

Magnitude Mining Ltd. Enters into Definitive Agreement for Qualifying Transaction with Pucara Resources Corp.

11.03.2020 | [CNW](#)

Vancouver, March 11, 2020 - [Magnitude Mining Ltd.](#) (TSXV: MML.P) ("Magnitude" or the "Company") is pleased to announce that it has entered into an arrangement agreement dated March 10, 2020 (the "Arrangement Agreement") with [Pucara Resources Corp.](#) ("Pucara"), pursuant to which the parties have agreed to complete a business combination (the "Transaction") by way of statutory plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement") that will have the effect of Magnitude acquiring all of the issued and outstanding common shares in the capital of Pucara (the "Pucara Shares").

The Transaction is subject to TSX Venture Exchange (the "TSXV") approval and is intended to constitute Magnitude's "Qualifying Transaction" in accordance with TSXV Policy 2.4 - Capital Pool Companies. The Transaction will result in Magnitude, as the listed issuer resulting from the Transaction (the "Resulting Issuer"), owning 100% of the securities of Pucara.

Summary of the Transaction

Pursuant to the Arrangement Agreement, Magnitude will acquire Pucara by way of the Arrangement. Immediately prior to the Arrangement, Magnitude will complete a consolidation (the "Consolidation") of common shares in the capital of Magnitude ("Magnitude Shares") on the basis of one post-consolidation Magnitude Share ("Resulting Issuer Shares") for each two Magnitude Shares issued and outstanding immediately prior to the Consolidation. Pursuant to the Arrangement, holders of Pucara Shares will receive one Resulting Issuer Share in exchange for each Pucara Share held. 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.

In addition, in conjunction with the Arrangement, Magnitude will change its name to "Pucara Resources Corp." or a similar name acceptable to the parties.

The Arrangement Agreement provides that no party will solicit or negotiate with any other entities in opposition to or in competition with the Transaction.

The completion of the Transaction is subject to the satisfaction of certain conditions precedent, including but not limited to: (i) the Pucara Financing (as defined below) raising gross proceeds of not less than \$3.5 million; (ii) approval of the Arrangement by the shareholders of Pucara; and (iii) receipt of all requisite third party consents, waivers, permits, orders and approvals, including, without limitation, the approval of the TSXV and of the British Columbia Supreme Court. Accordingly, there can be no assurance that the Transaction will be completed on the terms proposed above or at all. For avoidance of doubt, the Transaction is not subject to the approval of the shareholders of Magnitude.

Subject to satisfaction or waiver of the conditions precedent referred to herein and contained in the Arrangement Agreement, Magnitude and Pucara anticipate that the Transaction will be completed on or before June 30, 2020.

Each of Magnitude and Pucara will bear their own costs in respect of the Transaction except that Pucara will pay all third party costs required to be paid to complete the Transaction, including, but not limited to sponsorship fees and any and all TSXV filing fees.

Pucara Financing

The Transaction is subject to the completion of a non-brokered private placement by Pucara for minimum

aggregate gross proceeds of \$3,500,000 (the "Pucara Financing"). In the Pucara Financing, Pucara expects to raise funds through the issuance of Pucara Shares.

Pucara expects to pay a cash commission or commission in Pucara Shares on the aggregate combined gross proceeds raised from the sale of applicable Pucara Shares to subscribers introduced to Pucara by qualified finders (the "Finder's Fee").

Pucara intends to use the proceeds of the Pucara Financing for the Transaction, general and administrative expenses for the next twelve months, exploration activities on the Lourdes Property (as defined below), property maintenance costs and general working capital.

There is no assurance that the Pucara Financing will be completed. All sales, exchanges, and issuances of any units, shares, warrants, and securities in connection to the Pucara Financing and the Transaction will be subject to regulatory approval including, but not limited to, the approval of the TSXV and, as applicable, may be subject to the prior approval of the shareholders of either or both of Magnitude and/or Pucara.

Resulting Issuer

It is anticipated that the Resulting Issuer will change its name to "Pucara Resources Corp.", or such other name as may be acceptable to the Resulting Issuer.

The Resulting Issuer will carry on the mineral exploration business conducted by Pucara, and the Resulting Issuer Shares will be listed under a new trading symbol. On closing of the Transaction, the Resulting Issuer anticipates meeting the TSXV's initial listing requirements for a mining issuer.

Concurrent with the completion of the Transaction, Katharine De Witt, Marcel de Groot and Christopher R. Cooper, being all of the current directors of Magnitude, will resign in favour of nominees of Pucara, being Steve Zuker, who will also be appointed the Chief Executive Officer of the Resulting Issuer, David Awram, Lynda Bloom and Gordon Fretwell. Steven Krause will be appointed Chief Financial Officer and Gordon Fretwell as Corporate Secretary of the Resulting Issuer.

Information as to the individual shareholdings of each of the current officers and directors of Magnitude is available on SEDAR.

Without giving effect to the Pucara Financing, following completion of the Transaction, holders of Pucara Shares will hold 34,234,460 Resulting Issuer Shares and holders of Magnitude Shares will hold 3,100,000 Resulting Issuer Shares. Magnitude will issue a subsequent news release with additional information regarding the Pucara Financing, including the price and size of the Pucara Financing as well as the holdings of Resulting Issuer Shares after giving effect to the Pucara Financing and following completion of the Transaction.

The following is a short background of each person who will be a director or officer of the Resulting Issuer on completion of the Transaction:

Steve Zuker, age 65, Chief Executive Officer, President and a Director

Mr. Zuker is a geologist and Qualified Person with 30+ years of experience in economic geology and exploration geochemistry in North and South America, and Asia. He has focused on precious and base metal exploration in Peru for the past 22 years during which time he built Pucara's exploration team and project portfolio. Prior to Pucara, Mr. Zuker held senior positions with Esperanza Resources, Harrods/Gallant Minerals, Cominco Chile, Westmont Mining and FMC Gold.

David Awram, age 46, Director

Mr. Awram is a co-founder of [Sandstorm Gold](#) and oversees its corporate development team and due diligence process. He has evaluated hundreds of resource projects and has completed on-site due diligence on dozens of mines across the globe. Prior to Sandstorm, Mr. Awram was Director of Investor Relations for [Silver Wheaton Corp.](#)

[b]Lynda Bloom, age 63, Director[/b]

Ms. Bloom, an exploration geochemist with 35+ years' minerals exploration experience is principal of ASL consultancy & a senior executive/director of public companies. She served the mining industry as director of PDAC, Chair of CIMM-Toronto Branch and now serves on several advisory boards.

Gordon Fretwell, age 66, Director

Mr. Fretwell is a self-employed solicitor practicing in corporate and securities law since 1991. He serves as

an officer and on boards of several public mineral exploration companies including: Asanko Gold Corp., [Auryn Resources Corp.](#), [Canada Rare Earth Corp.](#), and RE Royalties Ltd.

Steven Krause, age 46, *Chief Financial Officer*

Mr Krause has worked extensively with mining, mineral exploration and development stage companies in Canada and the United States. Mr. Krause is also the CFO of Viva Gold Corp and President of Avisar Chartered Accountants. He holds a Bachelor of Business Administration from Trinity Western University and is a registered CPA in the state of Illinois.

Non-Arm's Length Relationships

The Transaction will not constitute a Non-Arm's Length Qualifying Transaction (as such term is defined in the policies of the TSXV).

Marcel de Groot, a director of Magnitude, is a shareholder in a company that holds a convertible note and a 0.5% net smelter return royalty (subject to the Pucara Financing) in certain areas of certain properties of Pucara. The note is convertible into Pucara Shares at the same price as the shares issued in the Pucara Financing. Mr. de Groot has disclosed to the directors of Magnitude the nature and extent of his interest in the Transaction and has abstained from voting on matters relating to the Transaction.

Sponsorship

Sponsorship of a qualifying transaction is required by the TSXV unless the qualifying transaction qualifies for an exemption or the Company is granted a waiver, in accordance with TSXV policies. The parties intend to apply for an exemption from the sponsorship requirements of the TSXV.

Filing Statement

In connection with the Transaction and pursuant to the requirements of the TSXV, Magnitude will file a filing statement (the "Filing Statement") on its issuer profile on SEDAR (www.sedar.com), which will contain details regarding the Transaction, Magnitude, Pucara and the Resulting Issuer.

About Magnitude Mining Ltd.

Magnitude Mining Ltd. is a capital pool company. The Company's principal business activity is to identify and evaluate opportunities for acquisition of assets or business. The Company is headquartered in Vancouver, British Columbia.

About Pucara Resources Corp.

Pucara Resources Corp. is a natural resource company which was formed under the laws of the Province of British Columbia on August 10, 2012. As of the date hereof, there are 34,234,460 Pucara Shares outstanding. Resource Capital Fund VI L.P. holds 7,187,500 Pucara Shares (21% of the Pucara Shares), and is the sole holder of 10% or more of the outstanding Pucara Shares.

Pucara's principal business activity is the acquisition, exploration and development of mineral properties in Latin America, currently with exploration and evaluation properties in Peru. Pucara controls 12 early stage precious and base metals properties in central and southern Peru. Pucara is headquartered in Vancouver, British Columbia.

Pucara's 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.

Pucara is titleholder to the Lourdes Property, consisting of ten mining concessions issued by the Government of Peru covering a contiguous area of 2,576 hectares. In 2019, Pucara submitted a petition for an additional mining concession that will bring the total area of the Lourdes Property to 3,176 hectares.

Nine of the 10 mining concessions (the "EPZ Ichupuca Series") which comprise the Lourdes Property were

staked by Esperanza Silver Peru SAC ("EPZ") in 2010 following geological reconnaissance through the region. Pucara purchased the EPZ Ichupuca Series from EPZ in 2013. In consideration, EPZ received Pucara Shares and retained a 1% net smelter returns ("NSR") royalty over the EPZ Ichupuca Series. The 10th mining concession (the "Ichupuca Once" concession) is 100% owned by Pucara after staking it and receiving title in 2013.

There is one additional royalty on the Lourdes Property. On October 19, 2017, Pucara entered into an NSR royalty agreement with Sandstorm Gold Ltd. granting a 1.0% NSR royalty over the ten mining concessions comprising the Lourdes Property.

The Lourdes Property lies along a northwesterly structural trend that hosts the Apumayo, Lucanas, Vicuña and El Rubi gold mines. The Apumayo Mine, located 15 kilometers directly south of the Lourdes Property has been in production since 2013. It is a high-sulfidation, disseminated type gold-silver deposit located in a north-south structural trend that includes the Lourdes Property. The Apumayo deposits have similar geology and alteration assemblages to the Lourdes Project. The Apumayo mine is owned by a privately held company with no public disclosures or technical reports. A qualified person of the Company has been able to verify that the general geologic setting, deposit type, and alteration style is similar to the Lourdes Project but is not necessarily indicative of mineralization on the Lourdes Property.

The Lourdes Property is underlain by a thick sequence of Tertiary-age volcanic rocks that host high-sulfidation epithermal precious metal deposits in the region. Pucara's geological mapping program on the Lourdes Property has identified several prominent diatreme and volcanic vent structures that appear to have played a significant role in the alteration and mineralization found on the Lourdes Property. The diatremes cut through the local volcanic stratigraphy and are infilled with breccias that are comprised of clasts derived from the volcanic wall rock that include pre-existing silicic alteration.

The Lourdes Property contains large areas of pervasive and intense high-sulfidation, epithermal alteration. Diatreme and vent breccias are strongly altered to granular silica with local massive and vuggy silica alteration types at lower elevations as well as within structural zones. Most vent/diatreme structures show evidence of multiple breccia and alteration events. Alteration assemblages are classic high-sulfidation types with zonation from silicic to advanced argillic to argillic and propylitic, and are associated with the vent/diatremes and structural zones. Alteration assemblages are also controlled by the permeability of the host volcanic units and by structural zones having two principal orientations, north-northwest (335 degrees) and northeast (055 degrees). The northeast orientation is exemplified by the Chuclani and Ayani zones that cross the eastern portion of the Lourdes Property.

Pucara has completed a surface sampling program of both rock chip and soil samples across the entire Lourdes Property, a geophysical survey using IP and ground magnetics, and reflectance spectroscopy studies of rock samples from outcrop (PIMA) and from satellite imagery (SWIR, VNIR). The Lourdes Property's lithology, alteration and structures have been mapped on a detailed scale.

The surface sampling program culminated in the collection of 3,086 rock chip samples, 57 drainage sediment samples and 713 soil samples. Interpretation of the geochemical results defined strong Au, Cu and Mo anomalies associated with vent/diatreme related intense silicic alteration and along vertical hydrothermal breccia structures.

Field work completed to date on the Lourdes Property has identified four areas on the Lourdes Property that stand out as primary exploration targets:

1. Jellopata-Central diatremes with associated low-level gold and strong multi-element anomalies, as well as Cu-Mo geochemical anomalies at the margins of the diatreme structures,
2. Chuclani/Ayani structural trend (Northeast Zone) hosting strong Au-Cu-Mo geochemical anomalies through the Cascada, Chuclani, and Ayani zones,
3. Paccha Hauyco diatreme complex with associated low-level gold and strong multi-element anomalies,
4. North Zone breccia complex with associated gold and strong multi-element anomalies.

Field work completed on the Lourdes Property has defined drill targets that will be pursued as the next step in the Lourdes Property's exploration program. A two-phase drill program is recommended to test nine drill targets in the Jellopata, Paccha Huayco, Chuclani, Ayani, Cascada, and North areas.

A technical report prepared in accordance with NI 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and the policies of the TSXV has been prepared for the Lourdes Property and will be filed with the TSXV for its review and acceptance. It is anticipated that the technical report will be filed on SEDAR under

the Company's profile in conjunction with the filing of its Filing Statement.

The technical information in this news release was reviewed and approved by Ken Balleweg, P. Geo. (CPG - #10972), a "qualified person" for the purposes of NI 43-101.

Based on the audited financial statements of Pucara for years ended March 31, 2019 and March 31, 2018, Pucara had no revenue, comprehensive loss of \$2,287,973, total assets of \$2,382,862, total liabilities of \$232,467, and shareholders' equity of \$2,150,395 as at March 31, 2019.

Additional Information

In accordance with TSXV policy, the Company's shares are currently halted from trading and will remain so until such time as the TSXV determines, which, depending on the policies of the TSXV, may not occur until the completion of the Transaction.

Completion of the Transaction is subject to a number of conditions including but not limited to, the closing of Pucara Financing, TSXV acceptance, approval by the Supreme Court of British Columbia and if applicable pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, 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 TSXV has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

Contact Information

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Cautionary Statements

Although the Company believes, in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. When used in this press release, the words "estimate", "belief", "anticipate", "intend", "expect", "plan", "predict", "will", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to the business plans of Magnitude, Pucara and the Resulting Issuer, the Transaction (including TSXV approval, shareholder approval, approval of the Supreme Court of British Columbia and the closing of the Transaction), the timing of the Transaction, the board of directors and management of the Resulting Issuer upon completion of the Transaction, the name change of the Resulting Issuer, the Pucara Financing, the payment of the Finder's Fee and the filing of a technical report. Such statements and information reflect the current views of Magnitude and/or Pucara, respectively. Risks and uncertainties may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: (i) there is no assurance that Magnitude and Pucara will obtain all requisite approvals for the Transaction, including the approval of the shareholders of Pucara, approval of the Supreme Court of British Columbia or the approval of the TSXV for the Transaction (which may be conditional upon amendments to the terms of the Transaction); (ii) there is no assurance the Pucara Financing will be completed as contemplated or at all; (iii) following completion of the Transaction, the Resulting Issuer may require additional financing from time to time in order to continue its

operations and financing may not be available when needed or on terms and conditions acceptable to the Resulting Issuer; (iv) new laws or regulations could adversely affect the Resulting Issuer's business and results of operations; and (v) the stock markets have experienced volatility that often has been unrelated to the performance of companies. These fluctuations may adversely affect the price of the Resulting Issuer's securities, regardless of its operating performance. There are a number of important factors that could cause Magnitude's and Pucara's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others: currency fluctuations; limited business history of Magnitude and/or Pucara; disruptions or changes in the credit or security markets; results of operation activities and development of projects; project cost overruns or unanticipated costs and expenses, and general market and industry conditions. The definitive terms and conditions of the Transaction may be based on the Company's due diligence and the receipt of tax, corporate and securities law advice for both the Company and Pucara. The Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Company, Pucara, their securities, or their respective financial or operating results (as applicable).

Magnitude cautions that the foregoing list of material factors is not exhaustive. When relying on Magnitude's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Magnitude has assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. The forward-looking information contained in this press release represents the expectations of Magnitude 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. Magnitude 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 TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

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<https://www.rohstoff-welt.de/news/346460--Magnitude-Mining-Ltd.-Enters-into-Definitive-Agreement-for-Qualifying-Transaction-with-Pucara-Resources-Corp.h>

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