



**Pucara Gold Ltd.**  
(An Exploration Stage Company)

**Interim Condensed Consolidated Financial Statements**  
(expressed in Canadian dollars)

September 30, 2023

*(Unaudited – Prepared by Management)*

**Pucara Gold Ltd.**  
2110 – 650 West Georgia Street  
Vancouver, BC V6B 4N9

Pucara Gold Ltd.  
(An Exploration Stage Company)  
Interim Condensed Consolidated Statement of Financial Position  
(Expressed in Canadian dollars)  
(Unaudited – Prepared by Management)

	Note	September 30, 2023	December 31, 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 679,838	\$ 1,427,328
Receivables		59,560	68,624
Prepaid expenses		21,388	36,110
<b>Total current assets</b>		<b>760,786</b>	<b>1,532,062</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	3	185,923	186,044
Equipment		30,559	52,932
<b>Total non-current assets</b>		<b>216,482</b>	<b>238,976</b>
<b>TOTAL ASSETS</b>		<b>\$ 977,268</b>	<b>\$ 1,771,038</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 53,060	\$ 178,488
<b>TOTAL LIABILITIES</b>		<b>53,060</b>	<b>178,488</b>
<b>EQUITY</b>			
Share capital	4	19,411,894	19,405,894
Share-based payment reserve	4	1,839,197	1,813,825
Accumulated other comprehensive income		126,415	126,209
Deficit		(20,453,298)	(19,753,378)
<b>TOTAL EQUITY</b>		<b>924,208</b>	<b>1,592,550</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 977,268</b>	<b>\$ 1,771,038</b>
Nature of operations	1		
Continuance of operations	2 (c)		

Approved on behalf of the Board of Directors

\_\_\_\_\_  
“David Awram” Director

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“Greg Davis” Director

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

Pucara Gold Ltd.  
(An Exploration Stage Company)  
Interim Condensed Consolidated Statement of Loss and Comprehensive Loss  
(Expressed in Canadian dollars, except for the number of shares)  
(Unaudited – Prepared by Management)

	Notes	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
<b>Exploration expenditures</b>	3, 5	\$ 14,539	\$ 108,767	\$ 70,091	\$ 467,234
<b>General and administration</b>					
Accounting and legal	5	22,501	64,566	85,991	180,006
Accretion		-	248	-	1,109
Amortization		-	5,750	-	16,705
Office and miscellaneous		9,878	19,019	45,824	115,554
Investor relations		15,020	16,925	40,136	61,388
Management and consulting fees	5	21,128	4,558	105,468	223,214
Exploration office salaries		42,637	180,484	358,161	533,221
Share-based payments	4, 5	4,560	31,504	25,372	143,472
Travel		808	15,534	3,504	60,787
Total general and administrative expenses		116,532	338,588	664,456	1,335,456
<b>Loss before other items</b>		131,071	447,355	734,547	1,802,690
<b>Other items</b>					
Foreign exchange loss		(778)	(6,665)	4,754	4,545
Interest income		(332)	(5,924)	(2,703)	(10,419)
Gain on disposal of assets		-	-	(30,872)	-
Other income		-	-	(5,806)	(97,577)
<b>Net loss</b>		129,961	434,766	699,920	1,699,239
Other comprehensive income		2,932	(8,220)	(206)	(29,048)
<b>Total comprehensive loss</b>		\$ 132,893	\$ 426,546	\$ 699,714	\$ 1,670,191
<b>Loss per common share</b>					
Basic and fully diluted		\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.03
Weighted average number of common shares outstanding		76,591,960	62,591,960	76,591,960	62,591,960

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Pucara Gold Ltd.  
(An Exploration Stage Company)  
Interim Condensed Consolidated Statement of Changes in Equity  
(Expressed in Canadian dollars, except for the number of shares)  
(Unaudited – Prepared by Management)

	Note	Share capital		Share-based payment reserve	Accumulated other comprehensive income	Deficit	Total
		Number of shares	\$				
<b>Balance at December 31, 2021</b>		62,591,960	18,705,894	1,652,605	85,293	(17,364,427)	3,079,365
Net loss for the period		-	-	-	-	(1,699,239)	(1,699,239)
Share-based payments		-	-	143,472	-	-	143,472
Other comprehensive income		-	-	-	29,048	-	29,048
<b>Balance, September 30, 2022</b>		62,591,960	18,705,894	1,796,077	114,341	(19,063,666)	1,552,646
<b>Balance, December 31, 2022</b>		76,591,960	19,405,894	1,813,825	126,209	(19,753,378)	1,592,550
Net loss for the period		-	-	-	-	(699,920)	(699,920)
Share issuance costs		-	6,000	-	-	-	6,000
Share-based payments	4	-	-	25,372	-	-	25,372
Other comprehensive income		-	-	-	206	-	206
<b>Balance, September 30, 2023</b>		76,591,960	19,411,894	1,839,197	126,415	(20,453,298)	924,208

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

Pucara Gold Ltd.  
(An Exploration Stage Company)  
Interim Condensed Consolidated Statement of Cash Flows  
(Expressed in Canadian dollars)  
(Unaudited – Prepared by Management)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
<b>Operating activities</b>		
Net loss	\$ (699,920)	\$ (1,699,239)
Items not affecting cash		
Accretion	-	1,109
Amortization of right-of-use asset	-	16,705
Depreciation of equipment	10,722	23,120
Foreign exchange loss	-	1,434
Impairment of exploration and evaluation assets	-	3,065
(Gain) loss on disposal	(30,872)	1,560
Share-based payments	25,372	143,472
	<b>(694,698)</b>	<b>(1,508,774)</b>
Change in non-cash operating working capital		
Receivables and prepaid expenses	23,786	(3,792)
Accounts payable and accrued liabilities	(119,428)	(54,767)
<b>Cash used in operating activities</b>	<b>(790,340)</b>	<b>(1,567,333)</b>
<b>Investing activities</b>		
(Receipts)/payments for exploration and evaluation assets	748	(66,054)
Cash received from sale of equipment	42,616	
<b>Cash received from (used in) investing activities</b>	<b>43,364</b>	<b>(66,054)</b>
<b>Financing activities</b>		
Lease payments	-	(17,559)
<b>Cash used in financing activities</b>	<b>-</b>	<b>(17,559)</b>
<b>Effect of exchange rate changes on cash</b>	<b>(514)</b>	<b>1,631</b>
<b>Decrease in cash</b>	<b>(747,490)</b>	<b>(1,649,315)</b>
<b>Cash - beginning of the period</b>	<b>1,427,328</b>	<b>2,870,258</b>
<b>Cash - end of the period</b>	<b>\$ 679,838</b>	<b>\$ 1,220,943</b>

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

## 1. Nature of Operations

Pucara Gold Ltd. (the “Company” or “Pucara”) was incorporated under the British Columbia Business Corporations Act, and is engaged in the acquisition, exploration and evaluation of mineral properties in Latin America, currently with exploration and evaluation properties in Peru. The Company trades on the TSX Venture Exchange (“TSXV”) under the symbol “TORO”.

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 Company’s registered address and records office is #2110 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4N9, Canada.

These interim condensed consolidated financial statements were authorized for issue by the Audit Committee and Board of Directors on November 20, 2023.

## 2. Basis of Presentation and Significant Accounting Policies

The principal accounting policies applied in the preparation of these interim condensed consolidated financial statements are set out below.

### 1) Basis of Presentation and Measurement

#### 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 as issued by the International Accounting Standards Board (“IFRS”). These financial statements should be read in conjunction with the Company’s annual audited consolidated financial statements of Pucara Resources for the year ended December 31, 2022, 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) **Continuance 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 incurred a comprehensive loss of \$699,714 for the nine months ended September 30, 2023 (2022 - \$1,670,191) and has an accumulated deficit of \$20,453,298 at September 30, 2023.

These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

### 3. Exploration and Evaluation Assets

During the nine months ended September 30, 2023, the Company and its partners: Lowell Copper S.A.C. (“Lowell”) and IAMGOLD Peru S.A. (“IAMGOLD”), continued exploration on its projects and generative exploration on new projects.

#### **Pacaska Project, Ayacucho, Peru**

The project consists of various mineral concessions acquired by staking and is subject to NSR royalties totaling 1.5%.

#### **Capricho Project, Cuzco, Peru**

On January 14, 2013, the Company acquired the Capricho project and is subject to NSR royalties totaling 2%.

On May 4, 2018, the Company 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.

Drilling permits or community approvals have not been obtained as of September 30, 2023.

#### **Paco Orco Project, Ayacucho, Peru**

The Paco Orco property was acquired through staking and is subject to a 1% NSR royalty.

On May 17, 2018, the Company 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 approval 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.

Drilling permits or community approvals have not been obtained as of September 30, 2023.

#### **Other**

##### **a) Keyla Project, Ayacucho, Peru**

During 2019, the Company acquired the Keyla project through staking. The mineral concessions are subject to 0.5% NSR royalty. During the year ended December 31, 2022, the Company recorded an impairment of \$30,938 and reduced the balance to \$Nil. The Company has abandoned this project in June 2023.

b) **Lourdes Project, Ayacucho, Peru**

The project consists of various mineral concessions acquired in 2013 and is subject to Net Smelter Royalties (“NSR”) totaling 2.5%. During the year ended December 31, 2022, the Company recorded an impairment of \$127,977 and reduced the balance to \$Nil. The Company has abandoned this project in June 2023.

c) **Pucapaca Project, Ayacucho, Peru**

The Pucapaca property was acquired through staking and is subject to NSR royalties totalling 1.5%. During the year ended December 31, 2022, the Company recorded an impairment of \$25,388 and reduced the balance to \$Nil. The Company has abandoned this project in June 2023.

d) **Guadalupe Project, Ancash, Peru**

On January 14, 2013, the Company acquired the Guadalupe project for share consideration and a 1% NSR royalty. The mineral concessions are subject to the 0.5% NSR royalty in favour of Lunde International Corporation (“Lunde”). During the year ended December 31, 2021, the Company wrote-off all capitalized amounts relating to the Guadalupe Project and entered into an agreement on June 23, 2021, with Black Swan Minerals S.A.C. to transfer the mining rights, concessions, and associated land fee obligations for a 0.5% to 1.5% NSR royalty, in addition to the 0.5% NSR royalty in favour of Lunde and 1.0% NSR royalty in favour of Metalla Royalty & Streaming Ltd.

e) **Santo Tomas Project, Ayacucho, Peru**

On January 14, 2013, the Company acquired the Santo Tomas project, and the project is subject to NSR royalties totaling 2%.

On February 5, 2018, the Company 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 (US\$350,000 received);
- making qualified expenditures of US\$4,000,000 over 4 years, and
- drilling 2,000 meters.

As at September 30, 2023, the Company had received total payments of US\$350,000 and the remaining balance US\$150,000 will be received over the next 2 years.

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.

During the year ended December 31, 2022, the Company also recorded an impairment of \$21,525 for the annual maintenance costs for other projects that had been capitalized in the previous years.



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Notes to the Interim Condensed Consolidated Financial Statements  
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Capitalized expenditures relating to the projects in Peru are summarized as follows:

	Pacaska		Capricho		Other <sup>(1)</sup>		Total
Balance at December 31, 2021	\$	133,703	\$	2,188	\$	121,546	\$ 257,437
Acquisition and mineral licenses		33,579		-		70,279	103,858
Impairment of exploration and evaluation assets		-		-		(205,828)	(205,828)
Foreign exchange movement		16,311		263		14,003	30,577
Balance, December 31, 2022	\$	183,593	\$	2,451	\$	-	\$ 186,044
Receipts for mineral licenses		(748)				-	(748)
Foreign exchange movement		619		8			627
Balance, September 30, 2023	\$	183,464	\$	2,459	\$	-	\$ 185,923

Details of the exploration and evaluation expenses, which were expensed as incurred were as follows:

	For the three months ended September 30, 2023		For the three months ended September 30, 2022	
Administrative	\$	70	\$	-
Assays		-		1,509
Community programs		3,221		9,149
Equipment maintenance		638		13,209
Geological		8,708		61,302
Impairment of exploration and evaluation		-		3,065
Travel		1,902		20,533
Total expenditures	\$	14,539	\$	108,767

#### 4. Share Capital

##### Authorized and issued shares

The Company is authorized to issue an unlimited number of common shares without par value. As at September 30, 2023, the Company had 76,591,960 common shares outstanding of which 948,185 common shares (December 31, 2022 - 1,797,073) were held in escrow.

### Share purchase warrants

The continuity of share purchase warrants as at September 30, 2023 is as follows:

	<b>September 30, 2023</b>	
	Number of warrants	Weighted average exercise price
Balance, December 31, 2021	6,002,460	\$ 0.60
Granted	14,000,000	0.08
Expired	(6,002,460)	0.60
Balance, December 31, 2022, and September 30, 2023	14,000,000	0.08

The remaining contractual life of the outstanding share purchase warrants at September 30, 2023 was 4.18 years (December 31, 2022 – 4.92 years).

### Stock options

The Company currently has a 10% Rolling Stock Option Plan which was last approved by the shareholders of the Company on September 13, 2022. The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. The terms and vesting periods are determined by the Board of Directors. The options can be granted for a maximum term of ten years and the exercise price may not be less than the market price prevailing on the date of the grant. Unless otherwise specified by the board at the time of granting an option, all options granted under the plan shall vest and become exercisable in full upon grant, except options granted to consultants performing investor relations activities, which options must vest in stages over twelve months with no more than one-quarter of the options vesting in any three-month period.

#### 2023

During the nine months ended September 30, 2023, no stock options were granted and a total of 287,500 stock options expired without being exercised.

#### 2022

The Company granted an additional 2,100,000 stock options to certain directors and employees of the Company at an exercise price of \$0.11 per stock option. Each of the stock options can be exchanged for a common share of the Company and is exercisable for a period of five years from the grant date. The company also modified the expiry date of 200,000 previously granted stock options to a director of the Company and as a result recorded additional \$7,385 as share-based compensation expense.

The fair value of the granted and modified stock options during the nine months ended June 30, 2022, has been calculated using Black-Scholes options pricing model and includes the following assumptions:

	2022
Expected dividend yield	0.00%
Expected stock price volatility	100.08%
Risk-free interest rate	1.62%
Expected life of options	4.70 years
Grant date fair value	CDN \$0.11

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The continuity of stock options as at September 30, 2023 is as follows:

	<b>September 30, 2023</b>	
	Number of options	Weighted average exercise price
Balance, December 31, 2021	4,577,500	\$ 0.40
Granted	2,100,000	0.11
Cancelled	(1,515,000)	0.40
Balance, December 31, 2022	5,162,500	0.28
Expired	(287,500)	0.37
Balance, September 30, 2023	4,875,000	\$ 0.28

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

Date Granted	Expiry date	<b>September 30, 2023</b>		
		Exercise price	Options outstanding	Options exercisable
January 30, 2019	January 30, 2024	\$ 0.40	1,225,000	1,225,000
August 14, 2020	August 14, 2025	\$ 0.40	1,550,000	1,550,000
February 28, 2022	February 28, 2027	\$ 0.11	2,100,000	1,575,000
Total			4,875,000	4,350,000

During the three and nine months ended September 30, 2023, the Company recorded stock-based compensation expense of \$4,560 and \$25,372 (2022 - \$31,504 and \$125,687) respectively which has been recorded to general and administration expense.

## 5. Related Party Transactions

### a) 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.

### Management Fees

On September 1, 2017, Pucara Resources entered into a consulting agreement with its former CEO, amended October 28, 2020, for annual management fee of USD \$214,500 (the "Management Fee") through Sumaq Exploration Corp ("Sumaq"). During the year ended December 31, 2022, the Company terminated the contract with Sumaq and as a result paid \$273,488 in a lump sum payment as part of the termination.

During the year ended December 31, 2022, the Company incurred \$334,453 to Sumaq. As at September 30, 2023, \$Nil (2022 - \$Nil) was owing to Sumaq.

In April 2022 the Company appointed a new CEO for an annual salary of \$50,000. During the three and nine months ended September 30, 2023, the Company incurred \$12,500 and \$37,500 (2022 - \$12,500 and \$25,000) respectively as salary for the new CEO.

In April 2022 the Company appointed the Vice President - Exploration for an annual salary of \$50,000. During the period ended September 30, 2023, the Company terminated the contract with the Vice President - Exploration.

During the three and nine months ended September 30, 2023, the Company incurred \$6,250 and \$31,250 (2022 - \$12,500 and \$25,000) respectively as salary for the Vice President - Exploration.

In April 2022 the Company appointed the Vice President - Corporate Development for an annual salary of \$50,000. During the period ended September 30, 2023, the Company terminated the contract with the Vice President - Corporate Development. During the three and nine months ended September 30, 2023, the Company incurred \$6,250 and \$31,250 (2022 - \$12,500 and \$25,000) respectively as salary for the Vice President - Corporate Development.

#### **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 three and nine months ended September 30, 2023, the Company incurred \$15,000 and \$49,000 (2022 - \$18,000 and \$54,000) respectively of fees to Avisar. As at September 30, 2023, \$5,250 (December 31, 2022 - \$6,300) 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 three and nine months ended September 30, 2023, the Company incurred \$Nil (2022 - \$7,355) to Gordon J. Fretwell Law Corp.

#### **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 three and nine months ended September 30, 2023, share-based compensation for the key management personnel amounted to \$4,560 and \$25,372 (2022 - \$31,504 and \$125,687) respectively.

#### **6. Segmented Information**

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

	September 30, 2023			December 31, 2022		
	Canada	Peru	Total	Canada	Peru	Total
Exploration and evaluation assets	\$ -	\$ 185,923	\$ 185,923	\$ -	\$ 186,044	\$ 186,044
Equipment	\$ 1,293	\$ 29,266	\$ 30,559	\$ 2,738	\$ 50,194	\$ 52,932