



**TSX-V TORO**

# Magnitude and Pucara Announce Closing of Qualifying Transaction and Agreement with Mackie Research

September 30, 2020

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**Vancouver, British Columbia** | (Newsfile Corp.) Magnitude Mining Ltd. ("**Magnitude**") (TSXV: MML.P) and Pucara Resources Corp. ("**Pucara**") are pleased to report that they have closed their previously announced arrangement which resulted in a reverse take-over of Magnitude by the shareholders of Pucara and which 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 a name change to "Pucara Gold Ltd." (the "**Resulting Issuer**"). The common shares of the Resulting Issuer (the "**Resulting Issuer Shares**") are expected to be reinstated for trading on the TSX Venture Exchange (the "**TSXV**") on Tuesday October 6, 2020 and the Resulting Issuer's symbol will change from "MML.P" to "TORO". The new CUSIP number is 74467P105 and the new ISIN number is CA74467P1053.

The Transaction proceeded by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**Arrangement**") pursuant to which Magnitude acquired all of the issued and outstanding common shares of Pucara (the "**Pucara Shares**"). Pucara became a wholly-owned subsidiary of Magnitude and the shareholders of Pucara were issued one Resulting Issuer Share in exchange for every one Pucara Share held immediately prior to the completion of the Transaction. Holders of options to acquire Pucara Shares ("**Pucara Options**") and warrants to purchase Pucara Shares ("**Pucara Warrants**") will be entitled to receive, upon exercise of a Pucara Option or Pucara Warrant for the same aggregate consideration, Resulting Issuer Shares in lieu of the Pucara Shares otherwise issuable prior to the closing of the Transaction, adjusted in accordance with the terms of the agreements, plans or certificates representing such Pucara Options and Pucara Warrants.

Upon completion of the Transaction, there are an aggregate of 61,894,460 Resulting Issuer Shares issued and outstanding in the capital of the Resulting Issuer, of which the existing shareholders of Magnitude hold approximately 5.0% in the capital of the Resulting Issuer, and the former shareholders of Pucara hold approximately 95.0% in the capital of the Resulting Issuer, respectively.

Additional details immediately following the Transaction are as follows:

- 3,100,000 Resulting Issuer Shares are held by existing Magnitude shareholders;

- 34,234,460 Resulting Issuer Shares are issued to former Pucara shareholders in exchange for Pucara Shares;
- 21,250,000 Resulting Issuer Shares are issued to the former holders of 21,250,000 Pucara Shares that were issued on conversion of 21,250,000 subscription receipts of Pucara;
- 810,000 Resulting Issuer Shares were issued to certain arm's length finders as a finder's fee payable in connection with Pucara's subscription receipt financing;
- 687,500 Pucara Warrants were issued to certain finders, each Pucara Warrant entitles the holder to acquire one Resulting Issuer Share at an exercise price of \$0.60 per Resulting Issuer Share until September 30, 2022; and
- 2,500,000 Resulting Issuer Shares were issued to Lunde International Corp. in connection with the automatic conversion of a \$1 million convertible promissory note in Pucara held by Lunde International Corp.

Upon completion of the Transaction, all directors and officers of Magnitude have resigned and were replaced by nominees of the Resulting Issuer, as follows: J. Stevens Zuker, Director and Chief Executive Officer; David Awram, Director; Lynda Bloom, Director; Gordon Fretwell, Director and Corporate Secretary; Andrew Swarthout, Director; and Steven Krause, Chief Financial Officer.

Complete details of the terms of the Transaction are set out in the filing statement of Magnitude dated as of September 22, 2020 (the "**Filing Statement**"), available on SEDAR under Magnitude's profile at [www.sedar.com](http://www.sedar.com).

Investors are cautioned that, except as disclosed in the Filing Statement, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

## **Mackie Agreement**

The Resulting Issuer has also entered into an agreement effective September 30, 2020 with Mackie Research Capital Corp. ("**Mackie**") for market stabilization and liquidity services (the "**Mackie Agreement**"). Mackie is an employee owned investment dealer located at 199 Bay Street, Suite 4500, Commerce Court West, Box 368, Toronto, Ontario. Mackie is arm's length and unaffiliated with the Resulting Issuer. Mackie will trade the Resulting Issuer Shares on the TSXV for the purposes of maintaining a reasonable market and improving liquidity in the Resulting Issuer Shares pursuant to the Mackie Agreement for a period beginning on the listing date of the Resulting Issuer (currently expected to be October 6, 2020) to December 31, 2020. The Mackie Agreement will then be renewable on a quarterly basis and may be cancelled with 30 days' notice. The Mackie Agreement is not a formal market-making agreement and there are no performance factors contained in the Mackie Agreement. Mackie will be paid a cash fee of \$5,000 per month, payable quarterly in advance of its services, and Mackie will not receive any shares or options from the Resulting Issuer as compensation for its services. The capital used for market making will be provided by Mackie and will be done in accordance with TSXV policies and securities laws.

## **Information Concerning the Resulting Issuer**

The Resulting Issuer is a natural resource company, and its principal property is the Lourdes Property. The Lourdes Property is an early phase minerals exploration project with epithermal precious-metal drill

targets. The Lourdes Property is located in the Department of Ayacucho, Peru, approximately 400 kilometers southeast of Lima and is easily accessible by a paved, single lane road originating in the town of Puquio, 155 kilometers east of the Pan American Highway.

Additional information concerning the Resulting Issuer is provided in the Filing Statement, which is available under the Resulting Issuer's SEDAR profile at [www.sedar.com](http://www.sedar.com).

*The TSXV has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.*

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## Cautionary Statements

Investors are cautioned that, except as disclosed in the Filing Statement, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The information in this press release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements, including statements with respect to the reinstatement of trading in the Resulting Issuer Shares and the Mackie Agreement.

Such statements and information reflect the current view of the Resulting Issuer. Risks and uncertainties exist that may cause actual results to differ materially from those indicated or implied in the forward-looking statements and information. Such factors include, among others: the risk that required approvals are not obtained in connection with the Transaction; reliance on key management; disruptions or changes in the credit or security markets; risks associated with the COVID-19 pandemic; unanticipated costs and expenses; and general market and industry conditions.

The forward-looking statements, while considered reasonable by the Resulting Issuer, are inherently based upon assumptions that are subject to significant risks and uncertainties, including, but not limited to, the Resulting Issuer will be able to carry out its business plan as contemplated. Although the Resulting Issuer believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward looking statements will prove to be correct.

The forward-looking information contained in this press release represents the expectations of the Resulting Issuer as of the date of this press release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward looking information and should not rely upon this information as of any other date. While the Resulting Issuer may elect to, it does not undertake to update this information at any particular time except as required in accordance with applicable laws.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.