863,616
EQUITY (DEFICIENCY)			
Share capital	8	18,461,466	7,844,030
Share-based payment reserve		1,414,671	1,063,115
Accumulated other comprehensive income		99,488	134,008
Deficit		(11,468,979)	(8,751,122)
TOTAL EQUITY (DEFICIENCY)		8,506,646	290,031
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		8,967,069	1,153,647
Continuance of operations	2 (c)		
Subsequent events	11		

Approved on behalf of the Board of Directors

“Steve Zuker” Director

“Gord Fretwell” Director

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

Pucara Gold Ltd. (Formerly, Magnitude Mining Ltd.)
(An Exploration Stage Company)
Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except for share data)
(Unaudited, Prepared by Management)

	Note	Three Months Ended September 30		Six Months Ended September 30	
		2020	2019	2020	2019
Exploration expenditures	4	\$ 342,496	\$ 372,847	\$ 521,929	\$ 620,924
General and administration					
Accounting and legal		116,302	57,248	138,543	87,889
Accretion	7	1,384	317	3,073	760
Amortization of right-of-use asset	7	10,486	10,055	21,461	18,496
Office and miscellaneous		28,168	31,101	45,931	47,729
Investor relations		8,240	28,372	10,157	74,614
Management and consulting fees		217,133	64,888	357,076	178,796
Share-based payments		191,721	75,612	213,242	193,836
Travel		1,898	1,758	2,400	10,554
Total general and administrative expenses		575,332	269,351	791,883	612,674
Loss before other items		917,828	642,198	1,313,812	1,233,598
Other Items					
Foreign exchange (gain) loss		9,155	(6,906)	6,163	1,646
Interest and other income		(5,081)	(4,489)	(6,530)	(12,650)
Listing Expense	3	1,404,412	-	1,404,412	-
Net Loss		2,326,314	630,803	2,717,857	1,222,594
Other comprehensive (income) loss		11,430	(9,227)	34,520	(11,156)
Total comprehensive (income) loss		\$ 2,337,744	\$ 621,576	\$ 2,752,377	\$ 1,211,438
Loss per Share – Basic and Diluted		\$ 0.07	\$ 0.02	\$ 0.08	\$ 0.04
Weighted Average Number of Shares Outstanding		34,234,460	34,234,460	34,234,460	34,234,460

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

Pucara Gold Ltd. (Formerly, Magnitude Mining Ltd.)
(An Exploration Stage Company)
Interim Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in Canadian dollars)
(Unaudited, Prepared by Management)

	Share capital		Share-based payment reserve	Accumulated other comprehensive income (loss)	Deficit	Total
	Number of shares	\$				
Balance at March 31, 2019	34,234,460	7,844,030	783,893	125,885	(6,603,413)	2,150,395
Net loss for the period	-	-	-	-	(1,222,594)	(1,222,594)
Share-based payments	-	-	193,836	-	-	193,836
Other comprehensive loss	-	-	-	11,157	-	11,157
Balance at September 30, 2019	34,234,460	7,844,030	977,729	137,042	(7,826,007)	1,132,794
Balance at March 31, 2020	34,234,460	7,844,030	1,063,115	134,008	(8,751,122)	290,031
Net loss for the period	-	-	-	-	(2,717,857)	(2,717,857)
Consideration for reverse acquisition (Note 3)	3,100,000	1,240,000	21,750	-	-	1,261,750
Concurrent Financing (Note 1)	21,250,000	8,500,000	-	-	-	8,500,000
Finders' fees – Shares (Note 1)	810,000	-	-	-	-	-
Finders' fees – Warrants (Note 1)	-	(116,564)	116,564	-	-	-
Finders' fees - Cash	-	(6,000)	-	-	-	(6,000)
Conversion of convertible note (Note 6)	2,500,000	1,000,000	-	-	-	1,000,000
Share-based payments	-	-	213,242	-	-	213,242
Other comprehensive loss	-	-	-	(34,520)	-	(34,520)
Balance at September 30, 2020	61,894,460	18,461,466	1,414,671	99,488	(11,468,979)	8,506,646

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

Pucara Gold Ltd. (Formerly, Magnitude Mining Ltd.)
(An Exploration Stage Company)
Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited, Prepared by Management)

	Note	For the six months ended September 30 2020 \$	For the six months ended September 30 2019 \$
Operating activities			
Net loss		(2,717,857)	(1,222,594)
Items not affecting cash			
Accretion	7	3,073	760
Amortization of right-of-use asset	7	21,461	18,496
Depreciation of equipment		19,066	19,083
Foreign exchange (gain) loss		47	1,373
Listing expense	3	1,250,774	-
Share-based payments		213,242	193,836
		(1,210,194)	(989,046)
Change in non-cash operating working capital			
Receivables and prepaid expenses		(12,525)	12,466
Accounts payable and accrued liabilities		114,089	(21,575)
Cash used in operating activities		(1,108,630)	(998,155)
Investing activities			
Payments for exploration and evaluation assets	4	-	(71,687)
Short term investment		400,000	-
Cash acquired from reverse acquisition	3	4,868	-
Payments for equipment		(13,716)	(466)
Cash provided by (used in) investing activities		391,152	(72,153)
Financing activities			
Proceeds from convertible note	6	500,000	500,000
Proceeds from Concurrent Financing	1	8,500,000	-
Lease payments	7	(22,403)	(19,485)
Cash provided by financing activities		8,977,597	480,515
Effect of exchange rate changes on cash		3,922	18,582
Increase (decrease) in cash and cash equivalents		8,264,041	(571,211)
Cash and cash equivalents - beginning of period		193,946	1,961,531
Cash and cash equivalents - end of period		8,457,987	1,390,320
Supplemental cash flow information			
Interest received		8,673	15,434
Financing activity included within accounts payable		(6,000)	-

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

1. Nature of Operations

On September 30, 2020, Pucara Gold Ltd. formerly Magnitude Mining Ltd. (“Magnitude”) and Pucara Resources Corp. (“Pucara Resources”) completed a plan of arrangement which resulted in a reverse takeover of Magnitude by the shareholders of Pucara Resources and constituted Magnitude’s Qualifying Transaction, as defined under TSX Venture Exchange Policy 2.4 – Capital Pool Companies (the “Transaction”). In connection with the closing of the Transaction, Magnitude also completed a 2:1 consolidation of its common shares and changed its name to Pucara Gold Ltd. (the “Company” or “Pucara”).

Magnitude, a Capital Pool Company, is incorporated under the British Columbia Business Corporation Act on February 17, 2011. The principal business of Magnitude was the identification and evaluation of a Qualifying Transaction.

Pucara Resources, a company incorporated under the British Columbia Business Corporations Act on August 10, 2012, purchased Pucara Resources S.A.C., a limited liability company formed under the laws of Peru on September 12, 2012, from Esperanza Resources Corp. and Esperanza Silver Peru S.A.C. (“Esperanza”) on January 14, 2013. Pucara Resources is engaged in the acquisition, exploration and development of mineral properties in Latin America, currently with exploration and evaluation properties in Peru.

Pursuant to the Transaction, Magnitude acquired all of the issued and outstanding common shares of Pucara Resources (“Pucara Shares”). Pucara Resources became a wholly owned subsidiary of Magnitude and the shareholders of Pucara Resources were issued one common share of the Company in exchange of every Pucara Share held immediately prior to the completion of the Transaction. Holder of the options to acquire Pucara Shares (“Pucara Options”) and warrants to purchase Pucara Shares (“Pucara Warrants”) are entitled to receive, upon exercise of a Pucara Option or Pucara Warrant, for the same aggregate consideration, the common shares of the Company.

Additional details immediately following the Transaction were as follows:

- 3,100,000 shares of the Company were held by the existing shareholders of Magnitude;
- 34,234,460 shares of the Company were issued to the former shareholders of Pucara Resources in exchange of Pucara Shares;
- 21,250,000 shares of the Company were issued to the former holders of 21,250,000 Pucara Shares, which were issued pursuant to the concurrent financing in connection with the Transaction (the “Concurrent Financing”). The Company raised total proceeds of \$8,500,000 from Concurrent Financing;
- 810,000 shares of the Company were issued to certain arm’s length finders as finders’ fee payable in connection with the Concurrent Financing;
- 687,500 Pucara Warrants were issued to certain finders. Each Pucara Warrant entitles the holder to acquire a common share of the Company at an exercise price of \$0.60 per common share until September 30, 2022; and
- 2,500,000 shares of the Company were issued to Lunde International Corp. in connection with the automatic conversion of a \$1 million convertible promissory note (Note 6).

Upon completion of the Transaction, the existing shareholders of Magnitude held approximately 5% in the capital of the Company while the former shareholders of Pucara Resources held approximately 95%.

Since the Transaction resulted in the shareholders of Pucara Resources obtaining control of Magnitude, it constituted a reverse acquisition for accounting purposes with Pucara Resources being identified as the accounting acquirer. The net assets of Magnitude at the date of the reverse acquisition were deemed to have been acquired by Pucara Resources (Note 3). These consolidated financial statements include the results of operations of Magnitude from September 30, 2020. The comparative figures are those of Pucara Resources prior to the reverse acquisition.

Pucara is in the process of exploring its exploration and evaluation assets and has not yet determined whether they contain reserves that are economically recoverable. As at the date of these consolidated financial statements, the Company has not identified a body of commercial grade mineral on any of its properties. The Company’s objective is to discover mineral deposits and either sell, option, joint venture, or otherwise participate in their development.

The novel coronavirus (“COVID-19”) has caused many countries to implement measures to reduce the spread of the virus. On March 15, 2020, the President of Peru issued a national state of emergency decree that closed the country’s borders, limited transportation within the country, and required most people to work from their homes. The stay at home decree was lifted on June 30, 2020, while the state of emergency remains in place until November 30, 2020. The situation with COVID-19 is evolving and consequently, management cannot predict the effect of unknown adverse changes to its future business plans, financial position, cash flows, and results of operations.

These interim condensed consolidated financial statements were authorized for issue by the Audit Committee and Board of Directors on November 25, 2020.

2. Basis of Presentation

a) Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, and based on the principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements should be read in conjunction with the Company's annual audited consolidated financial statements of Pucara Resources for the year ended March 31, 2020, which include all of the Company's significant accounting policies, and have been prepared in accordance with the same methods of application.

b) Basis of Measurement

These interim condensed consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts are expressed in Canadian dollars, unless noted otherwise.

c) Continuation of Operations

These interim condensed consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not include adjustments that would be necessary if the going concern assumption is not appropriate.

The Company's continuing operations and its ability to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to seek joint venture partners. Although the Company has been successful at raising capital in the past, there is no assurance that the Company will be able to raise adequate financing on terms that are acceptable to the Company, if at all. Based on its current plans, budgeted expenditures, and cash requirements, management believes the Company would need to raise additional capital to accomplish its business objectives thereafter.

d) Significant Accounting Estimates and Judgments

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates and exercise judgement in applying the Company's policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty, except for the judgments and estimates involved with the reverse acquisition (Note 3), were the same as those applied to the annual audited consolidated financial statements of Pucara Resources for the year ended March 31, 2020.

e) Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

3. Reverse Acquisition

As described in Note 1, on September 30, 2020, Magnitude and Pucara Resources completed the Transaction which constituted a reverse acquisition. Because of the Transaction, the shareholders of Pucara Resources obtained control of Pucara, the combined entity, by obtaining control of the voting power of the Company and the resulting power to govern its financial and operating policies. The Transaction was accounted for as a reverse acquisition in accordance with the guidance provided in IFRS 2, Share-based Payments and IFRS 3, Business Combinations. As Magnitude did not qualify as a business according to the definition in IFRS 3, the reverse acquisition did not constitute a business combination; rather it was treated as an issuance of shares by Pucara Resources for the net assets of Magnitude and to obtain a listing status as Pucara. Accordingly, no goodwill or intangible assets were recorded with respect to the Transaction. For accounting purposes, Pucara Resources (legal subsidiary) was treated as the accounting parent company and Magnitude (legal parent) was considered the accounting subsidiary in these consolidated financial statements.

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 (An Exploration Stage Company)
 Notes to the Interim Condensed Consolidated Financial Statements
 September 30, 2020
 (Expressed in Canadian dollars)
 (Unaudited)

As Pucara Resources was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying value. Magnitude's results of operations have been included from September 30, 2020.

	September 30, 2020
Magnitude Net Assets acquired:	\$
Cash and cash equivalents	4,868
Accounts receivable	6,108
Total net assets acquired	10,976
Consideration provided in reverse acquisition	
Common shares (3,100,000 shares with fair value of \$0.40 per share)	1,240,000
Stock Options (75,000 options with fair value of \$0.29 per option)	21,750
Total consideration paid	1,261,750
Net assets acquired	(10,976)
Excess of total consideration over net assets acquired	1,250,774
Professional fees and other transaction cost	153,638
Listing expense	1,404,412

The fair value of the stock options issued as consideration for the reverse acquisition was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	September 30, 2020
Assumptions:	
Risk-free interest rate	0.25%
Expected life of options	2.68 years
Expected volatility (based on comparable companies)	100%
Dividend yield	Nil
Forfeiture rate	0.0%
Exercise price	\$0.20
Share price on grant date	\$0.40
Result:	
Weighted average fair value per option granted	\$0.29

4. Exploration and Evaluation Assets

During the period ending September 30, 2020 the Company and its partners: Lowell Copper S.A.C. ("Lowell") and IAMGOLD Peru S.A. ("IAMGOLD"), continued exploration on its nine projects and generative exploration on new projects.

On October 19, 2017 the Company granted a 1.0% Net Smelter Returns (NSR) royalty on all products to Sandstorm Gold Ltd ("Sandstorm") for consideration of \$1,000,000 (received) on the Company's mineral exploration projects: Azucena, Capricho, Lourdes, Pacaska, Paco Orco, Pucapaca, and Santo Tomas. Pucara Resources abandoned Azucena project during the year ended March 31, 2019.

Lourdes Project, Ayacucho, Peru

On January 14, 2013, Pucara Resources acquired the project for share consideration and a 1% NSR royalty. On October 19, 2017, the Company granted a 1% NSR royalty, to Sandstorm.

The properties consist of eleven concessions totaling 2,817 Has. The exploration target is a high sulfidation epithermal ("HSE") gold type deposit.

Pursuant to the Company's agreement with Lunde International Corp. ("Lunde") (Note 6), Pucara granted Lunde a 0.5% NSR royalty on the properties comprising the Lourdes Property.

Pacaska Project, Ayacucho, Peru

The property was acquired through staking and consists of twelve concessions totaling 7,650 Has. On October 19, 2017, Pucara Resources granted a 1% NSR royalty to Sandstorm. The exploration target is a HSE gold type deposit. The property is also subject to the 0.5% NSR royalty in favour of Lunde (Note 6).

Other

a) Capricho Project, Cuzco, Peru

On January 14, 2013, Pucara Resources acquired the project for share consideration and a 1% NSR royalty. On October 19, 2017, Pucara Resources granted Sandstorm a 1% NSR royalty.

On May 4, 2018, Pucara Resources entered into an Option Agreement with Lowell, granting exclusive rights to earn-in up to 75% of the project. On the first option, Lowell can earn-in 51% in the project ("First Interest") within three years by paying US\$15,000 (received) and, starting on the date which all permits and community approvals for drilling are obtained, by:

- making qualified expenditures of US\$1,000,000 during year 1;
- making qualified expenditures of US\$1,500,000 during year 2; and
- making qualified expenditures of US\$2,500,000 during year 3.

On the second option, Lowell can earn-in an additional 24% in the project by:

- making qualified expenditures of US\$14,500,000 prior to the fourth anniversary of acquiring the First Interest;
- delivering a Pre-Feasibility Study on the project, solely funded by Lowell; and
- paying the Company US\$500,000.

The property consists of five concessions totaling 3,768 hectares ("Has"). The exploration target is a porphyry copper type deposit.

b) Clavelito Project, Ayacucho, Peru

During 2018, Pucara Resources staked and acquired three concessions totaling 1,500 Has. The exploration target is a HSE gold type deposit. Pucara Resources has granted Lunde a 0.5% NSR royalty to Lunde (Note 6).

c) Cristina Project, Ayacucho, Peru

During the year ended March 31, 2019, Pucara Resources staked and acquired three concessions totaling 1,900 Has. The exploration target is a HSE gold type deposit. Pucara Resources abandoned the Christina project and as a result recognized an impairment loss of \$13,305 during the year ended March 31, 2020.

d) Guadalupe Project, Ancash, Peru

On January 14, 2013, Pucara Resources acquired the project for share consideration and a 1% NSR royalty. On February 8, 2019, Nexa Resources S.A. ("Nexa") notified Pucara Resources of its intention to terminate the Option Agreement. Under the terms of the option agreement Nexa is responsible for all reclamation and closure costs.

The properties consist of eight concessions totaling 5,900 Has. The exploration target is copper-zinc volcanogenic massive-sulphide type deposit.

The property is also subject to the 0.5% NSR royalty in favour of Lunde (Note 6).

e) Keyla Project, Ayacucho, Peru

Pucara Resources staked and has acquired four concessions totaling 3,500 Has. The exploration target is a HSE gold type deposit. The property is also subject to the 0.5% NSR royalty in favour of Lunde (Note 6).

f) Paco Orco Project, Ayacucho, Peru

The property was acquired through staking and consists of six concessions totaling 4,400 Has. In 2017, Pucara Resources granted a 1% NSR royalty to Sandstorm. The exploration target is base metals hosted in limestone, a carbonate replacement type deposit.

On May 17, 2018, Pucara Resources entered into an Option Agreement with Lowell, granting exclusive rights to acquire up to 75% of the Paco Orco project. On the first option, Lowell can earn-in 51% in the project ("First Interest") within three years by paying US\$15,000 (received) and, starting on the date which all permits and community approvals for drilling are obtained, by:

- making qualified expenditures of US\$1,000,000 during year 1,
- making qualified expenditures of US\$1,250,000 during year 2, and

- making qualified expenditures of US\$1,750,000 during year 3.

On the second option, Lowell can earn-in an additional 24% in the project by:

- making qualified expenditures of US\$11,500,000 prior to the fourth anniversary of acquiring the First Interest,
- deliver a Pre-Feasibility Study on the project, solely funded by Lowell, and
- paying the Company US\$500,000.

g) Pucapaca Project, Ayacucho, Peru

The property was acquired through staking and consists of two concessions totaling approximately 1,500 Has. On October 19, 2017, Pucara Resources granted a 1% NSR royalty to Sandstorm. The exploration target is a HSE gold type deposit. The property is also subject to the 0.5% NSR royalty in favour of Lunde (Note 6 **Error! Reference source not found.**).

h) Santo Tomas Project, Ayacucho, Peru

On January 14, 2013, Pucara Resources acquired the project for share consideration and a 1% NSR royalty. On October 19, 2017, Pucara Resources granted a 1% NSR royalty to Sandstorm.

On February 5, 2018, Pucara Resources entered into an Option Agreement with IAMGOLD, granting the right to earn-in up to 70% of the project. On the first option, IAMGOLD can earn-in 60% starting on the date all permits for drilling are obtained, by:

- making staged payments totaling US\$500,000 (\$200,000 received);
- making qualified expenditures of US\$4,000,000 over 4 years; and
- drilling 2,000 meters.

On the second option, IAMGOLD can earn-in an additional 10% within two years by:

- producing a 43-101 compliant resource estimate in all categories of at least 1 million ounces of gold or gold equivalent; and
- paying the Company US\$2 per ounce of gold or gold equivalent for total of measured, indicated, and inferred resources.

The property consists of thirteen concessions totaling approximately 11,678 Has. The exploration target is a HSE gold type deposit.

Capitalized expenditures relating to the projects in Peru are summarized as follows:

	Lourdes \$	Pacaska \$	Other \$	Total \$
Balance, March 31, 2019	19,294	43,485	132,940	195,719
Acquisition and mineral licenses	13,347	54,393	67,818	135,558
Impairment of exploration and evaluation assets	-	-	(48,670)	(48,670)
Foreign exchange movement	1,184	3,433	6,447	11,064
Balance, March 31, 2020	33,825	101,311	158,535	293,671
Acquisition and mineral licenses	22	14	2,698	2,734
Foreign exchange movement	(3,465)	(10,380)	(16,375)	(30,220)
Balance, September 30, 2020	30,382	90,945	144,858	266,185

The Company incurred the following exploration expenditures, which were expensed as incurred:

	Three months ended September 30,		Six months ended September 30,	
	2020	2019	2020	2019
Administrative	\$ 23,673	\$ 21,829	\$ 27,869	\$ 38,460
Assays	7,544	11,406	7,544	27,027
Community programs	5,441	12,548	21,670	18,147
Equipment	3,912	9,336	4,053	18,820
Geological	251,582	275,519	402,287	445,938
Travel	50,344	42,209	58,506	72,532
Total expenditures	\$ 342,496	\$ 372,847	\$ 521,929	\$ 620,924

5. Equipment

Equipment is comprised of the following:

Cost	Vehicles	Field equipment	Furniture, computer, other equipment	Total
	\$	\$	\$	\$
Balance, March 31, 2019	152,951	38,721	54,541	246,213
Additions	-	-	3,559	3,559
Foreign exchange movement	3,916	-	1,458	5,374
Balance, March 31, 2020	156,867	38,721	59,558	255,146
Additions	-	-	10,981	10,981
Foreign exchange movement	(16,072)	-	(5,845)	(21,917)
Balance, September 30, 2020	140,795	38,721	64,694	244,210
Accumulated depreciation				
Balance, March 31, 2019	(68,238)	(27,660)	(24,574)	(120,472)
Depreciation	(25,805)	(5,533)	(6,956)	(38,294)
Foreign exchange movement	(2,731)	-	(828)	(3,559)
Balance, March 31, 2020	(96,774)	(33,193)	(32,358)	(162,325)
Depreciation	(12,649)	(2,768)	(3,649)	(19,066)
Foreign exchange movement	10,541	5	3,150	13,696
Balance, September 30, 2020	(98,882)	(35,956)	(32,857)	(167,695)
Net book value				
As at March 31, 2020	60,093	5,528	27,200	92,821
As at September 30, 2020	41,913	2,765	31,837	76,515

6. Convertible Note

On September 10, 2019 Pucara Resources entered into an Investment Agreement with Lunde to invest \$500,000 and assist in raising an additional \$3,500,000 in equity financing. Pucara Resources agreed to: (i) issue Lunde a convertible promissory note for \$500,000; and (ii) grant Lunde a 0.5% NSR royalty on certain of the Company's mineral exploration properties: Clavelito, Cristina,

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Guadalupe, Keyla, Lourdes, Pacaska and Pucapaca, vesting upon successful completion of the equity financing (Note 4). The maturity date of the note was September 11, 2020.

The conversion price is set at the price of the Qualifying Financing. The conversion feature embedded in the convertible note is a derivative liability but the value is \$nil as the holder of the convertible note receives shares equal in value to the cash payment that would otherwise be made.

Under the Investment Agreement, the 0.5% NSR royalty will vest and become effective only if the Qualifying Financing is completed within one year of the Investment Agreement.

On May 25, 2020, the convertible unsecured note agreement with Lunde was amended to a principal amount of \$1,000,000 (with additional \$500,000 received), a maturity date of September 30, 2020, and the 0.5% NSR vesting immediately.

As part of the Transaction between Magnitude and Pucara Resources (Note 1), on September 30, 2020, the entire principal balance of \$1,000,000 was converted into 2,500,000 common shares of the Company at a conversion price of \$0.40 per common share.

7. Leases

The Company's lease liability and right of use asset related to its office lease in Peru is as follows:

Lease Liability	\$
Balance as at March 31, 2019	-
Initial recognition	25,295
Additions	78,929
Payments	(40,407)
Accretion	2,683
Impact of foreign exchange	5,047
Balance as at March 31, 2020	71,547
Payments	(22,403)
Accretion	3,073
Impact of foreign exchange	(3,952)
Balance as at September 30, 2020	48,265
Current portion	(41,002)
Non-current portion	7,263
<hr/>	
Right of Use Asset	\$
Balance as at March 31, 2019	-
Initial recognition	25,295
Additions	78,929
Amortization	(35,628)
Impact of foreign exchange	5,548
Balance as at March 31, 2020	74,144
Amortization	(21,461)
Impact of foreign exchange	(3,999)
Balance as at September 30, 2020	48,684

8. Share Capital

Authorized and issued shares

The Company is authorized to issue an unlimited number of common shares without par value.

During the period ended September 30, 2020, the Company issued 21,250,000 common shares of the Company as part of the Concurrent Financing in conjunction with the reverse acquisition Transaction (Note 1) for total proceeds of \$8,500,000. Total cash financing cost incurred by the Company for the Concurrent Financing amounted to \$6,000 and an additional 810,000 common shares and 687,500 share purchase warrants of the Company were issued to certain finders. As at September 30, 2020, \$6,000 finders fees was payable and included in accounts payable and accrued liabilities.

The company further issued 2,500,000 common shares of the Company as part of the convertible note agreement with Lunde (Note 6).

Share purchase warrants

The continuity of share purchase warrants as at September 30, 2020 and March 31, 2020 is as follows:

	September 30, 2020		March 31, 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of the period	5,314,960	\$ 0.60	5,314,960	\$ 0.60
Issued to finders of Concurrent Financing (Note 1)	687,500	0.60	-	-
Balance, end of the period	6,002,460	\$ 0.60	5,314,960	\$ 0.60

The following table is a reconciliation of outstanding and exercisable warrants as at September 30, 2020 and March 31, 2020:

Expiry date	September 30, 2020		March 31, 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
August 4, 2022	5,314,960	\$ 0.60	5,314,960	\$ 0.60
September 30, 2022	687,500	\$ 0.60	-	-

The remaining contractual life of the outstanding share purchase warrants at September 30, 2020 was 1.86 years.

Stock options

On August 14, 2020, the Company granted 1,700,000 stock options to the directors, officers, employees, and consultants of the Company, which vest 25% on the grant date and 25% every six months thereafter. The fair value of the stock options granted was estimated to be \$502,659 using the Black-Scholes options pricing model with weighted average assumptions and resulting values as follows:

	August 14, 2020
Assumptions:	
Risk-free interest rate	0.42%
Expected life of options	5 years
Expected volatility (based on comparable companies)	100%
Dividend yield	Nil
Forfeiture rate	0.0%
Exercise price	\$0.40
Share price on grant date	\$0.40
Result:	
Weighted average fair value per option granted	\$0.29

The continuity of stock options as at September 30, 2020 and March 31, 2020 is as follows:

	September 30, 2020		March 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of the period	3,815,000	\$ 0.39	3,815,000	\$ 0.39
Issued	1,700,000	0.40		
Stock options of Magnitude pursuant to the reverse acquisition (Note 1 & 3)	75,000	0.20	-	-
Balance, end of the period	5,590,000	\$ 0.38	3,815,000	\$ 0.39

The Company's granted and exercisable options are as follows:

Date Granted	Expiry date	September 30, 2020		
		Exercise price	Options outstanding	Options exercisable
December 1, 2015	December 1, 2020	\$ 0.25	665,000	665,000
September 1, 2017	September 1, 2022	\$ 0.40	1,390,000	1,390,000
April 6, 2018	April 6, 2023	\$ 0.40	50,000	50,000
January 30, 2019	January 30, 2024	\$ 0.40	1,710,000	1,710,000
June 7, 2018	June 7, 2023	\$ 0.20	75,000	75,000
August 14, 2020	August 14, 2025	\$ 0.40	1,700,000	425,000
Total			5,590,000	4,315,000

The weighted average remaining contractual life of options outstanding at September 30, 2020 was 3.06 years.

9. Related Party Transactions

a) Related Party Transactions

The Company's related parties consist of entities where the executive officers and directors of the Company are principles. Their position in these entities results in their having control or significant influence over the financial or operating policies of these entities.

Sumaq Exploration Corp.

On September 1, 2017, Pucara Resources entered into a consulting agreement with its CEO for annual management fee of USD \$195,000 (the "Fee") through Sumaq Exploration Corp ("Sumaq"). The Company is committed to paying termination benefits to the CEO if he is terminated without cause, equal to the Fee as of the termination date. In the event of a change of control, the Company may terminate the agreement by paying the CEO a lump sum payment equal to two years of the Fee.

During the six months ended September 30, 2020, the Company incurred \$198,923 (2019 – 129,582) to Sumaq. As at September 30, \$24,965 was owing to Sumaq.

Avisar Everyday Solutions Ltd.

Avisar Everyday Solutions Ltd. ("Avisar") (a company where the CFO of the Company effective August 1, 2020, is a founder) provides bookkeeping, treasury, and financial reporting services to the Company. During the six months ended September 30, 2020, the Company incurred \$17,680 (\$2019 - \$nil) of fees to Avisar. As at September 30, 2020, \$5,292 was owing to Avisar.

Gordon J. Fretwell Law Corporation

Gordon J. Fretwell Law Corp., an entity where a director of the Company is a principal, provides legal services to the Company. During the six months ended September 30, 2020, the Company incurred \$70,087 (2019 - \$nil) to Gordon J. Fretwell Law Corp. As at September 30, 2020, \$70,087 was owing to the entity.

b) Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel are the Company's executive management team and members of the Board of Directors.

Key management personnel compensation comprised share-based compensation related to the fair value of the stock options granted to these key management personal and its recognition in these consolidated financial statements on a graded vesting basis. During the six months ended September 30, 2020, share-based compensation for the key management personnel amounted to \$171,895 (2019 - \$95,690).

10. Segmented Information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of exploration and evaluation assets. Non-current assets by country are as follows:

	September 30, 2020			March 31, 2020		
	Canada \$	Peru \$	Total \$	Canada \$	Peru \$	Total \$
Exploration and evaluation assets	-	266,185	266,185	-	293,671	293,671
Right of use assets	-	48,684	48,684	-	74,144	74,144
Equipment	12,116	64,399	76,515	7,420	85,401	92,821

11. Subsequent Event

Subsequent to the period ended September 30, 2020, a total of 682,500 stock options were exercised for total proceeds of \$177,750.