Pucara Gold Ltd.

(An Exploration Stage Company)

Management Discussion and Analysis

December 31, 2023

Pucara Gold Ltd.
#2110 – 650 West Georgia Street
Vancouver, BC   V6B 4N8

INTRODUCTION

This Management Discussion and Analysis ("MD&A) is intended to supplement Pucara Gold Ltd. ("Pucara" or the "Company") consolidated financial statements for the year ended December 31, 2023. All financial information, unless otherwise indicated, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Pucara Gold Ltd. was incorporated under the British Columbia Business Corporation Act on February 17, 2011. Pucara's business is the acquisition, exploration, and development of precious and base metal properties in Peru. The Company is actively exploring a number of its exploration stage projects and has optioned some of its projects to other companies. The Company's office is located at #2110 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4N8. The Company's common shares trade on the TSX-V under the symbol TORO. The Company is delisting from the OTCQB in the United States and the Lima Stock Exchange (BVL).

The following discussion of the Company's financial condition and results of operations should be read in conjunction with its consolidated financial statements and the related notes for the years ended December 31, 2023 and 2022.

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is April 24, 2024.

FORWARD-LOOKING INFORMATION

This document contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. This information and these statements, referred to herein as "forward-looking statements" are made as of the date of this MD&A or as of the date of the effective date of information described in this MD&A, as applicable. Forward-looking statements relate to future events or future performance and reflect current estimates, predictions, expectations, or beliefs regarding future events. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "envisages", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

All forward-looking statements are based on the Company's or its consultants' current beliefs as well as various assumptions made by and information currently available to them. Many forward-looking statements are made assuming the correctness of other forward-looking statements. Cost information is prepared using current estimates, but the time for incurring costs will be in the future and it is assumed costs will remain stable over the relevant period.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections, and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates assumptions and intentions expressed in such forward-looking statements. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur, but specifically include, without limitation, risks related to exploration and development programs and their timing and success; risks relating to variations in the mineral content within the material identified as mineral reserves and mineral resources from that predicted; variations in rates of recovery and extraction; developments in world metals and minerals markets; risks relating to fluctuations in the Canadian dollar, the United States dollar and Peruvian nuevo sol relative to other currencies; increases in the estimated capital and operating costs or unanticipated costs; difficulties attracting the necessary work force; increases in financing costs or adverse changes to the terms of available financing, if any; tax rates or royalties being greater than assumed; risks relating to receipt of mining and regulatory approvals; the effects of competition in the markets in which the Company operates; operational and infrastructure risks. The foregoing list of factors that may affect future results is not exhaustive.

When relying on the forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on behalf of the Company, except as required by law.

CURRENT CORPORATE HIGHLIGHTS

Pucara is actively working on its wholly owned Pucaska project. At Pacaska, the Company is engaging stakeholders to advance the drill permitting process. At the Lourdes project, the Company has completed its remediation of its previous activities. Capricho and Paco Orco projects are being advanced by our partner Lowell Copper SAC - Solaris Resources Inc.

PROJECTS

Pacaska Project, Ayacucho, Peru

The project consists of twelve concessions totaling 7,650 ha. and is subject to Net Smelter Royalties (“NSR”) totalling 1.5%. The exploration target is a high sulfidation epithermal (“HSE”) precious metal project and exhibits geophysical (IP, Mag) and geochemical characteristics related to a porphyry copper system. The alteration system contains anomalous, outcropping concentrations of gold with values in rock of up to 17 g/t and anomalous copper in rock of up to 11%. Pacaska is easily accessible by a paved, single lane road originating at the Pan American Highway in the town of Palpa 90 km southwest of Pacaska.

During 2023, Pucara has continued to focus on stakeholder engagement and preparation of its drill permit (DIA) in anticipation of a Phase I drill campaign at Pacaska.

Capricho and Paco Orco Projects, Cusco-Ayacucho, Peru

The Capricho project consists of 5 mineral concessions totaling 3,768 ha. and is subject to NSR totaling 2%. The project was optioned to Lowell Copper SAC, a subsidiary of Solaris Resources Inc. in May 2018. Land Fees and penalties were paid for 2022. During the current year, Lowell has continued to focus on stakeholder and community engagement.

The Paco Orco project consists of 6 mineral concessions totaling 4,400 ha. and is subject to NSR totaling 1%. The project was optioned to Lowell Copper SAC, a subsidiary of Solaris Resources Inc. in May 2018. Land Fees and penalties were paid for 2022.

Optioned Projects

Pucara currently has three projects optioned to partners. The Santo Tomas project is optioned to IAMGOLD Peru SA, Paco Orco and Capricho projects are optioned to Lowell Copper SAC, a subsidiary of Solaris Resources Inc.

Other Projects:

Santo Tomas Project, Ayacucho, Peru
The project consists of 25 mineral concessions totaling 15,793 ha. and is subject to NSR totalling 2%. The project was optioned to IAMGOLD Peru SA in February 2018 and in October 2020, IAMGOLD commenced drilling and have completed a total of 7 diamond drill holes, totaling 3,789 meters. IAMGOLD is encouraged by results and has expanded their exploration efforts, preparing another Declaración de Impacto Ambiental ("DIA") for drilling and modifying the current DIA with an Informe Técnico Sustentatorio. Delays by federal government ministries to grant permits are delaying community agreements. The SNC-Lavalin consulting firm finished its social-anthropological report on the evaluation of "Affectation of Original Collective Rights of the Totora Community".

Of the 7 drill holes, drillhole (LT-21D-007) intercepted the best gold anomalies with week gold mineralization reported.

Subsequent to December 31, 2023, IAMGOLD has terminated option agreements with the Company for the Santo Tomas project in Peru. The Santo Tomas concession package will be transferred back to the Company.

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.

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. The Company has abandoned this project in June 2023.

Keyla Project, Ayacucho, Peru
The Keyla project area is located at the southern end of the Lourdes/Apumayo/Breapampa trend approximately 50km southeast of the Lourdes project area, 30km southeast of the Apumayo Mine, 25km southeast of the Apumayo Santos gold deposit, and 22km southwest of the Breapampa Mine. The project was acquired through staking and consists of four mineral concessions totaling 3,500 ha. The concessions are subject to 0.5% NSR. The project area covers a large high sulfidation hydrothermal system with over 10km of strike length and 2.5-3km of width.

Rock chip sampling to date has identified gold concentrations up to 1.84 g/t and silver concentrations to 45.8 g/t, with most gold occurring in granular silica, similar to the Apumayo Mine deposits. Soil surveys completed in the southern portion of the concession have identified strong multi-element geochemical anomalies (mercury, arsenic, and antimony), including a large 300 by 400-meter gold soil anomaly.

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.

Lourdes Project, Ayacucho, Peru
The project consists of eleven mineral concessions totaling 2,817 ha. and is subject to NSR totalling 2.5%. Lourdes Project is a fully-drill permitted HSE precious metal project, which lies at the intersection of two regional mineralized trends with neighboring high sulfidation prospects and a producing mine. The project is located approximately 400

kilometres southeast of Lima and is easily accessible by a paved, single-lane road originating in the town of Puquio, 155 kilometres east of the Pan American Highway.

During December 2020, Pucara completed its Phase I drill program of 25 holes totaling 3,955 meters. In January 2021, Pucara reported the results of its drilling program. The program tested and drilled 5 of the 9 identified targets. Thick intercepts of oxidized silicic alteration, starting from surface and extending to depths of more than 200 meters confirmed the target concept. Gold concentrations included three low-grade gold intercepts hosted in granular silica. Pucara interprets the gold zone as flat-lying and distal from the inferred structural feeder, which may contain higher-grade mineralization, similar to the relationship at the Apumayo Mine. The open intercepts indicate the inferred structural source is to the west toward the Paccha Huayco – Cascada area.

The Company has completed its reclamation obligations on the Lourdes project. During the year ended December 31, 2022, the Company recorded an impairment of $127,977 reducing the capitalized balance of the project to $Nil. The Company has abandoned this project in June 2023.

Exploration Activities in Peru
The Company's mineral exploration activities are subject to receiving and maintaining licenses, permits and approvals (collectively, "permits") from appropriate governmental and community authorities in Peru. Pucara or its joint venture partners may be unable to obtain on a timely basis or maintain in the future all necessary permits to explore and develop its properties. Delays may occur in connection with obtaining necessary renewals or permits for Pucara's existing operations and activities, additional permits for existing or future operations or activities, or additional permits associated with new legislation. The Company can provide no assurance that it will continue to hold or obtain, if required to, all permits necessary to explore or develop at any particular site, which could adversely affect its operations. Peru is experiencing increased political, social, and economic unrest. The unrest adds uncertainties that cannot be accurately predicted and any future material adverse changes in government policies or legislation in the jurisdictions in which Pucara operates that affect foreign ownership, mineral exploration, development, and timing of mining activities and may affect the Company's viability.

PROJECT EXPLORATION COSTS

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

	Pacaska	Capricho	Other (1)	Total
Balance at December 31, 2021	$ 133,703	$ 2,188	$ 121,546	$ 257,437
Mineral license fees	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
Mineral license fees	29,663	-	-	29,663
Foreign exchange movement	619	9	-	628
Balance, December 31, 2023	$ 213,875	$ 2,460	$ -	$ 216,335

(1) Other projects have fully impaired as at December 31, 2022, and 2023.

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Administrative	$ 8,199	$ -
Assays	-	5,306
Community programs	24,696	80,746
Depreciation	12,092	28,855
Equipment maintenance	2,790	25,241
Geological	24,132	358,325
Travel	10,080	83,779
Total expenditures	$ 81,989	$ 582,252

RESULTS OF OPERATIONS

For the year ended December 31, 2023, as compared to the year ended December 31, 2022

For the year ended December 31, 2023, the Company incurred a loss of $874,947 (2022 - $2,388,951). The Company's loss per share was $0.01 (2022 - $0.04). The decrease in the loss for the year of $1,514,004 was primarily the result of a current year reduction of exploration expenditures, exploration office salaries, management, consulting fees, and share-based payments, as well as an impairment loss recognized during comparative year. Management and exploration office salaries reduced in the year ended December 31, 2023, to $527,917 from $1,000,358. In the current year, the Company paid severance for several staff in the Company's Peruvian subsidiary totalling $166,640, which is included in the exploration office salaries. In addition, the Company has reduced the staffing of its Peruvian office and as a result, the Company incurred less general and administrative expenses in the current year compared to the comparative year. Accounting and legal fees also reduced by $59,854 primarily due to reduction in the legal costs and lowered accounting and auditing fees in the current year. Impairment loss recognized in the comparative year amounted to $205,828 pursuant to impairment of several projects during the comparative year.

Exploration expenditures for the year ended December 31, 2023, were $81,989 compared to $582,252 during the year ended December 31, 2022. The decrease in exploration expenditures was mainly the result of less expenditure in terms of geological costs, travel and community related costs associated with its projects during the current year in comparison with the comparative year.

Share-based payments costs decrease for the year ended December 31, 2023, to $25,372 (2022 - $161,220) also contributed to the overall decrease in the loss, due to no grants of stock options during the current year.

For the three months ended December 31, 2023, as compared to the three months ended December 31, 2022

For the three months ended December 31, 2023, the Company incurred a loss of $175,027 (2022 - $689,712). The Company's loss per share was $0.00 (2022 - $0.01). The decrease in the loss for the period of $514,685 was primarily the result of a reduction of exploration office salaries of $164,273 as well as a reduction of exploration expenditures of $103,120. As discussed above, impairment loss recognized in the comparative period amounted to $205,828.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company and is derived from unaudited consolidated financial statements prepared by management.

Period	Revenues	Loss for the period $	Basic and fully diluted loss per share $
December 31, 2023	Nil	(175,027)	(0.00)
September 30, 2023	Nil	(129,961)	(0.00)
June 30, 2023	Nil	(185,114)	(0.00)
March 31, 2023	Nil	(384,845)	(0.00)
December 31, 2022	Nil	(689,712)	(0.01)
September 30, 2022	Nil	(434,766)	(0.01)
June 30, 2022	Nil	(492,867)	(0.01)
March 31, 2022	Nil	(771,606)	(0.01)

The Company's quarterly losses are expected to vary as a result of its exploration activity on its exploration projects.

SELECTED ANNUAL INFORMATION

The following table sets out selected annual financial information of the Company and is derived from the Company's audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021.

	Year ended December 31, 2023 $	Year ended December 31, 2022 $	Year ended December 31, 2021 $
Revenues	Nil	Nil	Nil
Loss for the year	(874,947)	(2,388,951)	(3,117,398)
Loss per share (basic and diluted)	(0.01)	(0.04)	(0.05)
Total assets	878,675	1,771,038	3,329,669
Total non-current financial liabilities	Nil	Nil	Nil
Dividends declared	Nil	Nil	Nil

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal source of liquidity as at December 31, 2023, was cash totaling $545,768 (December 31, 2022 - $1,427,328).

During the year ended December 31, 2023, the Company's cash used in operating activities amounted to $895,322 (2022 - $2,018,319).

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.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2023, the Company had not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of entities where the executive officers, vice presidents 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.

a) **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 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, 2023, the Company incurred $Nil (2022 - $334,453) to Sumaq. As at December 31, 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 year ended December 31, 2023, the Company incurred $50,000 (2022 - $38,000) 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 year ended December 31, 2023, the Company terminated the contract with the Vice President - Exploration. During the year ended December 31, 2023, the Company incurred $31,250 (2022 - $38,000) 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 year ended December 31, 2023, the Company terminated the contract with the Vice President - Corporate Development. During the year ended December 31, 2023, the Company incurred $31,250 (2022 - $38,000) 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 year ended December 31, 2023, the Company incurred $62,000 (2022 - $72,000) of fees to Avisar. As at December 31, 2023, $4,200 (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 year ended December 31, 2023, the Company incurred $15,000 (2022 - $10,627) of fees 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, vice presidents 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 year ended December 31, 2023, share-based compensation for the key management personnel amounted to $25,372 (2022 - $161,220).

OUTSTANDING SHARES

As at the date of this MD&A, the Company has 76,591,960 common shares outstanding. The Company has 3,650,000 incentive stock options outstanding and exercisable at a weighted average exercisable price of $0.23 per share. In addition, the Company has 14,000,000 warrants outstanding with an exercise price of $0.08 per share.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and certain disclosures reported in these consolidated financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions are recognized in the period in which the estimates are revised and in future periods affected.

Areas where critical accounting estimates and assumptions have the most significant effect on the amounts recognized in these consolidated financial statements include the following:

a) Impairment of exploration and evaluation assets
Management is required to make judgments on the status of each mineral property and the future plans with respect to finding commercial resources. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful, and some assets are likely to become impaired in future periods.

The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

Management has several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic, geochemical, and geophysical information, environmental issues, economic assessment studies, surface ownership, community issues and social licenses.

b) Recovery of deferred tax assets
The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its deferred tax assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

c) Share-based payments
The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Areas requiring critical judgment include going concern assumption and determination of functional currency.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company's management have reviewed recent accounting standards and amendments to standards and interpretations that have been issued and have determined that there are none that materially affect the Company's consolidated financial statements.

International Accounting Standard ("IAS") 1 and IFRS Practice Statement ("PS") 2: In February 2021, the International Accounting Standards Board ("IASB") issued amendments to IAS 1 and the IFRS PS 2, Making Materiality Judgements, to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies. Guidance and illustrative examples are added in the PS to assist in the application of materiality concept when making judgments about accounting policy disclosures. The standard was adopted by the Company on January 1, 2023.

In October 2022, the IASB issued Non-Current Liabilities with Covenants, which amended IAS 1 to clarify that if the Company's right to defer settlement of a liability for at least 12 months is subject to the Company complying with covenants after the reporting period, those covenants would not affect whether the Company's right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. The amendments also increased the disclosure requirement relating to such covenants to include: (i) the nature of the covenants and the date by which the Company must comply with the covenants; (ii) whether the Company would comply with the covenants based on its circumstances at the reporting date; and (iii) whether and how the Company expects to comply with the covenants by the date on which they are contractually required to be tested. The above amendments are effective for the Company's annual reporting periods beginning on or after January 1, 2024. The Company does not currently expect the adoption of this standard to have a material impact on the Company's reporting.

FINANCIAL INSTRUMENTS

Fair Value

The Company's financial instruments as at December 31, 2023 consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. The fair value of these instruments approximates their carrying value. There were no off-balance sheet financial instruments.

The Company's cash and cash equivalents are held in large Canadian and Peruvian financial institutions. The Company does not use derivative or hedging instruments to reduce its exposure to fluctuations in foreign currency exchange rates involving the Canadian dollar or Peruvian Sol.

Management of Capital

The Company's capital management objectives are to safeguard the Company's ability to support the Company's development and exploration of its mineral properties and support any expansion plans. The capital of the Company consists of items included in its shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets.

To effectively manage its capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the sufficient liquidity to meet its objectives. The Company may issue new shares or seek debt to ensure that there is sufficient working capital to meet its short-term business requirements.

There were no changes to the Company's approach to capital management during the year ended December 31, 2023.

Management of Financial Risk

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit Risk
Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, and receivables. The Company's credit exposure is limited to the carrying amount of these financial assets.

The Company's cash and cash equivalents are held by high-credit-rated financial institutions and, as such, the Company does not believe there to be a significant credit risk.

The Company's concentration of credit risk and maximum exposure is as follows:

	December 31, 2023 $	December 31, 2022 $
Cash at Canadian financial institutions	536,873	1,389,400
Cash at Peruvian financial institutions	8,895	37,928
Total	545,768	1,427,328

b) Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

(i) *Foreign currency risk*
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and a foreign currency will affect the Company's operations and financial results. The Company operates in Canada and Peru. The Company funds the subsidiary in US dollars and a portion of its expenditures are incurred in Peruvian nuevo soles. The risk is that there could be a significant change in the exchange rate of the Canadian dollar relative to the US dollar and the Peruvian nuevo sol. The Company has not hedged its exposure to currency fluctuations.

(ii) *Interest rate risk*
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Its interest rate risk is limited to potential decreases on the interest rate offered for cash held with chartered Canadian financial institutions. The Company considers the risk to be immaterial.

(iii) *Commodity price risk*
Commodity risk is the exposure to fluctuations in the market price of commodities. The Company does not have any commodity exposure.

(iv) *Equity price risk*
Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company does not have any equity investments.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do so at excessive cost. The key success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's policy is to ensure that it will have sufficient cash to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended December 31, 2023, and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at www.sedar.com.

Approval

The Audit Committee of Pucara has approved the disclosure contained in this MD&A.