
DAURA CAPITAL CORP.

Suite 501, 543 Granville Street,
Vancouver, B.C. V6C 1X8

INFORMATION REQUIRED IN A FILING STATEMENT FOR A QUALIFYING TRANSACTION

December 19, 2024

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this filing statement.

DAURA CAPITAL CORP.

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GLOSSARY

“Affiliate” means a company that is affiliated with another company as described below.

A company is an “Affiliate” of another company if:

- (b) one of them is the subsidiary of the other, or
- (c) each of them is controlled by the same Person.

A company is “controlled” by a Person if:

- (b) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
- (c) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

“Antonella Daniela I Concession” means the Antonella Daniela I mining concession covering 900 Ha and forming part of the Cochabamba Project.

“Antonella Option” means the Transfer Option and Mining Lease Agreement between Estrella and the former owner of the Antonella Daniela I Concession, as amended, pursuant to which Estrella acquired its 100% interest in the Antonella Daniela I Concession.

“ASC” means the Alberta Securities Commission.

“Associate” when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the Person,
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity,
- (d) in the case of a person, a relative of that person, including
 - (i) that Person’s spouse or child, or
 - (ii) any relative of the Person or of his spouse who has the same residence as that person;

but

- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

“BCSC” means the British Columbia Securities Commission.

“BLM” means the Bureau of Land Management of the United States of America Department of the Interior.

“Board” means the Board of Directors of the Daura Capital Corp.

"Bridge Loan" has the meaning set forth under Part I - Information Concerning the Company, Prior Sales of Securities.

"Cochabamba Project" means the exploration land package comprised of 11 exploration concessions totaling 7,800.00 Ha located in the Ancash Region on the western flank of the Cordillera Negra of north-central Peru.

"Cochabamba Technical Report" means the report titled "NI 43-101 Technical Report on the Cochabamba Project, Ancash Department, Peru" dated July 30, 2023, prepared by Owen D.W. Miller, PhD., FAusIM(CP), an independent Qualified Person as defined by NI 43-101.

"Common Shares" means the common shares in the capital of the Company.

"Company" or "Daura" or "Daura Capital" means Daura Capital Corp.

"Completion of the Qualifying Transaction" means the date the Final Exchange Bulletin is issued by the Exchange.

"Control Person" means any Person that holds or is one of a combination of Persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"CPC" means a capital pool company as defined by the CPC Policy of the TSX Venture Exchange, being a corporation:

- (a) that has been incorporated or organized in a jurisdiction in Canada;
- (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (c) in regard to which the Completion of the Qualifying Transaction has not yet occurred.

"CPC Escrow Agreement" means the Form 2F – CPC Escrow Agreement dated July 17, 2019 among the Company, Computershare Investor Services Inc. and certain escrow security holders.

"CPC Escrow Shares" means the 2,600,001 Common Shares initially escrowed pursuant to the CPC Escrow Agreement.

"CPC Policy" means Exchange Policy 2.4 – *Capital Pool Companies*.

"CSE" means the Canadian Securities Exchange.

"Dr. Lima" means Dr. Raul Ernesto Lima Osorio, the majority shareholder, of Estrella.

"Estrella" or "Target Company" means Estrella Gold S.A.C, a privately held Peruvian gold company.

"Exchange" means the TSX Venture Exchange Inc.

"Final Exchange Bulletin" means the Exchange Bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

"Financing" means the non-brokered private placement financing of a minimum of 20,833,334 Units and a maximum of 25,000,000 Units at a price of \$0.06 per Unit for minimum proceeds of \$1,250,000 and maximum proceeds of \$1,500,000.

"Filing Statement" means this filing statement dated December 19, 2024.

"Insider" if used in relation to an Issuer, means:

- (a) a director or senior officer of the Issuer;
- (b) a director or senior officer of the company that is an Insider or subsidiary of the Issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Issuer; or
- (d) the Issuer itself if it holds any of its own securities.

“**Lara**” means Lara Exploration Ltd.

“**Lara Peru**” means Lara Peru S.A.C., a wholly owned subsidiary of Lara.

“**Maximum Financing**” means the the sale of maximum number of Units under the Financing, being 25,000,000 Units at \$0.06 per Unit for maximum proceeds of \$1,500,000.

“**Minera Silex**” means Minera Silex Peru SRL.

“**Minimum Financing**” means the sale of minimum number of Units under the Financing, being 20,833,334 Units at \$0.06 per Unit for minimum proceeds of \$1,250,000.

“**NI 43-101**” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, its related form and policy as set forth by Canadian Securities Administrators.

“**Non-Arm’s Length Party**” means in relation to a company, a promoter, officer, director, other insider or Control Person of that company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, insider or Control Person.

“**Non-Arm’s Length Parties to the Qualifying Transaction**” means the Vendor(s), any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non-Arm’s Length Parties of the Vendor(s), the Non-Arm’s Length Parties of any Target Company(ies) and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

“**Non-Arm’s Length Qualifying Transaction**” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are the subject of the proposed Qualifying Transaction.

“**PEN**” or “**S/**” means Peruvian sol.

“**Person**” means a company or individual.

“**Property**” means the combination of the Estrella Property and the Antonella Gold Project.

“**QP**” means Owen D.W. Miller, PhD FAusIMM (CP), author of the Cochabamba Technical Report. Mr. Miller is not a Non-Arms Length Party to any of the Company, Estrella or the Resulting Issuer.

“**Qualifying Transaction**” means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

“**Resulting Issuer**” means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin and in this Filing Statement means the Company following completion of the Transaction and Financings and issuance of the Final Exchange Bulletin.

“**SEDAR**” means the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval.

“**Share Exchange Agreement**” means the share exchange agreement dated July 16, 2024 between the Company, Estrella and the Vendors.

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the initial listing requirements of the Exchange.

“Sponsor” has the meaning specified in Sponsorship Policy.

“Sponsorship Policy” means Exchange *Policy 2.2 – Sponsorship and Sponsorship Requirements*.

“Target Company Shares” means the outstanding shares of Estrella.

“Transaction” means the completion of the transaction set forth in the Share Exchange Agreement and which, together with the Financing, will constitute the Company’s Qualifying Transaction.

“Unit” means one unit of the Company, with each unit consisting of one Common Share and one Warrant.

“Value Escrow Agreement” means the Form 5D – Value Escrow Agreement between the Company, Computershare Investor Services Inc. and the Vendors to be entered into upon closing of the Transaction.

“Value Escrow Shares” means the 8,938,233 Common Shares escrowed pursuant to the Value Escrow Agreement.

“Value Escrow Security Holders” means Dr. Lima and Lara.

“Vendors” means Dr. Lima and Lara, and **“Vendor”** means any one of the Vendors.

“Warrant” means one full share purchase warrant of the Company entitling the holder thereof to purchase one Warrant Share at a price of \$0.10 per share for a period of two years from the date of issuance.

“Warrant Share” means one Common Share issuable upon exercise of a Warrant.

GLOSSARY OF GEOLOGICAL TERMS

The following definitions and terms apply throughout this document unless the context otherwise requires:

Alteration:	Chemical or mineralogical changes in the composition of a rock brought about by physical or chemical means resulting from weathering, metamorphism or the passage of hydrothermal fluids through rocks.
Adularia:	A white or colourless glassy variety of orthoclase in the form of prismatic crystals. It occurs in metamorphic rocks and is a minor gemstone.
Agglomerate:	A breccia composed largely or entirely of fragments of volcanic rocks.
Amphibole:	A group of rock-forming silicate or aluminosilicate minerals containing iron, magnesium and calcium typically occurring as dark-colored fibrous or columnar crystals. A primary example is hornblende.
Andesite:	Fine-grained, extrusive igneous rocks that are usually light to dark gray in color
Argillic:	f wall rock which introduces clay minerals including kaolinite, smectite and illite.
Assay:	A chemical analysis that determines the amount of an element in a sample. The concentrations of precious metals such as gold and silver are typically reported as grams of metal per tonne (g/t) of rocks; base metal assays (copper, lead, zinc, etc.) are given in ppm or weight percent. Assay sheets from laboratories typically give gold concentrations in parts per billion (ppb) - 1000 ppb equals 1 part per million (ppm), which equals 1 gram/tonne. There are 28.35 grams in one normal (avoirdupois) ounce and 31.10 grams in one Troy ounce. Base metal assays are typically measured in parts per million (ppm); 10,000 ppm equals one percent.
Batholith:	A large mass of igneous rock extending to great depth with its upper portion dome-like in shape. Similar, smaller masses of igneous rocks are known as bosses or plugs.
Biotite:	A name used for a large group of black mica minerals containing potassium, aluminum, magnesium and iron that are commonly found in igneous and metamorphic rocks.
Bornite:	A sulfide mineral with chemical composition Cu_5FeS_4 that crystallizes in the orthorhombic system (pseudo-cubic).
Breccia:	A rock in which angular fragments are surrounded by a mass of fine-grained minerals.
Calcareous:	Consisting mainly of calcium carbonate.
Calcite:	A white or colorless mineral consisting of calcium carbonate. It is a major constituent of sedimentary rocks such as limestone, marble, and chalk, can occur in crystalline form (as in Iceland spar), and may be deposited in caves to form stalactites and stalagmites.
Chalcedony:	A microcrystalline type of quartz occurring in several different forms, including onyx, agate, and jasper.
Chalcopyrite:	Chalcopyrite is a brass-yellow, metallic mineral with a chemical composition of $CuFeS_2$. It occurs in most sulfide mineral deposits throughout the world and has been the most important ore of copper for thousands of years.
Clastic:	Sedimentary rocks that are composed of fragments derived from older rocks by weathering and erosion, and transported from their place of origin.
Copper:	A reddish metallic element (Cu) that takes on a bright metallic luster and is malleable, ductile, and a good conductor of heat and electricity.

Dacitic:	A fine-grained igneous rock that is normally light in colour.
Ferromagnesian:	A mineral rich in iron and magnesium; applied to certain dark silicate minerals such as amphibole, pyroxene, biotite, and olivine.
Fluvio-Glacial	Meltwater created when a glacier melts.
Galena:	A bluish, gray, or black mineral of metallic appearance, consisting of lead sulfide. It is the chief ore of lead.
Gangue:	The non-economic accessory minerals that are associated with economic ore mineralization.
Gossan:	A rusty rock in which iron-bearing sulphide minerals have been oxidized by air and water (weathered).
Grandiorites:	An intrusive rock, intermediate in composition between diorite and granite. Although often similar in appearance to diorite or granite, it has a higher quartz content than diorite, and a higher mafic mineral content than granite. It is commonly produced in volcanic arcs, and in mountain building where it emplaces as large batholiths in mountain roots. Granodiorite is the plutonic equivalent of dacite.
Hornblende:	The most common member of the amphibole group of minerals; dark-colored and found in many types of igneous and metamorphic rocks.
Igneous:	Rock formed by the solidification of molten material from far below the earth's surface.
Ignimbrites:	A pyroclastic igneous rock that is an expansion of hardened tuff. It is made up by crystal and rock fragments in a glass-shard groundmass, although the original texture of the groundmass is probably obliterated due to high degrees of welding.
Iron Oxides:	The basic constituent of the ferromagnetic spinels or ferrites
Pyrite:	A metallic, bronze, cubic mineral (FeS ₂), commonly known as fool's gold.
Pyroclastic:	A type of sedimentary clastic rock composed solely of volcanic materials.
Quartzite:	A granular sedimentary rock formed mainly of quartz (sometimes called a quartz arenite), or its granoblastic metamorphic equivalent formed by recrystallization of sandstone or chert by either regional or thermal metamorphism.
Redbed:	Sedimentary rocks typically consisting of sandstone, siltstone and shale, that are predominately red in colour.
Rhyolite:	A fine-grained extrusive igneous rock that has the same chemical composition as granite.
Sandstone:	A sedimentary rock consisting of grains of sand cemented together.
Sericite:	Sericite is a common alteration mineral of orthoclase or plagioclase feldspars in areas that have been subjected to hydrothermal alteration typically associated with copper, tin, or other hydrothermal ore deposits. Sericite also occurs as the fine mica that gives the sheen to phyllite and schistose metamorphic rocks.
Shale:	Sedimentary rock formed by the consolidation of mud or silt.
Silicification:	The introduction of, or replacement by, silica, generally resulting in the formation of fine-grained quartz, chalcedony, or opal, which may fill pores and replace existing minerals.
Sphalerite:	A mineral that is the chief ore of zinc. It consists largely of zinc sulfide in crystalline form but almost always contains variable iron.
Subvolcanic or Hypabyssal:	An intrusive igneous rock that is emplaced at shallow depths (<2km) within the crust.

- Stockworks:** A mineral deposit consisting of a three-dimensional network of planar to irregular veinlets closely enough spaced that the whole mass can be mined.
- Tuff:** Rock composed of fine volcanic ash.
- Wallrock:** The rock that constitutes the wall of an area undergoing geologic activity.

CONVERSION FACTORS

To Convert From	To	Multiply By
Feet (ft)	Meters (m)	0.305
Meters	Feet	3.281
Miles	Kilometers (km)	1.609
Kilometers	Miles	0.6214
Acres	Hectares (ha)	0.405
Hectares	Acres	2.471
Grams (g)	Ounces (Troy) (oz)	0.03215
Grams/Tonne (g/t)	Ounces (Troy)/Short Ton	0.02917
Ounces (Troy)/Short Ton	Grams/tonne	34.2857
Tonnes (metric) (t)	Short Tons	1.1023

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Filing Statement constitute "forward-looking statements." These statements, identified by words such as "plan," "anticipate," "believe," "estimate," "should," "could", "expect", "may" and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of exploration activities; actual results of reclamation activities; actual results of extractive metallurgical studies; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; future mineral prices; equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, permitting, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section titled "*Risk Factors*."

Forward-looking statements are based on a number of material factors and assumptions, including the results of exploration and drilling activities, the availability and final receipt of required approvals, licenses and permits, that sufficient working capital is available to complete proposed exploration and drilling activities, that contracted parties provide goods and/or services on the agreed time frames, the equipment necessary for exploration is available as scheduled and does not incur unforeseen break downs, that no labour shortages or delays are incurred and that no unusual geological or technical problems occur. While the Resulting Issuer considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "*Risk Factors*."

These statements speak only as of the date they are made and are based on information currently available and on the then current expectations of Daura Capital Corp., and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the heading "*Risk Factors*".

Consequently, all forward-looking statements made in this Filing Statement and other documents of Daura Capital Corp. are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company or the Resulting Issuer. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Resulting Issuer and/or persons acting on its behalf may issue. Daura Capital Corp. undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable securities laws. For all of these reasons, Securityholders should not place undue reliance on forward-looking statements and information.

Readers are advised to carefully review the reports and documents filed by Daura Capital Corp. and the Resulting Issuer with the BCSC and the ASC (on SEDAR+) from time to time.

SUMMARY OF FILING STATEMENT

The following is a summary of the information relating to Daura, the Target Company and the Resulting Issuer (assuming completion of the Qualifying Transaction) and should be read together with more detailed information and financial data and statements contained elsewhere in this Filing Statement.

Daura Capital Corp.

Daura was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on March 29, 2018. Daura Capital is a CPC as defined by the CPC Policy, with its Common Shares listed for trading on the Exchange under the trading symbol "DUR.P".

Daura's business has been restricted to the identification and evaluation of businesses or assets for the purpose of completing a Qualifying Transaction. See "*Part I – Information Concerning the Company - General Development of Business*".

The Qualifying Transaction

On July 16, 2024, Daura entered into the Share Exchange Agreement with the Target Company and the Vendors, whereby the Company has agreed to acquire from the Vendors 100% of the Target Company Shares in exchange for an aggregate of 7,000,000 Common Shares, to be allocated amongst the Vendors in proportion to the number of Target Company Shares held by them.

The Target Company is a closely held corporation (S.A.C.) formed under the laws of Peru. Estrella is the owner of a 100% undivided interest in 10 mining concessions covering an effective area of 7,223.87 Ha, all in the Ancash Region on the western flank of the Cordillera Negra in north-central Peru. These mining concessions make up what the Target Company refers to as the "Cochabamba Project."

See "*Part II – Information Concerning the Target Company*"

Upon closing of the Transaction and the Financing (as described below), the total issued and outstanding Common Shares of Daura Capital will be approximately 37,991,068 Common Shares assuming completion of the Minimum Financing and 42,157,734 Common Shares assuming the completion of the Maximum Financing, of which the Vendors will own 7,000,000 Common Shares, being approximately 18.4% of the total number of Common Shares outstanding assuming completion of the Minimum Financing and approximately 14.8% of the total number of Common Shares outstanding assuming completion of the Maximum Financing.

Proposed Non-Brokered Private Placement Financing

In conjunction with closing of the Transaction, Daura will be completing a proposed non-brokered private placement financing (the "Financing") of a minimum of 20,833,334 Units (the "Minimum Financing") up to a maximum of 25,000,000 Units (the "Maximum Financing") at a price of \$0.06 per Unit for gross proceeds of a minimum of \$1,250,000 and a maximum of \$1,500,000. Each Unit will consist of one Common Share and one Warrant, with each Warrant entitling the holder to purchase one additional Common Share (a "Warrant Share") at a price of \$0.10 per share for a period of two years from the date of issuance.

Subject to exchange approval, the Company may pay finders a fee equal to 7% of the Financing in cash and 7% of the Units sold under the Financing in share purchase warrants having the same terms and conditions as the Warrants.

The proceeds of the Offering will be used for exploration work on the Cochabamba Project and for general working capital purposes.

Settlement of Outstanding Indebtedness

In addition to the Units to be issued in connection with the Financing, in conjunction with closing of the Transaction, Daura intends to issue an additional 3,103,066 Shares at the Financing price of \$0.06 per Share to settle \$186,184 of outstanding amounts payable by Daura, including \$123,184 owed to persons that will be directors and officers of the Resulting Issuer upon completion of the Qualifying Transaction.

Interests of Management in the Transaction

No Insider, Promoter or Control Person of the Company and no Associates and Affiliates, before and after giving effect to the Transaction, has any interest in the Transaction other than that which arises from their holding of Common Shares.

Arm's Length Transaction

The Transaction is not a Non-Arm's Length Qualifying Transaction. As such, the Company does not intend to seek shareholder approval for the Transaction and shareholder approval of the Transaction is not required.

Available Funds and Principal Purposes

After completion of the Transaction and the Financing, the Resulting Issuer expects to have available funds of between \$892,244 (assuming completion of the Minimum Financing) and \$1,124,744 (assuming completion of the Maximum Financing). The principal purpose of those funds will be used for conducting the exploration program on the Cochabamba Project and general and administrative expenses. See *Part III – Information Concerning The Resulting Issuer - Available Funds and Principal Purposes*.

Selected Pro-Forma Financial Information for the Resulting Issuer

Statements of Financial Position Data	<u>As at Sept. 30, 2024</u>
Total Assets	\$2,500,508
Total Liabilities	\$726,580
Total Equity (Deficit)	<u>\$1,773,928</u>

Market Price of Common Shares

The Common Shares of Daura Capital are listed on the Exchange under the symbol "DUR.P". The last closing price of the Common Shares prior to the announcement of the Transaction was \$0.10. See *Part I – Information Concerning the Company – Stock Exchange Price*.

Conflicts of Interest

Directors or officers of the Resulting Issuer may, from time to time, serve as directors or officers of, or participate in ventures with, other companies involved in the exploration and mining industry. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible business opportunities or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the *Business Corporations Act* (British Columbia) to act at all times in good faith in the interests of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. As of the date of this Filing Statement, to the best of its knowledge, the Issuer is not aware of the existence of any conflicts of interest between Issuer and any of the directors or officers of the Issuer. Please see *Part III - Information Concerning the Resulting Issuer – Conflicts of Interest*.

For information concerning the director and officer positions held by the proposed directors and officers of the Resulting Issuer, please see *Part III - Information Concerning the Resulting Issuer – Other Reporting Issuer Experience*.

Experts

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this Filing Statement as having prepared or certified a report, valuation, statement or opinion in this Filing Statement:

- (a) Owen D. W. Miller, PhD. FAusIMM (CP) is the author of the Technical Report on the Cochabamba Project dated July 30, 2023 and prepared in accordance with NI 43-101.

- (b) Davidson & Company LLP audited Daura's annual financial statements for the fiscal years ended December 31, 2023 and 2022.
- (c) Martinez, Rodriguez y Asociados Sociedad Civil de R.L. audited Estrella's financial statements for the fiscal year ended December 31, 2023.

Risk Factors

An investment in Daura is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in Daura and the Resulting Issuer, including risks related to: (i) limited operating history, (ii) lack of operating cash flow, (iii) exploration, mining and operational risks, (iv) mineral resources and reserves; (v) mining claims and permits, (vi) assurance of title, (vii) environmental risks, (viii) uninsured risks, (ix) health and safety risks, (x) additional requirements for capital, (xi) competition, (xii) personnel, (xiii) volatility of commodity prices, (xiv) market perception, (xv) smaller companies, (xvi) conflicts of interest, (xvii) dividends and (xviii) possible loss of interest in the Cochabamba Project. See "*Risk Factors*" below.

Exchange Conditional Approval

The Exchange has conditionally accepted the Transaction subject to Daura fulfilling all of the requirements of the Exchange.

Shareholder Approval

Shareholder approval is not required for the Transaction.

RISK FACTORS

An investment in the Resulting Issuer is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in the Resulting Issuer. The directors consider the following risks and other factors to be the most significant for potential investors in the Resulting Issuer, but the risks listed do not necessarily comprise all those associated with an investment in the Resulting Issuer and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the directors may also have an adverse effect on the Resulting Issuer's business.

Limited Operating History

The Resulting Issuer has no properties producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. The Resulting Issuer has not earned profits to date and there is no assurance that it will do so in the future. Significant capital investment, if warranted, will be required to achieve commercial production from the Resulting Issuer's existing projects. The Resulting Issuer's business operations are at an early stage of development and its success will be largely dependent upon the outcome of the exploration programs that the Resulting Issuer proposes to undertake. There is no assurance that the Resulting Issuer will be able to raise the required funds to continue these activities.

Lack of Operating Cash Flow

The Resulting Issuer currently has no source of operating cash flow and is expected to continue to do so for the foreseeable future. The Resulting Issuer's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations.

Exploration, Mining and Operational Risks

The business of exploring for, developing and mining metals and minerals involves a high degree of risk. Few properties that are explored are ultimately developed into mines. At present, the Cochabamba Project and does not have mineral deposits having current NI 43-101 quantified and qualified resources and the proposed exploration programs are an exploratory search for such a deposit.

The Resulting Issuer's operations are subject to all the hazards and risks normally associated with the exploration, development and mining of metals and minerals, any of which could result in risk to life, to property, or to the environment. The Resulting Issuer's operations may be subject to disruptions caused by unusual or unexpected geological formations or events, formation pressures, fires, power failures, labour disputes, flooding, explosions, cave-ins, landslides, adverse weather conditions, or the inability to obtain suitable or adequate equipment, machinery and labour. The availability of insurance for such hazards and risks is extremely limited or uneconomical at this time. Other operational risks are associated with the failure to maintain community acceptance, agreements and permissions (generally referred to as "social license"), including, but not limited to, local indigenous peoples.

In the event the Resulting Issuer is fortunate enough to discover a metal or mineral deposit, the economics of commercial production depend on many factors, including the cost of operations, the size and quality of the metal or mineral deposit, proximity to infrastructure, financing costs and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial mineral production.

Mineral Resources and Reserves

There is no current mineral resource or mineral reserve, each as defined by the Canadian Institute of Mining, Metallurgy and Petroleum, on the Properties. There can be no assurances that a mineral resource or mineral reserve will ever be estimated on the Properties.

Because the Resulting Issuer has not defined or delineated any proven or probable reserves on its properties, mineralization estimates for the properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Potential Profitability Depends Upon Factors Beyond the Control of the Company

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for gold and other minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of mined ore may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, water environmental compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

Mining Claims and Permits

The Resulting Issuer's prospecting activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory comments which may be withdrawn or made subject to limitations. Although the Resulting Issuer believes that it will obtain the necessary appropriate licenses and permits, including but not limited to drill permits, there can be no assurance that they will be granted or as to the terms of any such grant.

Furthermore, under Peruvian mining laws, mining concessions must reach a minimum level of annual production of at least one "Tax Unit" per hectare within ten (10) years following the granting of title to the concession. Tax Units are fixed on a yearly basis. A Tax Unit for the year 2023 is approximately US\$1,356. In the event minimum production levels are not reached, a penalty is payable by the titleholder equal to 2% of the minimum annual production per hectare each year until the minimum production is reached. This penalty increases to 5% if the minimum annual production levels are not reached within 15 years, and 10% if the minimum annual production levels are not reached within 20 years. Mining concessions that have not reached the minimum production levels within 30 years after title is granted will be extinguished. If the Resulting Issuer is unable to reach the minimum production requirements, or pay any penalty amounts for two (2) consecutive years, the Resulting Issuer may lose its interest in its properties on the expiry date(s). In the event of losing its interest in its properties due to lack of

payment, the Resulting Issuer will not be able to register new claims over the same area of the lapsed mineral claims for a period of 2 years.

Assurance of Title

The Resulting Issuer has taken reasonable steps to attempt to ensure that proper title to the Cochabamba Property has been obtained. 9 of the mineral rights making up the Cochabamba Property have been issued definitive title as metallic mining concessions. This includes the Antonella Daniela I Concession. In all these cases, title resolutions have become firm, meaning that no challenge or opposition was filed during the applicable term.

Under applicable law, un-registered agreements over mining concessions are not enforceable before third parties and the Peruvian State. Due diligence conducted by the Resulting Issuer has concluded 9 (nine) out of the 10 (ten) mining concessions are registered with the Public Records Office and the registration of the remaining (1) concession is currently underway.

Environmental Risks

Inherent with mining operations is an environmental risk. The legal framework governing this area is constantly developing, therefore the Resulting Issuer is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Resulting Issuer, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Resulting Issuer's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Resulting Issuer's activities and, in particular, the proposed exploration and mining by the Resulting Issuer within Peru.

Uninsured Risks

The Resulting Issuer, as a participant in exploration and mining programs, may become subject to liability for hazards such as unusual geological or unexpected operating conditions that cannot be insured against or against which it may elect not to be so insured because of high premium costs or other reasons. The Resulting Issuer is currently uninsured against all such risks as such insurance is either unavailable or uneconomical at this time. The Resulting Issuer also currently has no keyman insurance or property insurance as such insurance is uneconomical at this time. The Resulting Issuer will obtain such insurance once it is available and, in the opinion of the directors, economical to do so. The Resulting Issuer may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

Healthy and Safety Risks

A violation of health and safety laws, or the failure to comply with the instructions of relevant health and safety authorities, could lead to, among other things, a temporary cessation of activities on its properties or any part thereof, a loss of the right to prospect for minerals, or the imposition of costly compliance procedures. This could have a material adverse effect on the Resulting Issuer's operations and/or financial condition.

Additional Requirements for Capital

Substantial additional financing may be required if the Resulting Issuer is to be successful in pursuing its ultimate strategy. No assurances can be given that the Resulting Issuer will be able to raise the additional capital that it may require for its anticipated future operations. Commodity prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses, geological results and the political environment are all factors which will have an impact on the amount of additional capital that may be required. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Resulting Issuer, if at all. If the Resulting Issuer is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, forfeit its interest in some or all of the Property, incur financial penalties, or reduce or terminate its operations.

Competition

The Resulting Issuer competes with numerous other companies and individuals possessing greater financial resources and technical facilities than itself in the search for, and acquisition of, mineral claims, leases and other mineral interests, as well as the recruitment and retention of suitably qualified individuals.

Personnel

The Resulting Issuer has a small management team and the loss of any key individual could affect the Resulting Issuer's business. Additionally, the Resulting Issuer will be required to secure other personnel to facilitate its exploration and development program on each of its properties. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Resulting Issuer.

Volatility of Commodity Prices

The market prices of commodities, including copper and gold, are volatile and are affected by numerous factors which are beyond the Resulting Issuer's control. These factors include international supply and demand, consumer product demand, international economic trends, currency exchange rate fluctuations, interest rates, inflation, global or regional political events, as well as a range of other market forces. Sustained downward movements in commodity prices, including copper or gold, could render less economic, or uneconomic, some or all of the exploration activities to be undertaken by the Resulting Issuer.

Market Perception

Market perception of junior exploration and extraction companies may change, potentially affecting the value of investors' holdings and the ability of the Resulting Issuer to raise further funds through the issue of further Common Shares or otherwise.

Smaller Companies

The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Resulting Issuer may become subject to conflicts of interest. The *Business Corporations Act* (British Columbia) provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the *Business Corporations Act* (British Columbia). To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the *Business Corporations Act* (British Columbia). To the proposed management of the Resulting Issuer's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Resulting Issuer and a proposed director or officer of the Resulting Issuer except as otherwise disclosed herein.

Dividends

To date, the Company has not paid any dividends on their outstanding shares. Any decision to pay dividends on the shares of the Resulting Issuer will be made by its board of directors on the basis of the Resulting Issuer's earnings, financial requirements and other conditions.

Natural Disasters, Pandemics and Civil Unrest

Upon the occurrence of a natural disaster, pandemic or upon an incident of war, riot or civil unrest, the impacted country, and the overall global economy, may not efficiently and quickly recover from such an event, which could have a materially adverse effect on the Company. Terrorist attacks, public health crises including epidemics,

pandemics or outbreaks of new infectious diseases or viruses, and related events can result in volatility and disruption to global supply chains, operations, mobility of people, patterns of consumption and service and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Company.

Global markets have been adversely impacted by emerging infectious diseases and/or the threat of outbreaks of viruses, other contagions or epidemic diseases, including the COVID-19 pandemic. A significant new outbreak or continued outbreaks of COVID-19, its variants and/or other infectious diseases, could result in a widespread crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn which could adversely affect the Company's business and the market price of the Common Shares. Many industries, including the mining industry, have been impacted by these market conditions. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on commodity prices, demand for metals, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business and the market price of the Company's securities. In addition, there may not be an adequate response to emerging infectious diseases, or significant restrictions may be imposed by a government, either of which may impact mining operations. There are potentially significant economic and social impacts, including labour shortages and shutdowns, delays and disruption in supply chains, social unrest, government or regulatory actions or inactions, including quarantines, declaration of national emergencies, permanent changes in taxation or policies, decreased demand or the inability to sell and deliver concentrates and resulting commodities, declines in the price of commodities, delays in permitting or approvals, suspensions or mandated shut downs of operations, governmental disruptions or other unknown but potentially significant impacts. At this time the Company cannot accurately predict what effects these conditions will have on its operations or financial results, including due to uncertainties relating to the ultimate geographic spread, the duration of the outbreak, and the length restrictions or responses that have been or may be imposed by the governments. Given the global nature of the Company's operations, the Company may not be able to accurately predict which operations will be impacted or if those impacted will resume operations. Any new outbreaks or the continuation of the existing outbreaks or threats of any additional outbreaks of a contagion or epidemic disease could have a material adverse effect on the Company, its business and operational results.

PART I - INFORMATION CONCERNING THE COMPANY

CORPORATE STRUCTURE

Name and Incorporation

Daura Capital Corp. was incorporated on March 29, 2018 under the *Business Corporations Act* (British Columbia).

The Company's head office is located at Suite 501, 543 Granville Street, Vancouver, B.C. V6C 1X8 and its registered office is located at Suite 704 - 595 Howe Street, Vancouver, B.C. V6C 2T5.

Intercorporate Relationships

The Company does not have any subsidiaries or other intercorporate relationships.

GENERAL DEVELOPMENT OF BUSINESS

History

On September 19, 2019, Daura completed its initial public offering issuing 2,000,000 Common Shares of the Company at a price of \$0.10 per share for gross proceeds of \$200,000. Daura Capital is a capital pool company ("CPC") as defined by the CPC Policy and its Common Shares are listed on the Exchange under the symbol "DUR.P". Since its initial public offering, Daura's business has been limited to the identification and evaluation of assets or businesses with a view towards completing a Qualifying Transaction.

Daura intends that the transaction described below will constitute its Qualifying Transaction under CPC Policy.

Proposed Qualifying Transaction

On May 14, 2019, Daura entered into a non-binding letter of intent (the "Initial Estrella LOI") with Estrella regarding the proposed acquisition of Estrella by Daura. On October 7, 2019, Daura entered into another non-binding letter of intent (the "Estrella LOI") with Estrella and Dr. Lima setting for the proposed terms of the acquisition of Estrella by Daura, which superseded and replaced the Initial Estrella LOI. The Estrella LOI constituted an "agreement in principal" as defined under the policies of the Exchange. Upon announcement of the Estrella LOI, trading in the Common Shares was halted by the Exchange.

On March 30, 2021, Daura entered into a share exchange agreement with the Target Company and the Vendors, pursuant to which Daura agreed to acquire all of the outstanding shares of the Target Company in exchange for an aggregate of 3,000,000 Common Shares of Daura, to be issued to the Vendors in proportion to their respective ownership interests in the Target Company Shares (the "2021 Agreement").

On November 14, 2022, Daura announced that, due to unfavorable market conditions, it would not be proceeding with its proposed qualifying transaction to acquire Estrella and Estrella's Cochabamba Project under the originally proposed conditions at that time. Daura and the Estrella shareholders mutually agreed to terminate the 2021 Agreement. Estrella is currently indebted to the Company in the approximate amount of \$300,157 for funds loaned by the Company to Estrella in connection with the 2021 proposed qualifying transaction.

On May 1, 2024, Daura entered into a new non-binding letter of intent (the "2024 LOI") with Estrella, setting forth revised terms for the proposed acquisition of Estrella. Upon announcement of the 2024 LOI, trading in the Common Shares was halted by the Exchange.

On July 16, 2024, Daura entered into a new share exchange agreement (the "Share Exchange Agreement") with the Target Company and the Vendors, pursuant to which Daura has agreed to acquire all of the outstanding shares of the Target Company in exchange for an aggregate of 7,000,000 Common Shares of Daura, to be issued to the Vendors in proportion to their respective ownership interests in the Target Company Shares.

Upon closing of the Transaction and the Financing, assuming completion of the Minimum Financing, the total issued and outstanding shares of the Resulting Issuer will be approximately 37,991,068 Common Shares, and assuming completion of the Maximum Financing, the total issued and outstanding shares of the Resulting Issuer will be approximately 42,157,734, of which the Vendors will own 7,000,000 Common Shares, being 18.4% of the outstanding Common Shares of the Resulting Issuer assuming completion of the Minimum Financing and 14.8% of the outstanding Common Shares of the Resulting Issuer assuming completion of the Maximum Financing.

None of the Non-Arm's Length Parties to Daura has any direct or indirect interest in the Target Company nor are they insiders of the Target Company. The Transaction does not constitute a "Non-Arm's Length Qualifying Transaction" as defined in Exchange Policy 2.4 and consequently the Company is not required to obtain shareholder approval for the transaction.

Upon successful completion of the Transaction, the Company will change its name to Daura Gold Corp. (the "Name Change") and be a Tier 2 mining issuer. The Name Change will be effected by approval of the directors of the Resulting Issuer pursuant to the Business Corporations Act (British Columbia) and the Articles of the Resulting Issuer. The Resulting Issuer is not required to obtain shareholder approval for the Name Change.

Financing

In conjunction with closing of the Transaction, the Company will complete a proposed non-brokered private placement offering of a minimum of 20,833,334 Units up to a maximum of 25,000,000 Units at a price of \$0.06 per Unit for gross proceeds of a minimum of \$1,250,000 and a maximum of \$1,500,000. Each Unit will consist of one Common Share and one Warrant, with each Warrant entitling the holder to purchase one additional Common Share (a "Warrant Share") at a price of \$0.10 per share for a period of two years from the date of issuance.

Subject to exchange approval, the Company may pay finders' fee equal to 7% of the Financing in cash and 7% of the Units sold under the Financing in share purchase warrants having the same terms and conditions as the Warrants.

The proceeds of the Financing will be used for exploration work on the Cochabamba Project and general working capital purposes.

Settlement of Outstanding Indebtedness

In addition to the Units to be issued in connection with the Financing, in conjunction with closing of the Transaction, Daura intends to issue an additional 3,103,066 Shares at the Financing price of \$0.06 to settle \$186,184 of additional outstanding amounts payable by Daura, including \$123,184 owed to persons that will be directors and officers of the Resulting Issuer upon completion of the Qualifying Transaction.

Advances by Company to Estrella

US\$25,000 was advanced by Daura to Estrella in October 2019 as a non-refundable deposit made in connection with the entry by Daura and Estrella into a letter of intent dated October 7, 2019, to be used in connection with the preparation of a geological report with respect to the Cochabamba Project and to make option payments under the Antonella Option.

\$75,000 was advanced by Daura to Estrella in November, 2019 to fund exploration work on the property and to make a payment under the Antonella Option.

US\$115,000 was advanced by Daura to Estrella to allow Estrella to make an option payment due under the Antonella Option in December 2020. The advance was made by way of a secured loan by Daura to Estrella out of funds received from Daura's private placement bridge financing on December 11, 2020.

US\$51,800 was paid by Daura to Estrella for the payment of property maintenance fees payable to the Peruvian government.

Amounts advanced by the Company to Estrella prior to completion of the Transaction will remain outstanding upon completion of the Transaction as an intercompany loan.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Financial Information

Daura is providing the following selected financial information with respect to its fiscal years ended December 31, 2023 and 2022, and the nine months ended September 30, 2024 and 2023. The following information is derived from Daura's audited and unaudited financial statements for the periods then ended and should be read in conjunction with such financial statements. Copies of the Company's audited financial statements for the fiscal years ended December 31, 2023 and 2022, and unaudited interim financial statements for the nine months ended September 30, 2024 and 2023 are attached as Schedule "A" hereto.

Statements of Loss Data	Nine Months Ended September 30, 2024 (Unaudited)	Nine Months Ended September 30, 2023 (Unaudited)	Year Ended December 31, 2023 (audited)	Year Ended December 31, 2022 (audited)
Total Expenses	\$39,317	\$31,862	\$41,491	\$113,249
Net Loss	\$40,153	\$13,103	\$22,732	\$592,077

Statements of Financial Position Data	As at September 30, 2024 (Unaudited)	As at December 31, 2023 (audited)	As at December 31, 2022 (audited)
Total Assets	\$157,249	\$1,398	\$211,403
Total Liabilities	\$630,176	\$434,172	\$410,079
Total Equity (Deficit)	\$(472,927)	\$(432,774)	\$(198,676)

Management's Discussion and Analysis

Daura's Management's Discussion and Analysis for the fiscal years ended December 31, 2023 and 2022, and the nine months ended September 30, 2024 and 2023 are incorporated by reference and attached as Schedule "B" hereto.

DESCRIPTION OF THE SECURITIES

Securities

Daura's authorized capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares without par value. As at the date hereof, there are 7,054,668 Common Shares, and no preferred shares, issued and outstanding.

Holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of Daura and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders. Holders of the Common Shares, subject to the prior rights, if any, of any other outstanding class of shares, are entitled to receive such dividends in any financial year as Daura's board of directors may determine by resolution. In the event of the liquidation, dissolution or winding-up of Daura, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other outstanding class of shares, the remaining property and assets of Daura. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

STOCK OPTION PLAN

Stock Option Plan

Daura has adopted an amended and restated 10% rolling stock option plan (the “Amended and Restated Stock Option Plan”) on September 19, 2024, which was approved by the Shareholders on October 21, 2024.

The following information is intended as a brief description of the Amended and Restated Option Plan. Capitalized terms not otherwise defined herein are as defined in the Amended and Restated Stock Option Plan.

- For so long as the Company is a CPC, notwithstanding any other provision in the Amended and Restated Stock Option Plan and as set out in this summary, the following additional terms, conditions and restrictions shall apply:
 - Options granted by the Company may only entitle the Optionee to acquire Common Shares.
 - Options may only be granted to a director or officer of the Company, and where permitted by applicable securities laws, a technical consultant whose particular industry expertise in relation to the business of the Vendors or the Target Company, as the case may be, is required to evaluate the proposed Qualifying Transaction, or a company, all of whose securities are owned, directly and indirectly, by such a director, officer or technical consultant;
 - The total number of Common Shares reserved for issuance pursuant to Options may not exceed 10% of the Common Shares outstanding as at the date of grant of the respective Option;
 - The number of Common Shares reserved for issuance pursuant to Options granted to any individual director or officer may not exceed 5% of the Common Shares outstanding as of the date of grant of any Option. The number of Common Shares reserved for issuance pursuant to Options granted to all technical consultants may not exceed 2% of the Common Shares outstanding as of the date of grant of any Option;
 - No Options may be granted to any person providing Investor Relations Activities or promotional or market-making services;
 - The exercise price of any Option granted prior to the closing of the Company’s IPO may not be less than the lowest price at which Seed Shares were issued by the Company;
 - No Option may be granted by the Company unless the Optionee first enters into a CPC Escrow Agreement agreeing to deposit the Option, and the Common Shares acquired pursuant to the exercise of the Option, into escrow as described in Policy 2.4 of the Exchange, as amended. All Options granted while the Company is a CPC, and all Common Shares issued pursuant to the exercise of such Option, must be held in escrow in accordance with the terms of the CPC Escrow Agreement and Policy 2.4 of the Exchange, as amended; and
 - All Options granted while the Company is a CPC must expire no later than 12 months after the Optionee ceases to be a director, officer or technical consultant of the Company or of the Resulting Issuer, as the case may be, subject to any earlier expiry date of such Option.
- The aggregate number of Common Shares that may be reserved for issuance pursuant to Options shall not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, less the aggregate number of Common Shares then reserved for issuance pursuant to the Company’s other previously established or proposed share compensation arrangements. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.
- The exercise price per Common Share for an Option shall in no event be less than the Market Price, less, if the Common Shares are listed on the Exchange the maximum discount permitted by the Exchange, at the time of granting the Option. The Company must obtain disinterested Shareholder approval of any decrease

in the exercise price of or an extension to Options granted to individuals that are Insiders at the time of the proposed amendment.

- The number of Common Shares reserved for issuance under this Plan and the Company's other previously established or proposed share compensation arrangements to (a) any one Person, shall not exceed 5% of the outstanding Common Shares in any 12-month period (unless the Company has obtained Disinterested Shareholder Approval to exceed such limit); (b) any one Consultant shall not exceed 2% of the outstanding Common Shares in any 12-month period at the time of the grant; (c) all Investor Relations Service Providers shall not exceed an aggregate of 2% of the outstanding Common Shares in any 12-month period at the time of the grant; (d) to Insiders within a one-year period, shall not exceed 10% of the outstanding Common Shares in any 12-month period.
- Upon expiry of an Option, or in the event an Option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated Option shall again be available for the purposes of the Amended and Restated Stock Option Plan. All Options granted under the Amended and Restated Stock Option Plan, unless sooner terminated, have a term not exceeding and shall therefore expire no later than ten (10) years after the date of the grant (subject to extension where the expiry date falls within a blackout period).
- If an Optionee dies or suffers any inability of the Optionee arising due to medical reasons which the Board considers likely to permanently prevent or substantially impair such Optionee being able to provide the services necessary to qualify as a Permitted Optionee (a "Disability") prior to otherwise ceasing to be a Permitted Optionee, each Option held by such Optionee shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is twelve months after the date of the Optionee's death or Disability.
- If an Optionee is terminated or removed for cause, each Option held by such Optionee shall terminate and shall therefore cease to be exercisable upon such termination for cause, unless otherwise determined by the Board.
- If an Optionee ceases to be a Permitted Optionee for any reason other than death, Disability or termination or removal for cause, any Option shall be exercisable to the extent that it has vested and was exercisable as at the date of such cessation, unless further vesting is permitted by the Board, and will terminate (i) 90 days after the date such Optionee ceased to be a Permitted Optionee; or (ii) if the Optionee is subject to the tax laws of the United States of America, the earlier of 90 days after the date such Optionee ceased to be a permitted Optionee and the three months after the date such Optionee ceased to be a Permitted Optionee.
- The Board retains the discretion to impose vesting periods on any Options granted. In accordance with the policies of the Exchange, Options granted to Investor Relations Service Providers must vest in stages over a minimum of 12 months with no more than one-quarter of the Options vesting in any three-month period. Subject to the approval of the Exchange if the Optionee is an Investor Relations Service Provider, the Board may advance, at any time, the dates upon which any or all Options shall vest and become exercisable.
- Options may be exercised in whole or in part at any time prior to their lapse or termination. Common Shares purchased by an Optionee on the exercise of an Option shall be fully paid at the time of their purchase.
- Subject to the approval of the Board, in its discretion, an Optionee (other than an Optionee that is an Investor Relations Service Provider) may exercise an Option by means of a "cashless exercise" as follows: (a) the Brokerage shall loan money to the Optionee to exercise the Options; (b) The Brokerage shall sell a sufficient number of Common Shares to cover the aggregate exercise price of the Options being exercised in order to repay the loan made to the Optionee by the Brokerage; and (c) the Brokerage shall receive an equivalent number of Common Shares from the exercise of the Options by the Optionee, and the Optionee shall then receive the balance of the Common Shares from the exercise of the Option or the cash proceeds from the balance of such Common Shares.
- Subject to the approval of the Board, in its discretion, an Optionee (other than an Optionee that is an Investor Relations Service Provider) may exercise an Option by means of a "net exercise", where the Optionee shall not be required to deliver payment of the exercise price in respect of the subject Option being so exercised, and instead the Optionee shall receive only the number of Common Shares that is equal to the quotient

obtained by dividing: (a) the product of (i) the number of Common Shares in respect of which the subject Option is being exercised, and (ii) the difference between the VWAP of the Common Shares and the exercise price of the subject Option; by (b) the VWAP of the Common Shares.

- If an Option expires during a Blackout Period, the term of the Option shall be extended and the Option shall expire 10 business days after the termination of such Blackout Period, provided that: (i) the Blackout Period was formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period expired upon the general disclosure of the undisclosed Material Information and (iii) the Company is not subject to a cease trade order or similar order under applicable securities laws.
- If the Common Shares are at any time increased, decreased or changed into or exchanged for a different number or kind of shares or securities of the Company through an amalgamation, merger, arrangement, reorganization, spin-off or recapitalization, subject to the prior approval of the Exchange, an appropriate and proportionate adjustment shall be made by the Board, in its discretion.
- If the Common Shares are at any time subdivided or consolidated, the number of Common Shares reserved for Options shall be similarly increased or decreased proportionately and the price payable for any Shares that are then subject to issuance shall be decreased or increased proportionately.
- If the Common Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for Options shall be increased proportionately and the price payable for any Common Shares that are then subject to issuance shall be decreased proportionately so that upon exercising each Option the same proportionate shareholdings at the same aggregate purchase price shall be acquired after such stock dividend as would have been acquired before, subject to the prior approval of the Exchange (if required).
- No adjustment shall be made to any Option pursuant to this Part in respect of the payment of any cash dividend or the distribution to the shareholders of the Company of any rights to acquire Common Shares or other securities of the Company.

As of the date hereof, no Options are outstanding.

PRIOR SALES OF SECURITIES

The Company has not issued or sold any securities within the 12-month period preceding the date of this Filing Statement.

TRADING PRICE AND VOLUME

The following table sets out trading information for the Common Shares for the 12-month period preceding the date of this Filing Statement.

Period ⁽¹⁾	High	Low	Trading Volume
August 2023	\$0.065	\$0.025	101,361
September 2023	\$0.10	\$0.035	35,448
October 2023	\$0.08	\$0.04	17,750
November 2023	\$0.08	\$0.055	6,250
December 2023	\$0.07	\$0.025	21,000
January 2024	\$0.07	\$0.04	10,000
February 2024	\$0.10	\$0.04	71,000
March 2024	\$0.10	\$0.06	124,669
April 2024	\$0.06	\$0.045	22,000
May 2024	\$0.045	\$0.045	9,000

Period⁽¹⁾	High	Low	Trading Volume
June 2024	\$0.045	\$0.045	0
July 2024	\$0.045	\$0.045	0
August 2024	\$0.045	\$0.045	0

Notes:

(1) The Company's common shares were halted from September 27, 2019 to April 28, 2023 and from May 2, 2024 to the date of this Filing Statement.

ARMS LENGTH PARTY TRANSACTION

The proposed Qualifying Transaction was negotiated by the parties dealing at arm's length with each other and is not a Non-Arm's Length Qualifying Transaction. As a result, approval of the proposed Qualifying Transaction by Daura's shareholders is not required under the policies of the Exchange.

LEGAL PROCEEDINGS

Daura is not currently a party to any legal proceedings, nor is Daura currently contemplating any legal proceedings. Daura's management is currently not aware of any legal proceedings contemplated against Daura.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Daura's auditor is Davidson & Company LLP, Suite 1200 - 609 Granville Street, Vancouver, B.C. V7Y 1G6.

The registrar and transfer agent of the Common Shares is Computershare Investor Services Inc., 3rd floor, 510 Burrard Street, Vancouver, B.C. V6C 3B9.

MATERIAL CONTRACTS

The following are the material contracts of the Company entered into since the beginning of the Company's fiscal year ended December 31, 2023 or entered into prior to such date and currently still in effect:

- (a) Amended and Restated Stock Option Plan adopted by the Board on September 19, 2024.
- (b) Escrow Agreement dated February 25, 2022 among the Company, Computershare Investor Services Inc. and those shareholders that executed such agreement.
- (c) Share Exchange Agreement dated July 16, 2024 between Daura, the Target Company and the Vendors.

PART II - INFORMATION CONCERNING THE TARGET COMPANY

CORPORATE STRUCTURE

Name and Incorporation

Estrella Gold S.A.C. (the “Target Company” or “Estrella”) is a closely held corporation (Sociedad Anónima Cerrada or S.A.C.) formed under the General Corporations Act of Peru. The Target Company’s registered office is located at Av. Santo Toribio 115, Piso 8, San Isidro, Lima, Peru.

Intercorporate Relationships

The Target Company does not have any subsidiaries or other intercorporate relationships.

DESCRIPTION OF THE BUSINESS

History

Estrella was formed on August 7, 2018 for the purpose of engaging in the business of acquiring, exploring and developing mineral resource properties. Its objective is to locate, define and develop economic mineral deposits.

Estrella’s principal focus to date has been on the acquisition of the mining concessions making up the Cochabamba Project.

Significant Acquisitions and Dispositions

Between November 7, 2018 and April 29, 2019, Estrella filed the Estrella 06-18, Estrella 07-18, Estrella 08-18, Estrella 01-19, Estrella 02-19, Estrella 03-19 and Estrella 04-19 mining applications (claims) with the Peruvian Geology, Mining and Metallurgical Institute (“INGEMMET”). Estrella successfully concluded the titling procedures for these claims each of which received definitive title as metallic mining concessions.

On September 12, 2019, Estrella completed the acquisition of the Pampas 1, Pampas 2 and Tayacoto mining concessions from Lara Peru S.A.C. (“Lara Peru”), a wholly owned subsidiary of Lara. In consideration for a 100% undivided interest in the Pampas 1, Pampas 2 and Tayacoto mining concessions, Dr. Lima transferred to Lara a 5% interest in Estrella’s outstanding shares and Estrella granted Lara Peru a 1% net smelter return royalty (an “NSR Royalty”) on applicable minerals extracted from those three mining concessions.

On September 26, 2019, Estrella entered into the Antonella Option with Mr. Carlos Fernando Ortiz Ugarte, whereby Mr. Ortiz granted to Estrella an option to acquire 100% of the Antonella Daniela I Concession. This option was exercised by Estrella in November 2021, resulting in Estrella acquiring title to the Antonella Daniela I concession. US\$115,000 was advanced by Daura to Estrella to allow Estrella to make an option payment due under the Antonella Option in December 2020. The advance was made by way of a secured loan by Daura to Estrella out of funds received from Daura’s private placement bridge financing on December 11, 2020. Estrella raised US\$260,000 from a sophisticated investor to pay the remaining amounts owed under the Antonella Option.

On November 6, 2019, Estrella acquired the Estrella 01-18, Estrella 02-18, Estrella 03-18, Estrella 04-18 and Estrella 05-18 mining concessions from Diego Manuel Cilloniz Montesinos for US\$100. Mr. Cilloniz is the general manager of Estrella and is a Non-Arm’s Length Party to Estrella. Mr. Cilloniz is not a Non-Arms Length Party to Daura.

On June 30, 2023, Estrella allowed the Estrella 03-18, Estrella 04-18, Estrella 05-18, Estrella 08-18 and Estrella 04-19 mining concessions to lapse.

On June 30, 2024, Estrella allowed the Estrella 01-18, and Estrella 02-18 mining concessions to lapse.

On July 10, 2024, Estrella filed the Estrella 05-19 mining application.

Narrative Description of the Business

Estrella is engaged in the business of acquiring, exploring and developing mineral resource properties. To date, Estrella's principal focus has been on the acquisition and exploration of the Cochabamba Project, located in the Ancash Region in north central Peru.

Peruvian Mining Law

Pursuant to mining legislation in Peru, mineral rights are applied for and awarded according to the Grid System (*Sistema de Cuadrículas*). Mining rights are single concessions for exploration and exploitation. They can be granted for metallic or non-metallic minerals, and no overlap between them is allowed. Newly granted mining concessions must respect areas of overlap with pre-existing mining rights. Exploration and exploitation works can be carried out once title to the concession, as well as applicable environmental and operational permits, have been granted. Mining concessions are considered immovable goods and are therefore subject to being transferred, optioned, leased and/or granted as collateral.

Upon the application of a mining right, Peruvian authorities deliver the applicant notices for publication in the Official Gazette and in a local daily. Publications must be made within 30 business days following receipt. Copies of the publications must be delivered to the authority within 60 days following the last publication. Unless any third party opposes the title procedure, the authority shall grant title 30 business days following delivery of the publications. A list of the resolutions awarding title is published in the Official Gazette monthly. A resolution awarding title shall be deemed final, provided it has not been challenged during the 15 business days following the publications of such list.

THE COCHABAMBA PROJECT

The following represents information summarized from the “NI 43-101 Technical Report on the Cochabamba Project” dated July 30, 2023 (the “Cochabamba Technical Report”), prepared by Owen D.W. Miller, PhD, FAusIMM (CP). Mr. Miller is an independent Qualified Person as defined by NI 43-101. Note that not all of the figures and tables from the Cochabamba Technical Report are reproduced in and form part of this Filing Statement. The remaining figures are contained in the report which is available under Daura’s profile on SEDAR+ at www.sedarplus.ca. The information contained in this section should be read in conjunction with the Cochabamba Technical Report.

Property Description and Location

Property Location

The Cochabamba Project consists of 10 mining concessions covering an effective area of 7,223.87 Ha, located on the western flank of the Cordillera Negra, in north central Peru.

The mineralized veins of the old Esperanza mine form the current main area of interest and were the focus of the bulk of previous exploration activity. The mine is centered at 187,000mE 8,956,000mN and at an altitude of 3700 meters above sea level, and lies entirely within the Antonella Daniela I Concession.

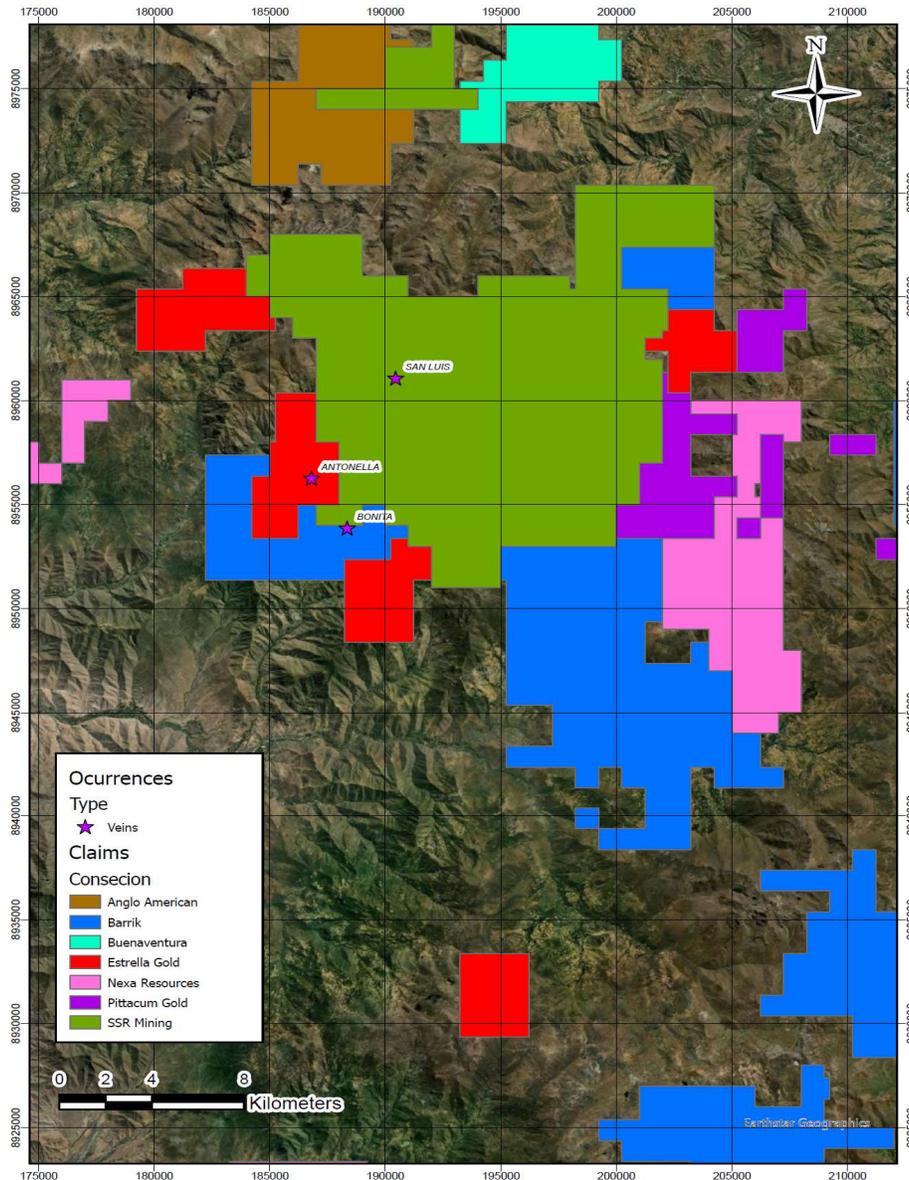
Politically the project is located within the Rural Community/Districts Cochabamba, Cacchan, Ecash and Colcabamba, in the Province of Huaraz, Department of Ancash.

Figure 1 – Location of the Cochabamba Project



The Cochabamba Project is part of a larger district of similar polymetallic epithermal vein deposits and projects.

Figure 49: Locations of Adjacent Properties, Claims, Infrastructure Over Satellite Image Base (Estrella concessions indicated in red)



San Luis

The San Luis project is located 3 km to the NE of the Antonella Daniela I Concesion and sits within a contiguous claim block of approximately 24,000 Ha. The project is owned by Reliant Ventures, a subsidiary of SSR Mining (formerly Silver Standard Resources). A feasibility study on the project was released in April 2010 (Feasibility Study San Luis Project, Ancash Department, Peru).

Colcabamba

The Colcabamba project is located approximately 10km SSE of the Antonella Daniela I Concesion.

Mina Bonita

The Mina Bonita project is located some 3km to the SE of the Antonella Daniela I Concesion. It was part of the original Minera Silex claim package but has since been acquired by SSR Mining. The geology, alteration and

mineralization and surface sample results are similar to those reported at Minera Esperanza. One hole, CBD11012 was drilled by Minera Silex but did not intersect significant mineralization.

Mina Bonita lies along strike from Mina Esperanza.

Mining Concessions

The Cochabamba Project consists of a series of contiguous and stand-alone concessions totalling an effective area of 7,223.87Ha.

Table 4 - Full List of Estrella Concessions

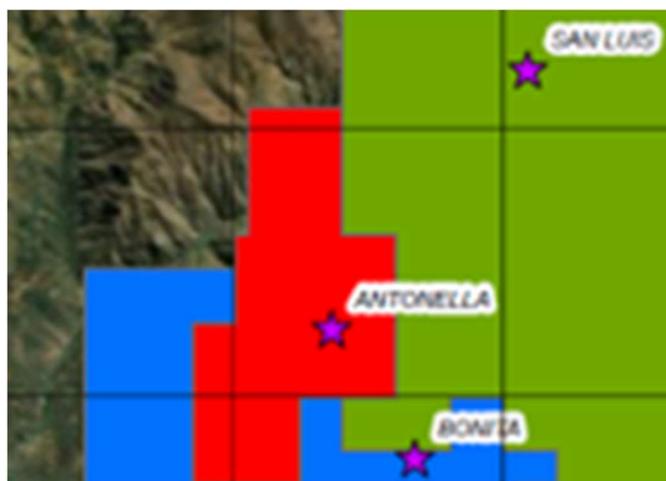
N°	Name	Code	Area (2024)	Titleholder	Public Records File (Lima Office)
1	Antonella Daniela I	03-00046-01	900.0000	Estrella Gold S.A.C.	12049803
2	Pampas 1	01-03404-17	600.0000	Estrella Gold S.A.C.	14357765
3	Pampas 2	01-03406-17	591.7200	Estrella Gold S.A.C.	14367809
4	Tayacoto	01-03405-17	971.6750	Estrella Gold S.A.C.	14357843
5	Estrella 06-18	01-04236-18	909.8520	Estrella Gold S.A.C.	14706772
6	Estrella 07-18	01-04238-18	800.0000	Estrella Gold S.A.C.	14706767
7	Estrella 01-19	01-00838-19	518.1440	Estrella Gold S.A.C.	14706779
8	Estrella 02-19	01-00860-19	600.0000	Estrella Gold S.A.C.	15403176
9	Estrella 03-19	01-00859-19	432.4820	Estrella Gold S.A.C.	14706793
10	Estrella 05-19	01-01869-24	900.000	Estrella Gold S.A.C.	-

Estrella holds direct title over all the Cochabamba Project mining concessions.

Antonella Daniela I

Estrella owns the Antonella Daniela I Concession. The Antonella Daniela I Concession covers an area of 900Ha. The Antonella Daniela I Concession is currently the main area of interest on the Cochabamba Project.

The following map shows the location of the Antonella Daniela I Concession relative to the San Luis and the Mina Bonita projects.



Lara Resources NSR

Estrella acquired the Tayacoto, Pampas 1 and Pampas 2 mining concessions from Lara Peru in September 2019. Pursuant to the terms of the agreement with Lara Peru, Estrella granted a 1% NSR Royalty over the Tayacoto, Pampas 1 and Pampas 2 mining concessions, payable to Lara Peru.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Cochabamba Concessions are located on the western flank of the Cordillera Negra, Carhuaz and Huaraz quadrangles, at an elevation approximately 3,700 meters above sea level. The region is part of the Rural Communities of Cochabamba, Cacchan, Ecash and Colcabamba in the Province of Huaraz, Department of Ancash.

Access to the Cochabamba Project may be made by highway from Lima to Casma, and from Casma to Pariocoto by paved road. The community of Cochabamba may be reached by good quality gravel road from Pariocoto, and from Cochabamba to the project site by poor quality gravel road.

Topography

The Cochabamba Project lies between 2500 and 4600 meters above sea level in the Western Cordillera of Peru. The relief is rugged, with deep and steep ravines that reach heights between 2,500 to 2,800 meters above sea level; and summits that exceed 4,600 meters above sea level.

Climate

Annual temperatures range from greater than 25°C to less than -20°C, with periods of extreme precipitation. The climate in the project area is variable and dry from May to December, when temperatures range from 10° to 22°C at the higher elevations and the climate is more humid to temperate.

Weather at the Cochabamba Project is generally mild throughout the year. During the rainy season (January to April) temperatures are more moderate but the weather is characterized by occasional heavy rains and abundant fog with hail and snow at higher elevations.

Vegetation

Natural vegetation is scarce, and shrubs and grasses cover the slopes. At the higher elevations grasses are the primary vegetation. There are also Puya Raimondi plants and small forests of queruar and queñual.

Agriculture corresponds to the surrounding climate and elevation. In the slopes and low plateaus, the production is mainly corn, potatoes, beans, and barley. There are also eucalyptus forests that are grown up to about 4000m. Livestock is an important activity at higher elevation, with a predominance of sheep, taking advantage of natural pastures. Local cattle are raised and feed on locally native alfalfa. In small quantities llamas are raised and in recent years alpacas have been introduced to the region.

Water

Drainage is dendritic with numerous small streams and rivers draining into the Rio Yautan which eventually empties into the Pacific Ocean. Many of the small rivers are seasonal and most of the water in the area is used in agriculture.

There are small artisanal springs and sufficient local ground water for the needs of any exploration campaign. However, the sensitive nature of water supplies and their importance to the local population should be taken into consideration in planning future exploration.

Infrastructure

Accommodation, food and basic services are available in town of Pariacoto, accessed by a good quality asphalt highway from Lima.

Cochabamba, 45 minutes closer to the current main area of interest, the Antonella Daniela I Concession, is via a dirt road. It connected to the national power grid and, as with Pariacoto, offers a supply of local unskilled labor.

Other services including rental of heavy equipment, trucking for movement of machinery, fuel, and bulk supplies are all available within a few hours of the project from the towns of Casma to west and Huaraz to the East.

There is cell phone coverage on the project in certain areas.

History

The Esperanza mine, located on the Antonella Daniela I Concession, has been worked intermittently since the colonial period both from surface and minor underground development. The concession was worked by the company "Empresa Esperanza de Huaraz" belonging to the W. Pinzas, S Berrospide and other partners.

In 1978 the company Sociedad Minera Cochabamba acquired the concessions and worked them until 1986 when operations ceased due to low metal prices. Unsubstantiated historical reports put production at 100 to 150 tonnes per day.

ASC Peru LDC looked at the property in 2006 and in 2007 and entered into an option agreement for the main Antonella Daniela I Concession in 2008. The company changed its name in May 2008 so Minera Silex Peru SRL ("Minera Silex").

Further concessions were added, and the area was explored and drilled (see "Exploration" and "Drilling"). Minera Silex dropped or handed back the concessions to the owner in 2012.

Geological Setting and Mineralization

Regional Geology

The Cochabamba project is located in the south west sector of the Cordillera Negra in the Northern Central part of the Peruvian Andes.

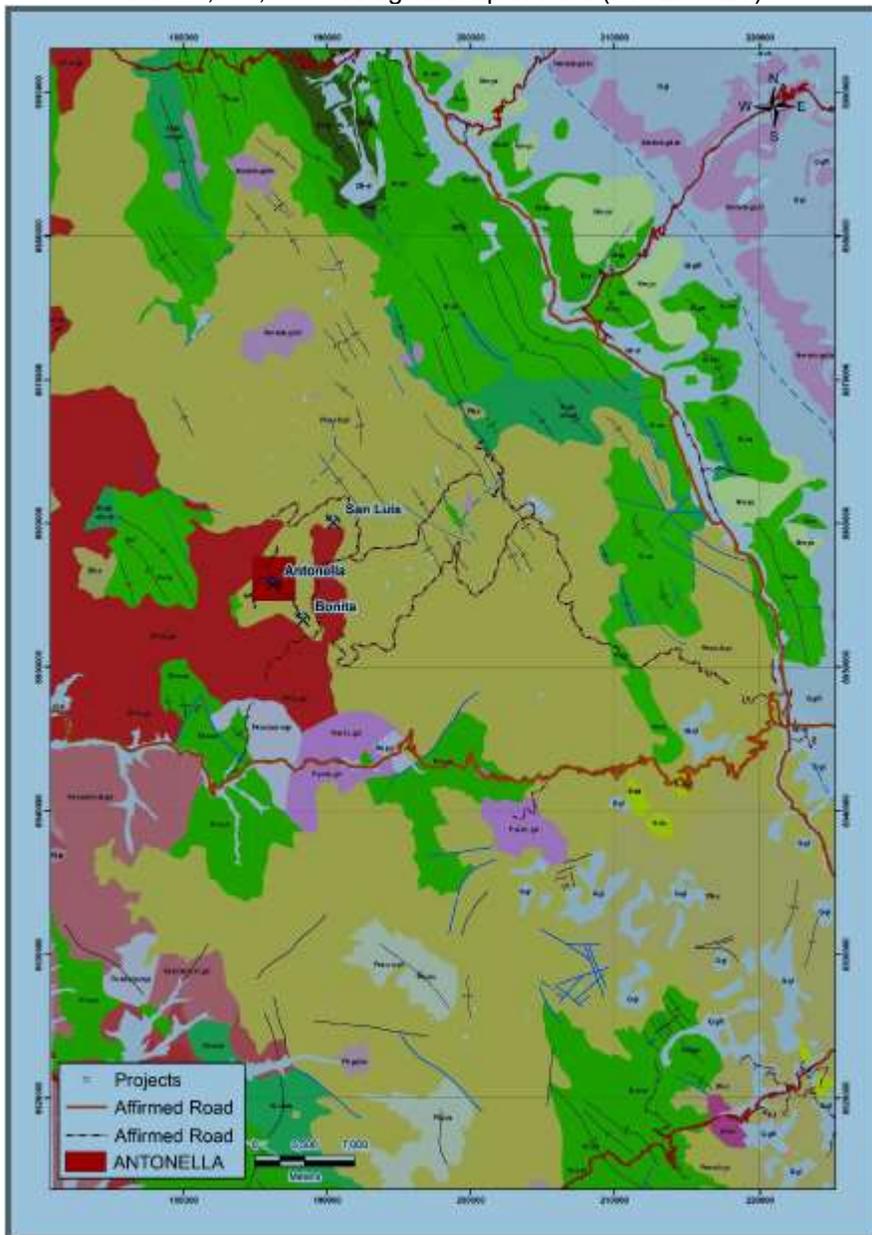
Figure 15 shows the aerial relationship of the main geological units along with major structure. From oldest to youngest, the sedimentary sequence consists of mudstones and sandstones of the Jurassic Chicama Formation followed by the Cretaceous sequences of Chimu (quartzites sandstone and shales), the Santa and Carhuaz Formations (calcareous clays and limestones), the Farrat Formation (fine quartzites and redbeds), and finally the calcareous rocks of the Pariahuanca, Chulec and Pariatambo Formations.

These are unconformably overlain by the Paleocene tuffs, coarse pyroclastics, agglomerates and sub volcanic intrusives of the Calipuy Group.

The Calipuy is, in turn, overlain by the Miocene-Pliocene dacitic tuffs and ignimbrites of the Yunday Formation. Recent surficial deposits are mostly fluvio-glacial sediments. Intrusive bodies in the region consist of the Cretaceous – Paleocene Coastal Batholith to the south west and the Miocene-Pliocene batholith of the Cordillera Blanca. Both are dominantly composed of granodiorites and tonalities.

Numerous dacitic and rhyolitic dikes and domes intrude most of the aforementioned units. Regional structure is dominantly NW-SE, and is the result of four main tectonic episodes: uplift of the Andean Belt, Andean Orogenesis with folding and thrust faulting which affected the Jurassic and Cretaceous sediments, block faulting with large displacement of basement blocks, and renewed Pliocene-Pleistocene uplift of the Andes.

Figure 15: Regional Geology on the Cochabamba Project area and Estrella claims overlain onto the geology of the 1:1,000,000 Geological Map of Peru (INGEMMET)

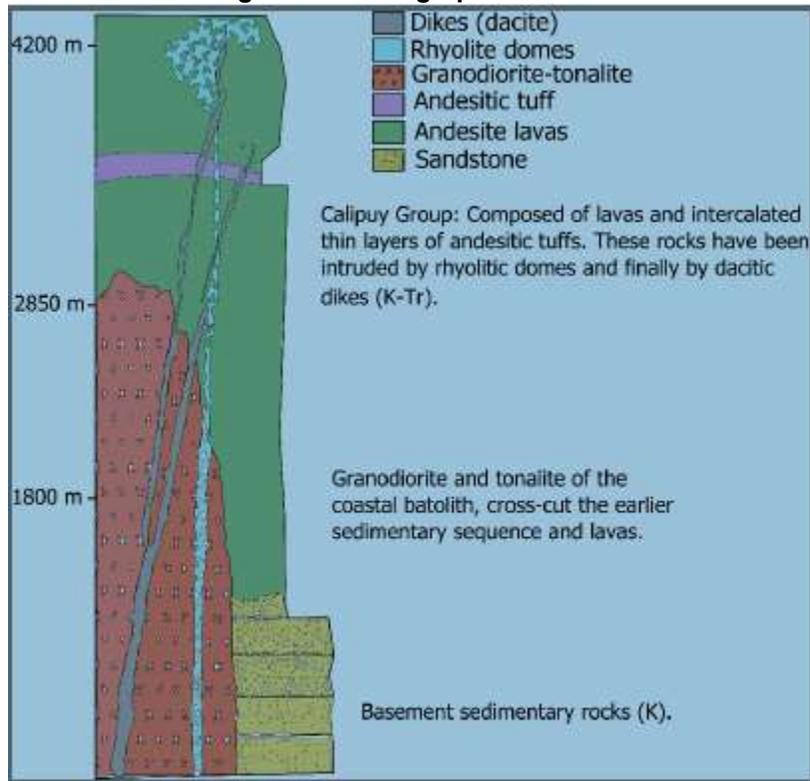


Stratigraphy

In the Cochabamba area, the stratigraphic column (Figure 6) consists of folded and faulted Cretaceous sediments that have been intruded by granodiorites and tonalites belonging to the Batolito de la Costa (Coastal Batholith).

Both are overlain by the sedimentary sequence and lavas of the Calipuy Group, composed of lavas and thin layers of andesitic tuffs. These rocks have been intruded by rhyolitic domes and finally by dacitic dikes.

Figure 16: Stratigraphic Column

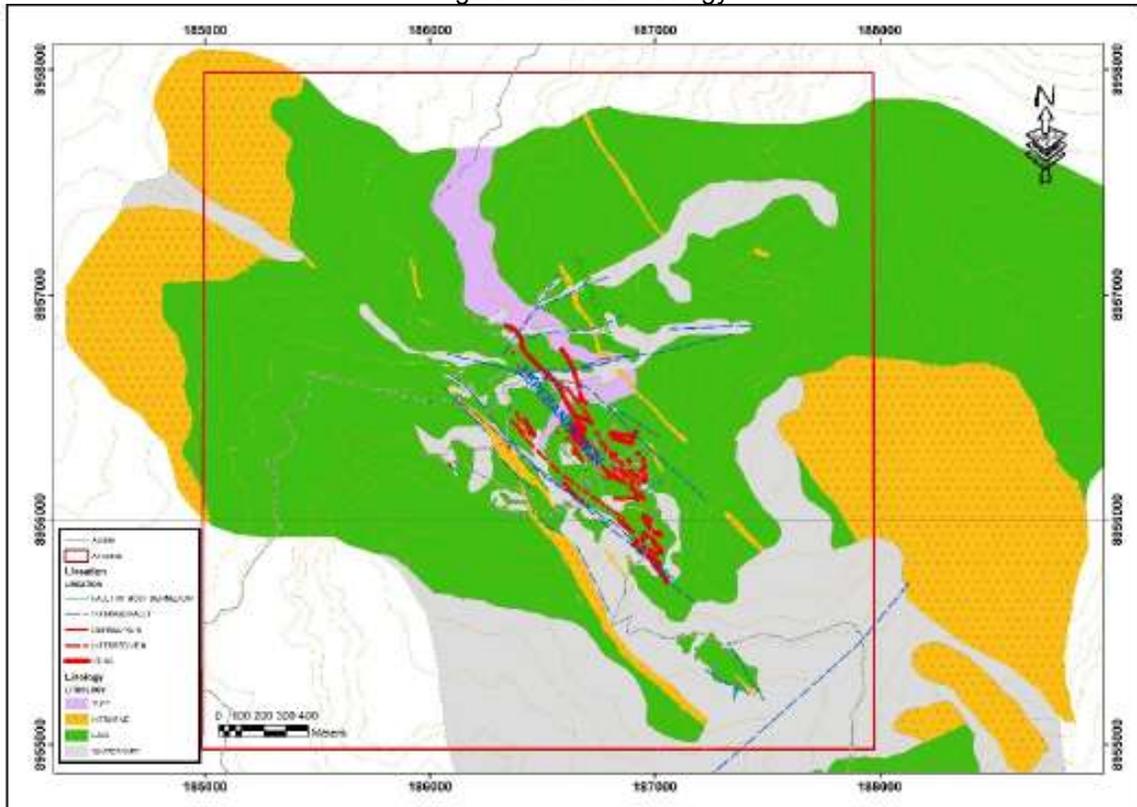


Local Geology

The volcanic rocks of the Tertiary Calipuy group are composed of andesitic flows, tuffs and subvolcanic intrusions: generally, domes and dikes of andesitic and rhyolitic composition. The latter are generally emplaced parallel to the main veins. Structures, both faults and veins, have a dominant NW-SE trend but right lateral displacement has resulted in NE to ENE sigmoidal cross structures.

Local geology as mapped by Minera Silex Peru, focused on the Antonella Daniela 1 Concession is shown in Figure 7.

Figure 18: Local Geology



Alteration

Outside of the main areas of veining around the Esperanza mine, the local volcanics are for the large part unaltered. Within the mineralized area, there are zones of strong argillic and quartz-sericite alteration with local strong to intense silicification. Alteration (and veining) in the Esperanza sector extends over a NW-SE trending zone about 1km long and 0.5 km wide. Alteration intensity is variable and spatially associated with the veining.

There is moderate superficial oxidation with limited gossans but for the most part mixed oxides and sulphides are the norm.

Figure 19: Alteration and Veining

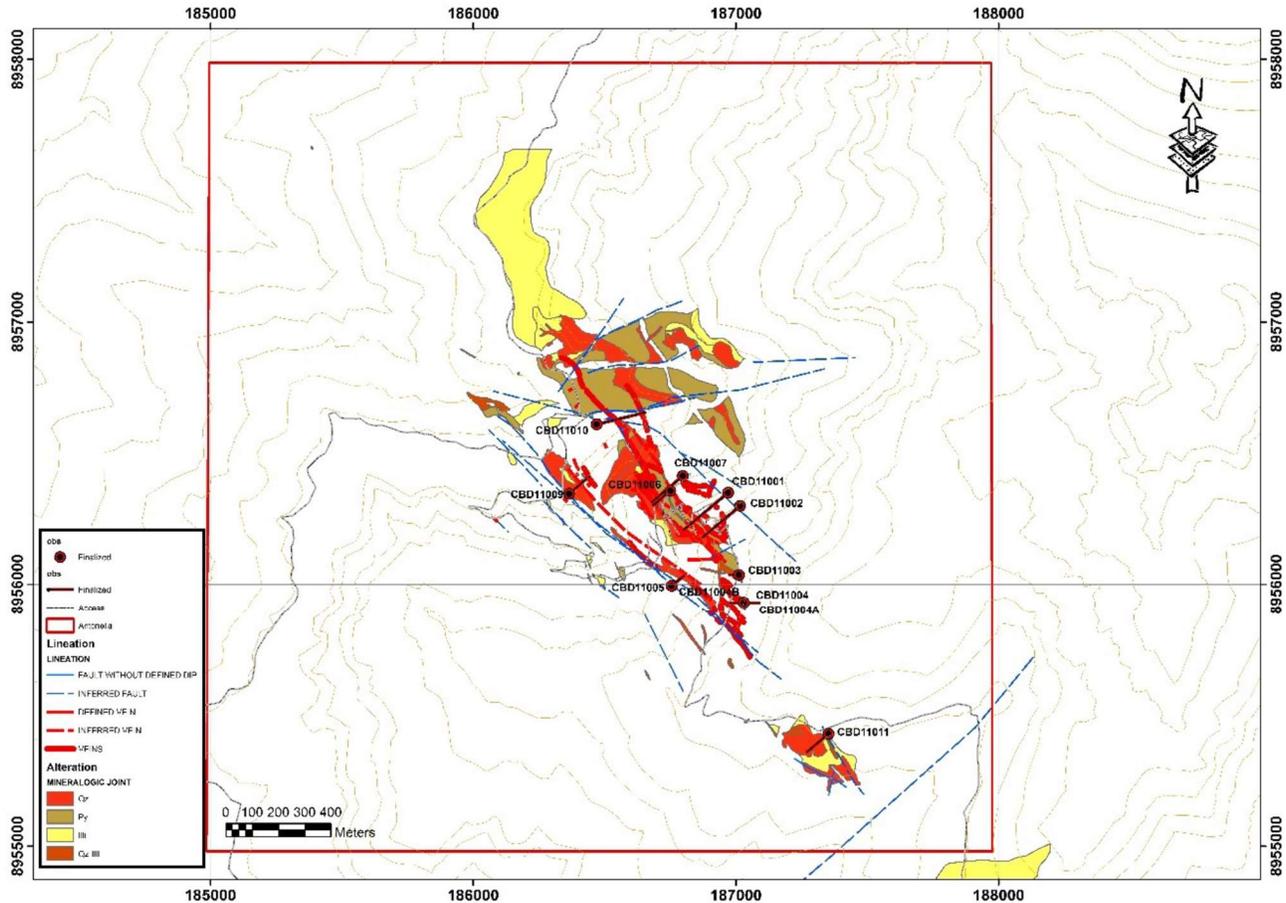


Figure 8 shows a small area of silicification and veining approximately 1km to the SW of Mina Esperanza. Due to time constraints and access issues the QP was unable to visit this area, but it appears to be a continuation of the Pilar vein.

Mineralization

Exploration by Minera Silex Peru, and the site visit by the QP, concentrated on the old Esperanza mine area in the center of the Antonella Daniela I Concession. Mapping by the Minera Silex and the field observations by the QP show the presence of numerous quartz veins, sheeted veins zones, stock working, and silicification. Veins vary from 0.1m to up to 5m wide and can extend tens to locally 100-200m. Unsubstantiated historical Esperanza mine reports mention a total of 3km of strike length to the veins. Information on grades and mineralization style is sparse and comes from former workers at the mine.

The mineralization comprises fracture filling, consisting mainly of quartz-pyrite-galena-sphalerite-chalcopyrite-bornite and gold. Strong brecciation and multiple pulses of fracturing and mineralization are common.

From vein textures and silica species, the mineralization varies between low temperature epithermal to local deep epithermal bordering on mesothermal.

The dominant vein trends are NW-SW but right lateral displacement has opened up dilational zones resulting in mineralized cross structures trending roughly NE to ENE. These are clearly observed in the field and in the mapping in Figure 7.

Figure 7 also shows outcropping veins at around 1km to the south east of the main Esperanza mine area and would appear to a continuation of the Pilar Vein. This area was mapped and sampled by Minera Silex but never drilled.

Although not visited by the QP, these occurrences may be outcroppings along strike of the same mineralized system or at the very least another prospective area along the same large-scale structure.

Deposit Types

The mineralization on the Antonella Daniela I Concession is best described as epithermal low sulfidation polymetallic veins that are formed from 200 and 700 meters deep up to 1.5 kilometers and temperatures between 200 to 280°C. In addition, their occurrence is related to volcanic centers on the continent, and they are considered important for the extraction of gold and silver. Several of these deposits also have significant concentrations of lead, zinc, and sometimes copper sulfides.

Veins can be continuous along faults for up to a couple of kilometers. Mineralization can also occur in breccia pipes, with ore minerals in the clasts or in the breccia matrix.

Typical textures include massive quartz veins, faulting with fracture fill, silicification and multi-episodic brecciation, and stockworking. The gangue mineral assemblage consists of quartz, chalcedony, calcite, and minor adularia. Gold occurs as electrum, and silver is present as acanthite, silver sulfosalts and electrum. Other sulphides include trace amounts of pyrite, chalcocopyrite, galena, sphalerite and bornite.

Historical Exploration

ASC Peru LDC/Minera Silex explored the concession from 2006 until 2012. They collected a total of approximately 530 surface rockchip samples and a limited number of samples from accessible underground workings. All samples were analyzed by ALS Chemex in Lima. See “Sample Pre and Analysis”. Historical sampling on the concessions making up the Cochabamba Project totalled 397 samples. Basic summary geochemical information is given in Table 6.

Table 6: Summary Geochemistry for Relevant Surface Samples

Antonella Daniela I	Au g/t	Ag g/t	Cu %	Pb %	Zn %
Maximum Value	155	714	6.57	30.0	11.5
Minimum Value	<0.005	<0.2	0.0002	0.0003	0.0002
Total Samples	397				

Surface and limited underground sampling around the old Esperanza mine show a well-defined system of sheeted veins extending some 500 m NW-SW, from 100 to 150m wide with anomalous to high values in gold, silver, copper, lead and zinc.

Less continuous mineralization is developed over another 500m NW and 500m SE in along strike, sub-parallel and dilatational veins.

The following are more detailed summary statistics and plots of aerial distributions for gold, silver, copper, lead and zinc.

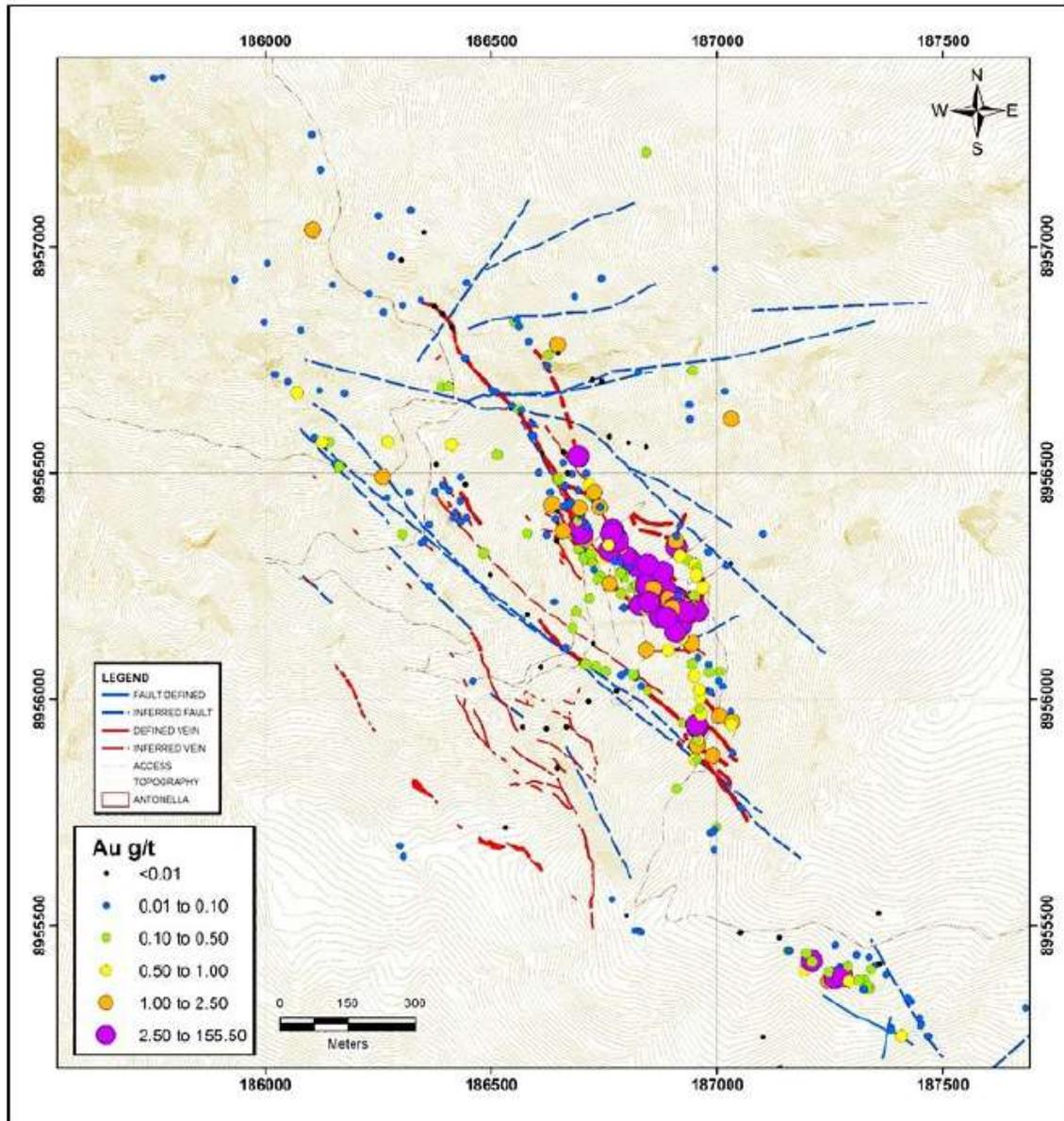
Gold

Table 7: Surface Geochemistry Summary Statistics - Gold

Description	Value Au
Maximum Value	155 g/t
Samples Below Detection (0.005 g/t)	24 samples
Samples Over 0.1 g/t	192 samples
Samples Over 1 g/t	74 samples

Samples Over 2.5 g/t	42 samples
Average of Samples over 0.1 g/t	2.41 g/t Au
Total No of Samples	397 samples

Figure 5: Gold Geochemistry, Veining / Faults and Alteration



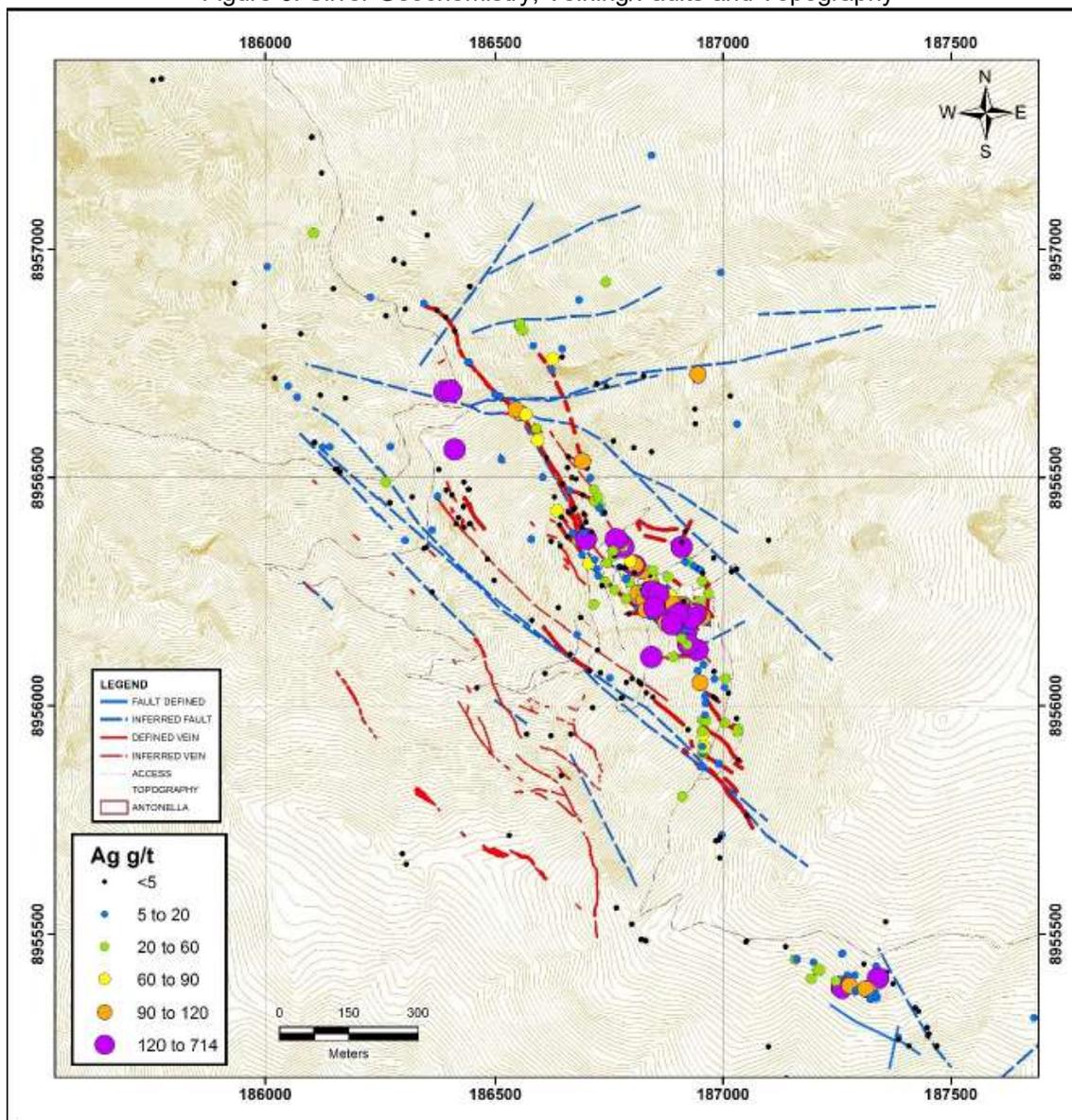
Silver

Table 8: Surface Geochemistry Summary Statistics - Silver

Description	Value Ag
Maximum Value	714 g/t Ag
Samples Below Detection (0.2 g/t)	13 samples
Samples Over 10 g/t	173 samples

Samples Over 30 g/t	106 samples
Samples Over 60 g/t	65 samples
Average of Samples over 10 g/t	80 g/t Ag
Total No of Samples	397 samples

Figure 6: Silver Geochemistry, Veining/Faults and Topography



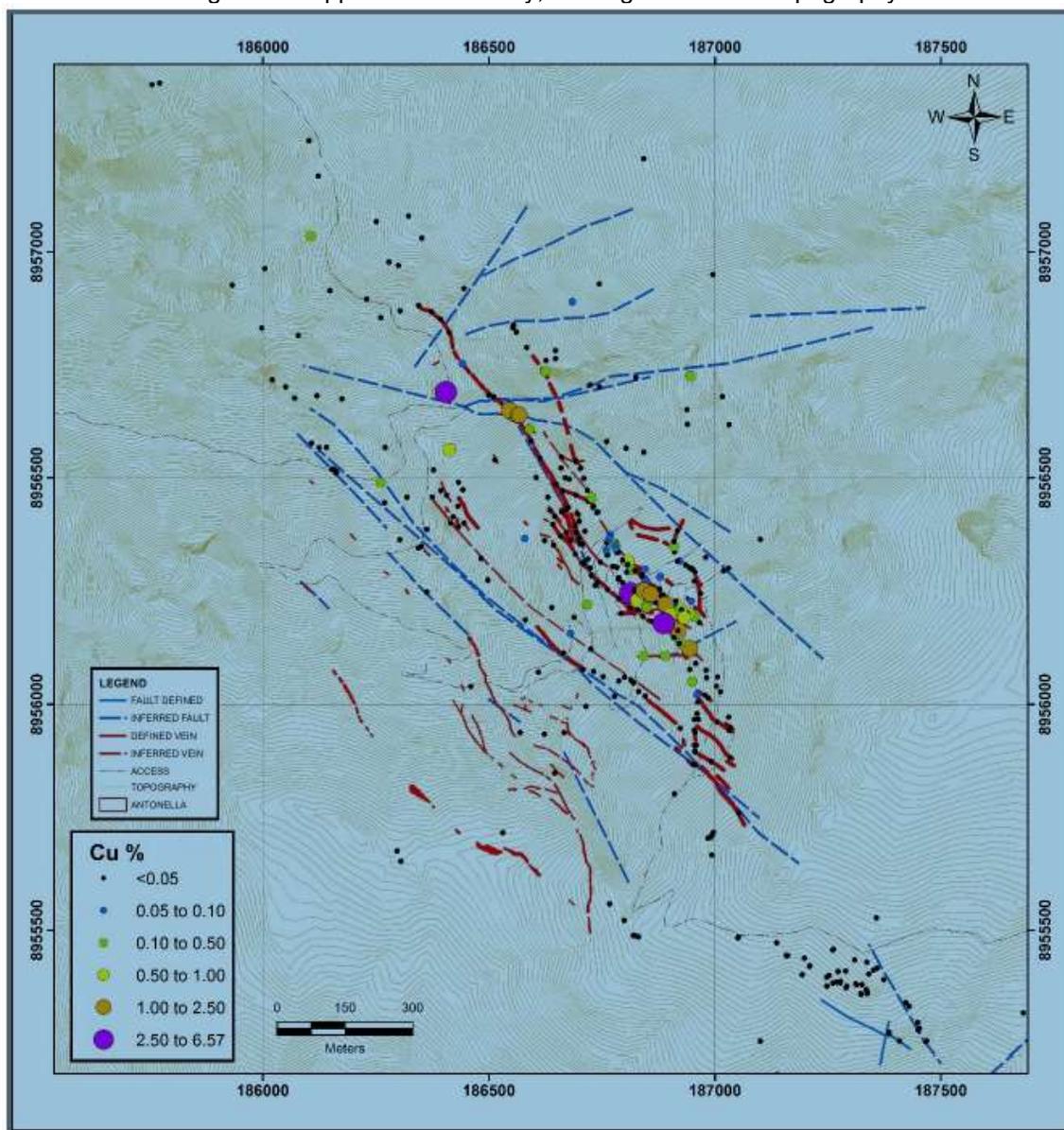
Copper

Table 9: Surface Geochemistry Summary Statistics - Copper

Description	Value Cu
Maximum Value	6.57% Cu
Samples Below Detection (0.0002%)	0 samples

Samples Over 0.1%	45 samples
Samples Over 1.0%	13 samples
Samples Over 2.0%	5 samples
Average of Samples over 0.1% Cu	0.98% Cu
Total No of Samples	397 samples

Figure 7: Copper Geochemistry, Veining/Faults and Topography



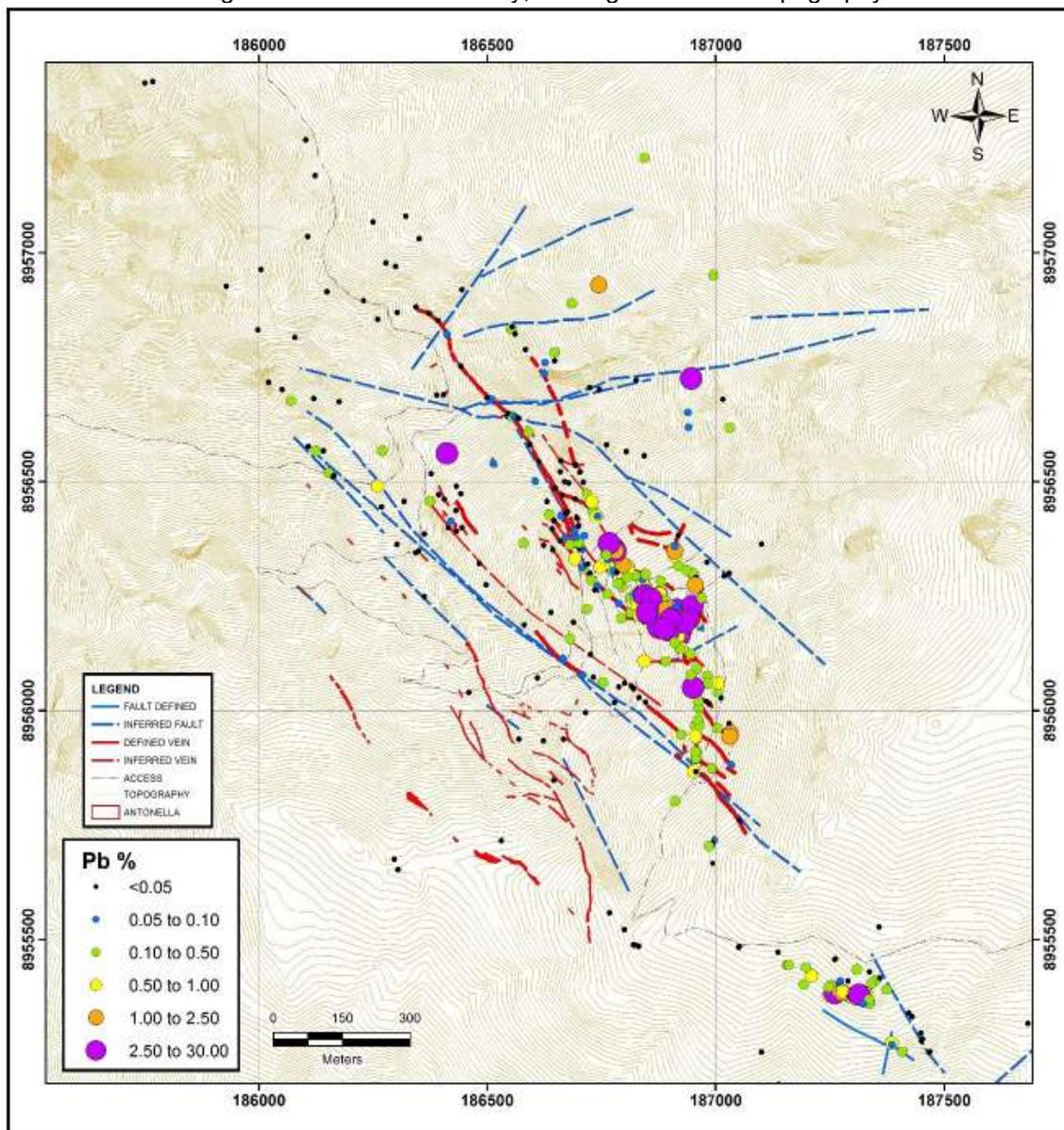
Lead

Table 10: Surface Geochemistry Summary Statistics – Lead

Description	Value Pb
Maximum Value	30.0% Pb

Samples Below Detection (0.0003%)	0 samples
Samples Over 0.1%	175 samples
Samples Over 1.0%	37 samples
Samples Over 2.0%	25 samples
Average of Samples over 0.25% Pb	16.4% Pb
Total No of Samples	397 samples

Figure 8: Lead Geochemistry, Veining/Faults and Topography



Zinc

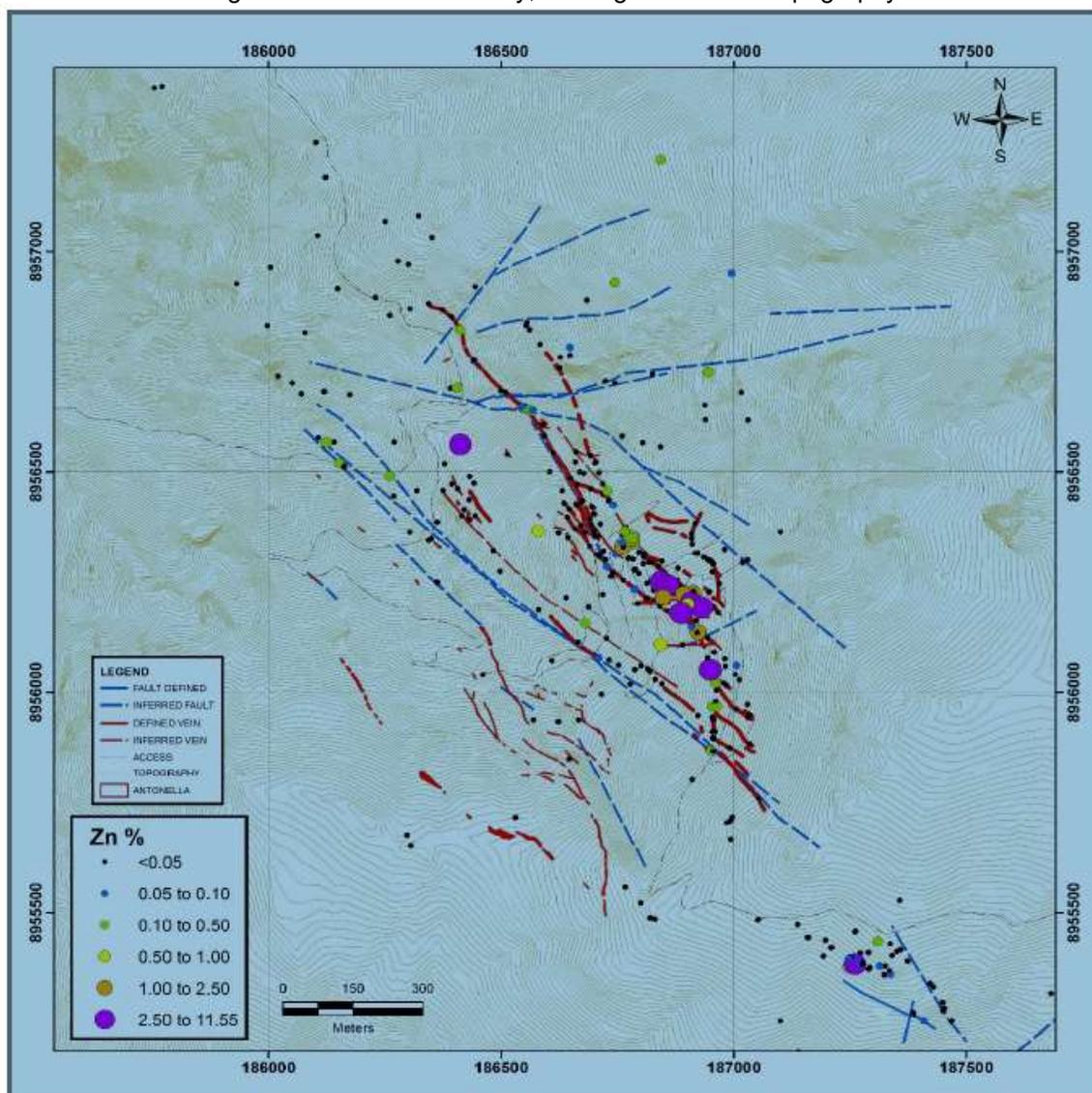
Table 11: Surface Geochemistry Summary Statistics – Zinc

Description	Value Zn
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Maximum Value	11.5% Zn
Samples Below Detection (0.0002%)	0 samples*
Samples Over 0.1%	46 samples
Samples Over 1.0%	14 samples
Samples Over 2.0%	8 samples
Average of Samples over 0.25% Zn	1.56% Zn
Total No of Samples	397 samples

* 53 samples <10ppm from some early samples

Figure 9: Zinc Geochemistry, Veining/Faults and Topography



Drilling

Drill Collars, Traces, Veining /Faults and Alteration

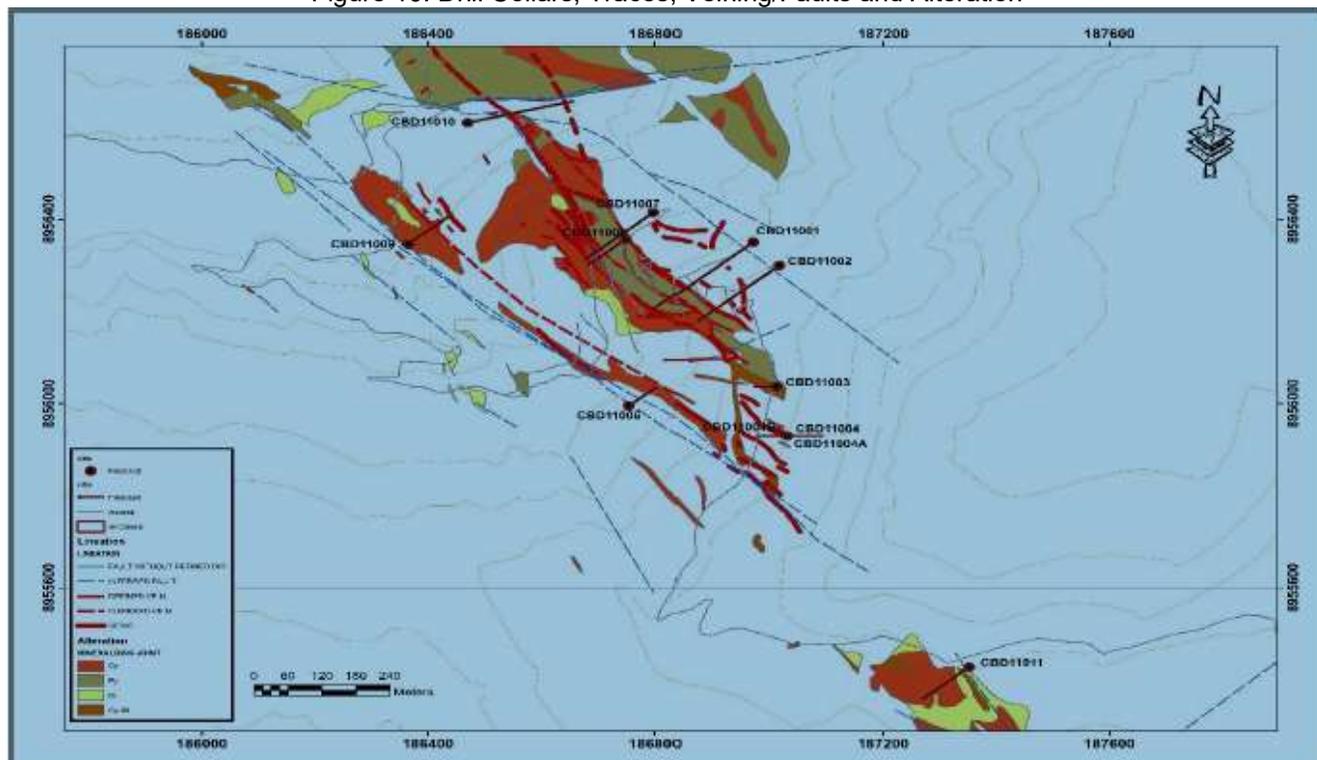
Minera Silex drilled a total of 12 holes of which one, CBD11012, no longer lies on ground controlled by Estrella and will not be considered further in this report other than as set forth under “Adjacent Properties”.

Table 12: Drilling Undertaken on the Current Concession Package

HOLE_ID	EASTING, m	NORTHING, m	ELEV_M	AZIMUTH	DIP	DEPTH, M	VERIFIED FROM LOG
CBD11001	186,970	8,956,350	3836	230	-50	351.25	352.25?
CBD11002	187,016	8,956,300	3861	230	-50	295.5	295.5
CBD11003	187,011	8,956,037	3915	270	-72	129.95	129.95
CBD11004	187,030	8,955,930	3950	270	-65	130.9	130.9
CBD11004A	187,030	8,955,930	3950	270	-85	200.65	206.1?
CBD11004B*	187,030	8,955,930	3950	90	-79	334	334
CBD11005	186,755	8,955,995+	3765	50	-50	98.95	98.45?
CBD11006	186,750	8,956,357	3768	230	-45	126.3	126.3
CBD11007	186,798	8,956,414	3760	230	-45	224.9	224.9
CBD11009	186,365/ 186,375?	8,956,346	3485	50	-50	189.5	159.8?
CBD11010	186,470	8,956,610	3490	76	-40	253.05	253.05
CBD11011	187,352	8,955,428	4023	230	-45	156	156
TOTAL						2461.25	

* CBD1104B No collar information on log, but same as CBD11004 and 1104A? Information on logs does not correspond to figures in the Minera Silex report. These appear to be typographic errors.

Figure 10: Drill Collars, Traces, Veining/Faults and Alteration



360 m of core yielding 314 samples was taken from 2461 meters drilled in 11 holes located within the area covered by the current Cochabamba Project concessions.

All holes intercepted veining and mineralized intervals with the best results coming from Holes CBD11001, CBD11002, CBD11003, CBD11004, CBD11004A, CBD11004B, CBD11006, CBD11007, and CBD11008. Holes CBD11005, CBD11009, CBD11010, and CBD11011 intercepted veining and low grade mineralization.

Interpreted sections and mineralized intervals presented below for holes CBD11002 and CBD11004B are representative of the style of mineralization and grades reported by Minera Silex.

(The author of the Cochabamba Technical Report reviewed selected intervals of core and collected 6 check samples from four of the most representative drill holes.)

Figure11: Drill hole CBD11002 Section Interpretation

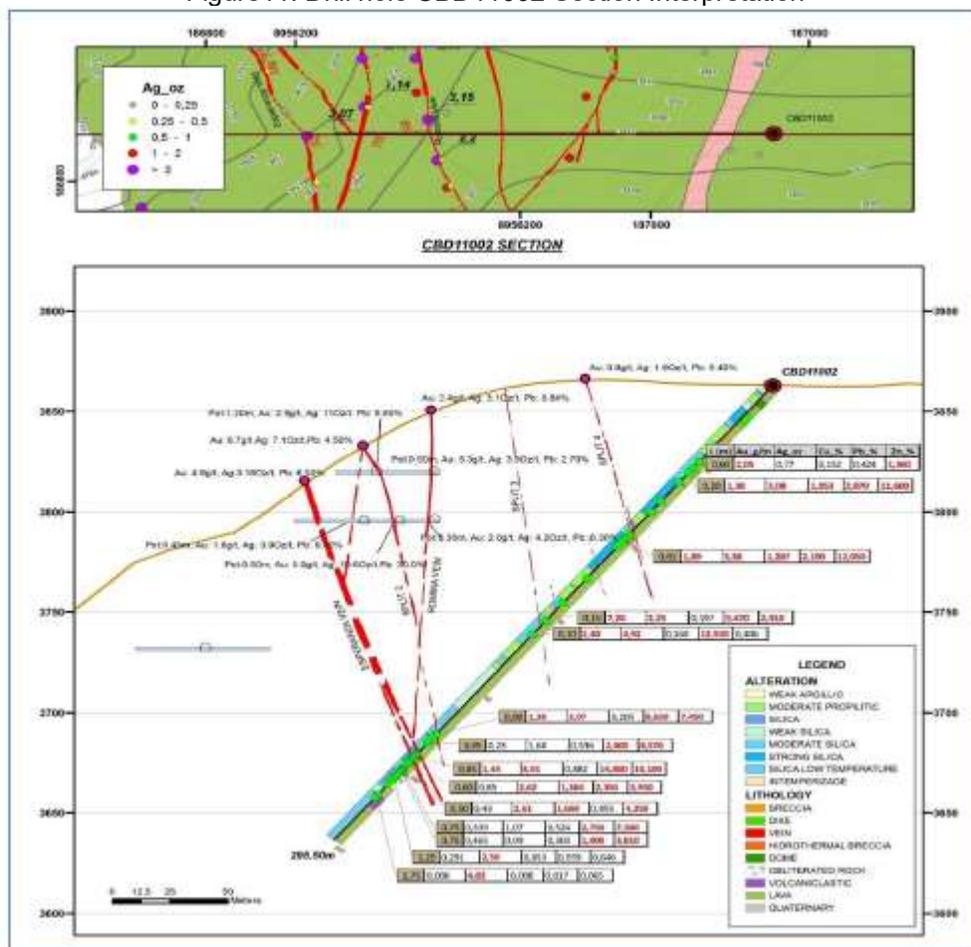


Table 13: Mineralized Intervals for CDB11002

HOLE	From	To	L (m)	Vein	Au g/t	Ag g/t	Cu %	Pb %	Zn%
CBD11002	100.3	100.8	0.5	RAMAL 4	1.9	106	1.3	2.2	12.1
	101.8	102.1	0.3		0.5	37	0.5	0.6	0.6
	152.9	153	0.15	RAMAL 3	7.2	68	0.2	5.5	2.9
	162	162.1	0.10		2.4	152	0.2	12.6	0.4
	226.9	227	0.08	ROMINA projection	1.4	65	0.2	8.7	7.5
	240.3	241.2	0.85	ESPERANZA main	1.4	249	0.9	14.8	15.1

	244.1	245.2	1.10	ESPERANZA split	0.9	81	1.4	2.4	4.0
	249.3	250	0.75	Veining	0.3	34	0.5	7.4	2.8
	250	250.8	0.75	Veining	0.5	31	0.3	3.8	2.4
	250.8	251.2	0.40	Veinlets and moderate silicification	0.8	44	0.4	0.7	0.5
	252.2	252.3	1.15	Moderate silicification	0.2	6	0.0	0.1	0.2

Figure 12: Drill hole CBD11004B Section Interpretation

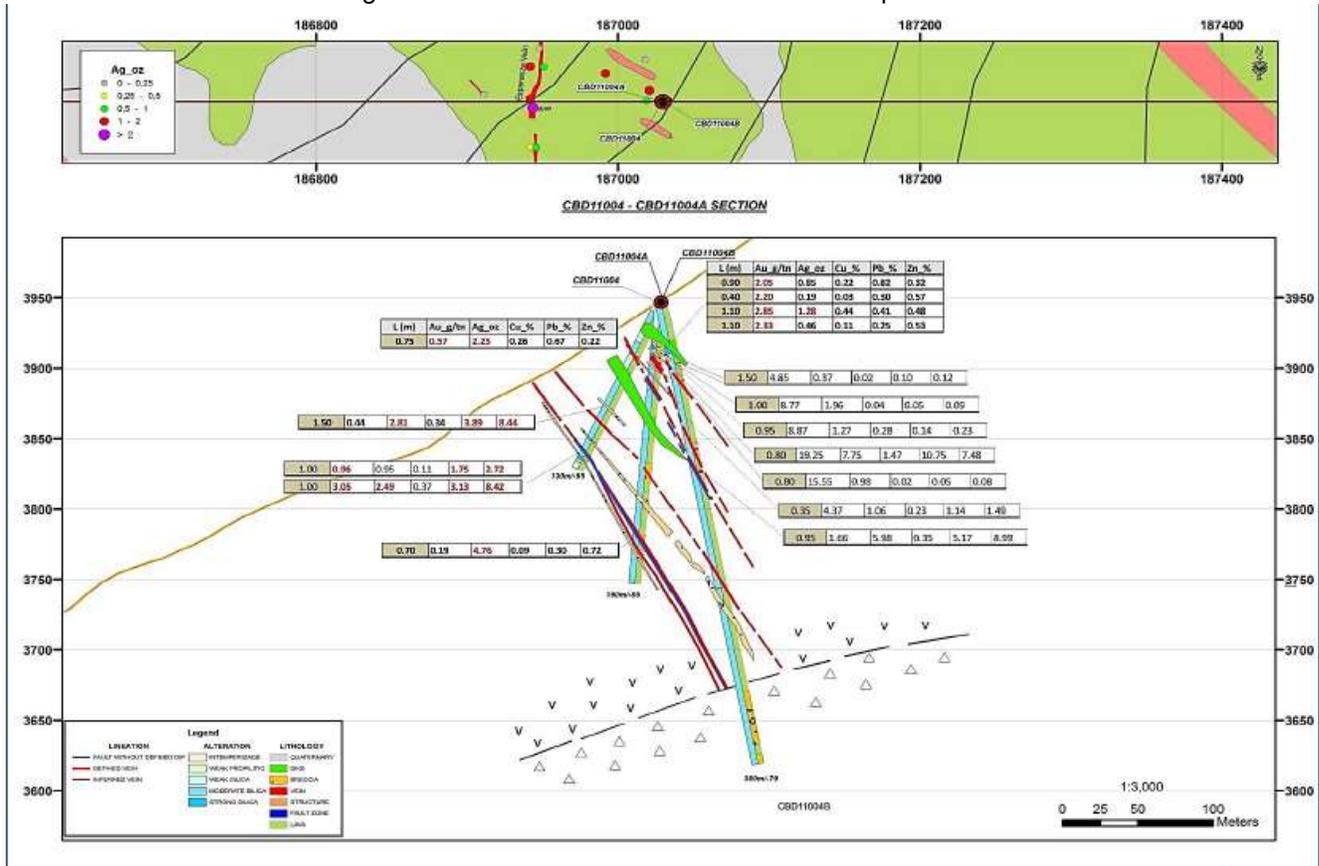


Table 14: Mineralized Intervals for CDB11004B

HOLE	From	To	L (m)	Vein	Au g/t	Ag g/t	Cu %	Pb %	Zn%
CBD11004B	40.1	45.85	5.75	Strong Silicification	5	31	0.1	0.1	0.1
	Includes:		1.00	Quartz Veinlets	8.8	32	0.2	0.14	0.15
			0.95		8.9	40	0.3	0.14	0.23
	52.55	53.35	0.8	Strong Silicification, quartz-chalcopyrite-galena-sphalerite	19.3	239	1.47	10.75	7.48
	56.8	57.6	0.8	Vein quartz-iron oxides-trace sulfides.	15.6	31	0.02	0.05	0.08

	84.65	85	0.35	Vein quartz-sphalerite-galena:5%, chalcopryrite: 1%	2.9	44	0.14	1.91	1.73
	87.05	87.4	0.35	Veinlets quartz-sphalerite-galena:3%, chalcopryrite: 1%	4.4	34	0.23	1.14	1.49
	122.1	123.1	0.95	Veinlets quartz, veinlets sphalerite-galena: 10%, pyrite.	1.7	187	0.35	5.17	8.99
	215.4	217.2	1.85	Crackle Breccia	0.1	16	0.1	1.28	1.82

The mineralization observed in the core reflects what was described in outcrop by Minera Silex, and observed by the author of the Cochabamba Technical Report:

- Multiple stage quartz veins with brecciation and cross cutting textures.
- Sulfide mineralization (specially galena and sphalerite) associated with some of the mineralizing pulses
- Abundant stockworking in wallrocks.
- Variable alteration with relatively fresh wallrocks in some core while other intervals have strong qtz-sericite-pyrite alteration

Sample Preparation and Analysis

All samples, a total of 712 covering both surface geochemistry and drilling, were analyzed by ALS Chemex in Lima. PDF assay certificates and results spreadsheets are only available for the surface samples.

Note: It is standard procedure for laboratories to carry out their own internal QA/QC inserting standards, blanks and duplicate analysis. These results are usually attached at the bottom of the assay sheets and in the certificates but were not included in the information received from ALS.

Samples were prepared and analysed using the following methods as detailed on the laboratory certificates.

Table 15: Sample Preparation

SAMPLE PREPARATION	
ALS CODE	DESCRIPTION
WEI-21	Recieved Sample Weight
LOG-22	Sample Login - Rcd w/o BarCode
LOG-24	Pulp Login - Rcd w/o BarCode
CRU-QC	Crushing QC Test
PUL-QC	Pulverizing QC Test
CRU-31	Fine Crushing - 70% <2mm
SPL-21	Split Sample - riffle splitter

PUL-31	Pulverize split to 85% >74 um
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Table 16: Analytical Methods

SAMPLE PREPARATION		
ALS CODE	DESCRIPTION	INSTRUMENT
Pb-AA46	Ore grade Pb - aqua regia/AA	AAS
Ag-AA46	Ore grade Ag - aqua regia/AA	AAS
Zn-AA46	Ore grade Zn - aqua regia/AA	AAS
Au-AA23	Au 30g FA-AA finish	AAS
Au-GRA21	Au 30g FA-GRAV finish	WST-SIM
ME-ICP41	35 Element Aqua Regia ICP-AES	ICP-AES
Hg-CV41	Trace Hg - cold vapor/AAS	FIMS

QA – QC

Surface Sampling

There is no mention of blanks or standards being analyzed along with the surface samples although this is standard practise. Even in early stage reconnaissance this is normal, and the author of the Cochabamba Technical Report notes that after some 5 years on the project by the operator some kind of QA-QC was not implemented along with the surface sampling.

Drilling

According to Minera Silex, the following blanks, standards and duplicates were inserted into drill core samples every 25 samples sent to the laboratory for analysis:

Duplicates	12 Samples
Standards	14 Samples
Blanks	16 Samples

It is not clear whether the duplicates were taken by quartering the core or by analysis at the laboratory of a split from the course rejects. The Minera Silex report mentions using 3 polymetallic silver-lead-zinc and gold standards prepared by SGS but no mention was made of the standard names and reference values. Insertion points for the blanks, standards and duplicates are noted in the drillhole geochemistry spreadsheets along with sample numbers. However, the data does not register of their respective reported values. Also, there are no laboratory originals or certificates for any of the drill assays.

Data Verification and 2019 Site Visit

In November 2019, the QP conducted a visit of the Cochabamba project site. During this site visit, the QP verified the geology, alteration and mineralization of the project site, collected channel samples of representative mineralization and verified the location of drill-collars.

Geology, alteration and mineralization around the Esperanza mine, the main area of interest mapped, sampled and drilled by Minera Silex, was observed to be consistent with that described in the reports and can be summarized as follows:

- 2 to 3km of quartz veins and silicified structures varying in width from 0.5 to 5m and tens to hundreds of meters long were observed. Main vein orientations are NW-SE with dilational cross structures generally trending NE and ENE. Veins outcrop vertically over some 4 to 500m.
- Moderate to strong argillic, quartz- sericite-pyrite alteration, stockworking, and sheet veining associated with the veins, and often extending across widths of tens of meters or more. Alteration is not pervasive, and some veins may be hosted in relatively fresh andesite with narrow alteration halos.

- Abundant iron oxides and gossan but oxidation is variable from weak to locally strong and does not extend to great depths. Fresh sulfides (pyrite, galena, sphalerite, and chalcopyrite) are commonly observed in surface samples.

Sample Checks

Field Samples.

Six channel samples of representative mineralization and alteration were collected during the site visit. Wherever possible samples were collected where previous sample numbers were visible on the outcrops. Sample numbers, coordinates and brief descriptions are given in Table 17. Assay results for channel samples are provided in Table 18.

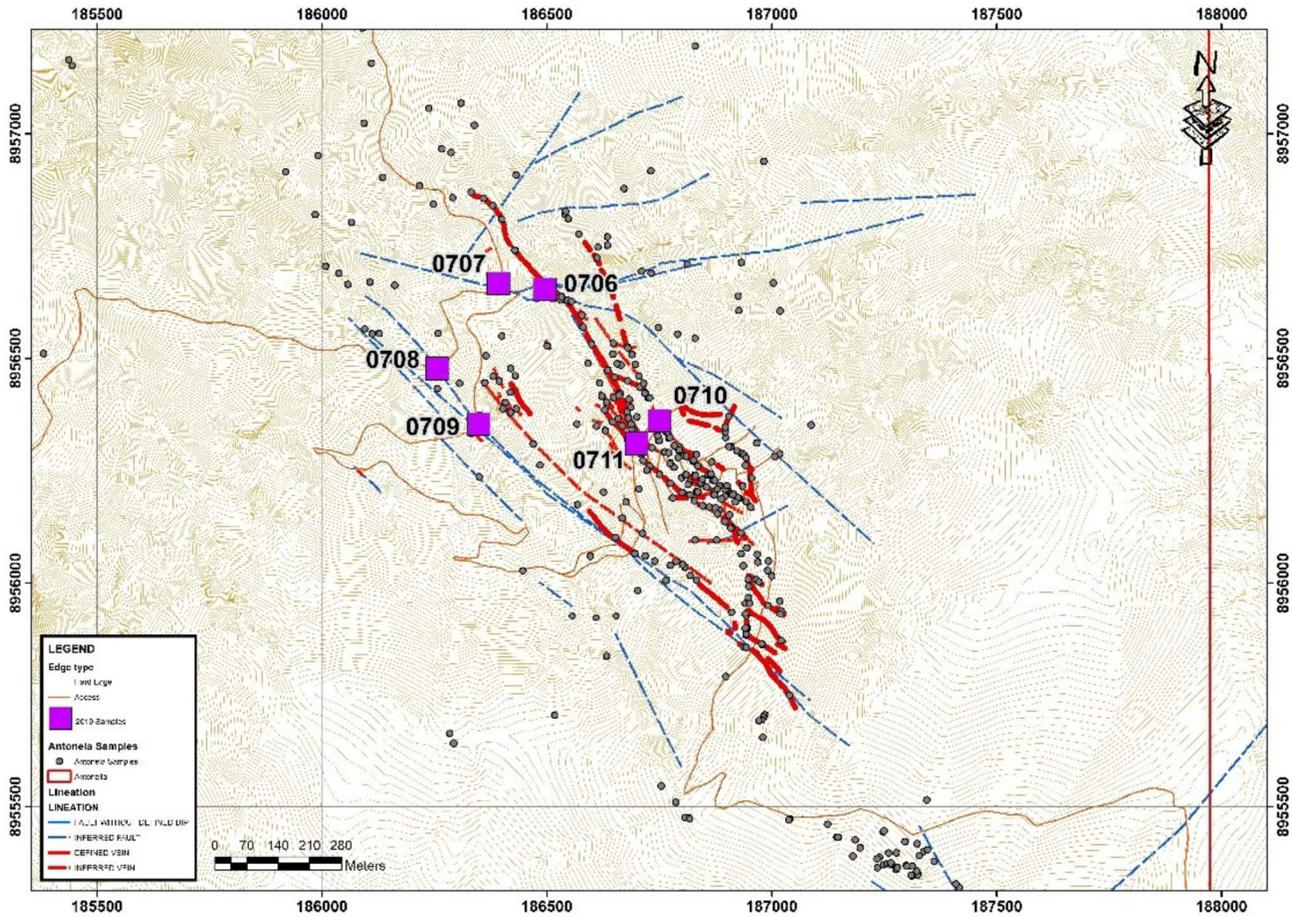
Table 17: Sample Coordinates and Descriptions

Sample No	Easting	Northing	Description
0706	186,496	8,956,654	Adit above mine road. 0.8m Qtz Vein Breccia. Mixed sulphides and oxides. Channel Chip.
0707	186,393	8,956,667	Adit on Qtz-Vein Breccia with mixed sulphides and oxides. Striking 050°-060° and vertical dip. Original Sample 8155
0708	186,257	8,956,478	Vein trending 150°. Oxides and sulphides a with efflorescing sulphates. Zone 1-2m wide. No workings.
0709	186,349	8,956,354	Grab Sample of Vein. 5m Wide. Strike 110°
0710	186,751	8,956,362	Vein/Breccia/Stockwork Striking 150° Main Trend Vein 0.8-1m wide. Beside Collar CBD11006
0711	186,700	8,956,311	1m wide vein/silicified shear zone. Part of sheeted vein zone some 20m wide with veins, qtz/ser/pyrite alteration and oxides. Strike 150° 80° to vertical veins. Original Sample 0706072

Table 18: Field Check Sample Results

Sample ID	Au g/t	Ag g/t	Cu %	Pb %	Zn %
0706	0.28	166	0.98	0.02	0.01
0707	0.13	146	0.93	0.003	0.009
0708	0.02	9	0.24	0.006	0.009
0709	0.07	6	0.0	0.003	0.001
0710	0.40	4	0.01	0.36	0.03
0711	0.230	17	0.009	0.08	0.005

Figure 27: Locations of Field Check Samples, Previous Sampling and Veins/Faults



Drill Collar Locations

Minera Silex drilled a total of 12 holes on the concessions now controlled by Estrella. There is no mention of the original collars being surveyed in and it is assumed they were located using hand-held GPS. Using the coordinates given in the report, a total of 8 platforms were visited.

Of the eight locations visited there were obvious platforms but due to rehabilitation all other evidence of drilling (old mud pits, open holes or drillpipe) had been removed, and collars for the most part had not been preserved.

At a few locations the drillhole ID was painted onto a nearby outcrop.

A list collars and whether they were visited is presented in Table 19.

Table 19: Collar Coordinates and Field Verification.

Hole ID	Report Easting	Report Northing	Field Easting	Field Northing	Visited
CBD11001	186,970	8,956,350	186,965	8,956,348	Yes
CBD11002	187,016	8,956,300	187,016	8,956,299	Yes
CBD11003	187,011	8,956,037			No
CBD11004	187,030	8,955,930	187,029	8,955,933	Yes

CBD11004A	187,030	8,955,930	187,029	8,955,933	Yes
CBD11004B*	187,030	8,955,930	187,029	8,955,933	Yes
CBD11005	186,755	8,955,995			No
CBD11006	186,750	8,956,357	186,751	8,956,362	Yes
CBD11007	186,798	8,956,414	186,799	8,956,357	Yes
CBD11009	186,365	8,956,346	186,365	8,956,346	Yes
CBD11010	186,470	8,956,610			No
CBD11011	187,352	8,955,428			No

Drill Cores

Minera Silex did not sample and analyze all core, choosing only strongly mineralized and altered intervals.

The QP reviewed selected sampled core samples on March 2, 2020 in Lima, Peru. Four drillholes were selected for check sampling along with unsampled material bracketing these sections to get an understanding of “unmineralized” material. Intervals for six specific samples were chosen for re-assay covering a range of high to moderate Au and Ag grades.

The following table shows values from the Minera Silex assaying the re-assaying carried by the QP. (The following aggregates data from Tables 20 – 25 from the Cochabamba Project Technical Report).

Minera Silex Assay Results and QP Re-Assaying Results

Sample	Au g/t	Ag g/t	Cu %	Pb %	Zn %
CBD11004B, Box 12 Interval 42.6 -43.8m (Table 20)					
Silex 51-1215669	8.77	61	0.04	0.05	0.09
Author 801	2.09	5	0.04	0.05	0.08
CBD11004B, Box 34 Interval 122.10 – 123.05m (Table 21)					
Silex 51-1215697	1.66	186	0.35	5.17	8.99
Author 802	1.47	139	0.24	4.01	6.41
CBD11002, Box 58 Interval 240.3 – 241.15m (Table 22)					
Silex 51-1115027	1.44	249	0.88	14.8	15.1
Author 803	1.38	252	1.14	17.5	15.2
CBD11002, Box 60 Interval 249.25 – 250m (Table 23)					
Silex 51-1115037	0.34	33	0.52	2.75	7.38
Author 804	0.25	22	0.43	1.65	4.10
CBD11003, Box 26 Interval 100.7 – 101.9 m (Table 24)					
Silex 51-1115051	0.27	46	0.2	2.20	2.55

Author 805	0.29	14	0.05	1.49	1.2
CBD11007, Box 31 Interval 127.05 – 127.90m (Table 25)					
Silex 51-1115068	8.73	64	1.92	1.09	0.77
Author 806	2.00	36	1.22	0.24	0.38

Security

Security is often referred to as ‘the chain of custody’ and refers to sample collection, labelling, transport to the laboratory, and analysis. This is to ensure that the samples are systematically labelled and recorded and handled by trusted people and there is no opportunity to tamper with the samples with a view to altering or falsifying results.

The Company is unable to comment on whether acceptable “chain of custody” procedures were followed with respect to the drill samples.

Mineral Resource Estimates

As of the date of this Filing Statement, there is no NI 43-101 compliant mineral resources estimate for the Cochabamba Project.

Exploration and Development

The QP has recommended additional exploration of the Antonella Daniela I Concession. Minera Silex drilled only about 30% of the mapped and sampled veins on the Antonella Daniela I Concession. The drilling was exploratory and there are numerous drill targets along strike and at depth that warrant further mapping, sampling and drilling.

The remaining concessions making up the Cochabamba Project (effective area of approx. 6,323.87Ha) are at a very early stage but in the same well-known precious metal/polymetallic district with several projects nearby including San Luis.

The QP has recommended the following work program for the Cochabamba Project. The recommended Phase 2 work program is not contingent on the results of the recommended Phase 1 work program.

Recommended Work	Estimated Cost
<u>Phase 1</u>	
Topography, Mapping and Sampling (Antonella Daniela I)	US\$142,800
Colcabamba Mapping and Sampling (other concessions)	US\$75,000
Transport and Logistics	US\$35,000
General and Administration	US\$55,000
Subtotal Phase 1	US\$307,800
<u>Phase 2</u>	
Colcabamba Mapping and Sampling (other concessions)	US\$61,000
Regional Mapping Across 11k ha. Land package (1/10,000)	US\$106,000
Regional Sampling	US\$55,000
Transport and Logistics	US\$50,000

General and Administration	US\$100,000
Subtotal Phase 2	US\$372,000
Additional Contingencies/Unforeseen Expenses	US\$70,200
	US\$750,000

MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Financial Information

The following table sets forth selected financial information for Estrella as at and for the years ended December 31, 2023 and 2022 and the interim periods ended September 30, 2024 and 2023. Such information is derived from and should be read in conjunction with the audited financial statements for the year ended December 31, 2023, unaudited financial statements for year ended December 31, 2022, unaudited interim financial statements for the nine months ended September 30, 2024 and 2023 and the notes thereto attached as Schedule "C" hereto.

	Nine Months Ended September 30, 2024* (Unaudited)		Nine Months Ended September 30, 2023* (Unaudited)		Year Ended December 31, 2023* (audited)		Year Ended December 31, 2022* (unaudited)	
Total Revenues	S/	--	S/	--	S/	--	S/	--
Net Income (Loss)	S/	(39,637)	S/	1,274	S/	67,349	S/	81,002

	As at September 30, 2024* (Unaudited)		As at December 31, 2023* (audited)		As at December 31, 2022* (unaudited)	
Statements of Financial Position Data						
Total Assets	S/	2,965,992	S/	2,960,201	S/	2,808,584
Total Liabilities	S/	2,935,081	S/	2,889,653	S/	2,980,384
Total Equity (Deficit)	S/	30,911	S/	70,548	S/	(171,800)

*Presented in Peruvian soles ("S/")

Management's Discussion and Analysis

Estrella's management's discussion and analysis for the years ended December 31, 2023 and 2022, and the nine months ended September 30, 2024 and 2023 are attached as Schedule "D", and should be read in conjunction with the audited financial statements for the year ended December 31, 2023, unaudited financial statements for the year ended December 31, 2022 and the unaudited interim financial statements for the nine months ended September 30, 2024 and 2023.

Trends

Estrella is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Estrella's future revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information to not be indicative of future operating results or financial condition.

CONSOLIDATED CAPITALIZATION

The following sets forth Estrella’s share and loan capital as of the end of the periods indicated:

Designation of Security	Authorized (incl. pending registration)	Outstanding as at September 30, 2024	Outstanding as at December 31, 2023
Common shares nominal value, one sol (S/ 1.00) per share	176,000	176,000	176,000

Prior Sales

1,000 common shares of Estrella were sold on incorporation at a price of one sol (S/ 1.00) per share upon Estrella’s formation. In September 2019, 50 common shares of Estrella were transferred by Dr. Lima to Lara as partial consideration for the Pampas 1, Pampas 2 and Tayacoto mining concessions. See “Significant Acquisitions and Dispositions”. In December 2023, the shareholders approved to increase share capital by 175,000 common shares, with the capital increase registered with the Peruvian National Superintendency of Public Records (SUNARP) in 2024. The additional 175,000 common shares were issued to Dr. Lima (122,250 shares), Lara (8,750 shares) and Preeya Lakhani (44,000 shares) in consideration for amounts owed by Estrella to such persons.

Stock Exchange Price

There is no public market for any of Estrella’s securities.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets out all compensation paid to Estrella’s named executive officers for the fiscal years ended December 31, 2023 and 2022.

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Raul Ernesto Lima Osorio Majority Shareholder ⁽¹⁾	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Diego Cillóniz General Manager ⁽¹⁾	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

(1) Pursuant to Peruvian law, as a closely held stock corporation (S.A.C.), Estrella has elected not to have a board of directors. As such, all major decisions are approved by Estrella’s shareholders, and executed by the General Manager of Estrella, required under Peruvian law to be a resident of Peru. Diego Cillóniz, legal counsel to Estrella, acts as General Manager for Estrella.

Employment, Consulting and Management Agreements

The Target Company does not have any employment or management services contracts. Mr. Lima and Mr. Cillóniz have not received any compensation for acting on behalf of Estrella.

Oversight and Description of Director and NEO Compensation

Estrella has not adopted any specific policies or practices to determine the compensation for its directors and officers, other than disclosed above. Estrella does not currently have an active compensation committee in place.

NON-ARMS LENGTH PARTY TRANSACTIONS

As of September 30, 2024, Estrella was indebted to Dr. Lima in the amount of S/ 885,332 (approximately \$321,378), and to Mr. Luis Saenz in the amount of S/ 42,493 (approximately \$15,425). These amounts are unsecured and non-interest bearing and were advanced to Estrella for the payment of expenses.

LEGAL PROCEEDINGS

Estrella's management is not aware of any ongoing, pending and/or threatened legal proceedings involving Estrella.

MATERIAL CONTRACTS

On July 16, 2024, Estrella entered into the Share Exchange Agreement with Daura and the Vendors.

PART III - INFORMATION CONCERNING THE RESULTING ISSUER

Information contained in this Part III is forwarding looking in nature and assumes the completion of the Transaction. See “*Cautionary Statement Regarding Forward Looking Statements*”.

CORPORATE STRUCTURE

Name and Incorporation

Upon completion of the Transaction, the Resulting Issuer is expected to be a continuation of Daura, with its capital structure expected to be unaffected by the Transaction. The Resulting Issuer’s head office is expected to continue to be located Suite 501, 543 Granville Street, Vancouver British Columbia V6C 1X8, with its registered office located at Suite 704, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

Upon successful completion of the Transaction, the Resulting Issuer will change its name to “Daura Gold Corp.” and will be a Tier 2 mining issuer listed on the Exchange.

Intercorporate Relationships

Upon completion of the Transaction, Estrella will be a wholly owned subsidiary of the Resulting Issuer and will continue to hold the mineral properties making up the Cochabamba Project.



NARRATIVE DESCRIPTION OF THE BUSINESS

Upon completion of the Transaction, the Resulting Issuer’s primary business will be the exploration and, if warranted, the development of mineral resource properties. The Resulting Issuer’s primary focus will be the exploration of the Cochabamba Project located on the western flank of the Cordillera Negra, in north central Peru.

Business Objectives

Exploration and Development of the Cochabamba Project

The Resulting Issuer’s primary business objective, following completion of Transaction, will be to conduct the work program recommended by the QP for the Cochabamba Project in accordance with the recommendations contained in the Cochabamba Technical Report. See “*Part II – Information Concerning the Target Company*”.

Upon completion of the work program recommended by the QP, the Resulting Issuer will re-assess whether additional work on the Cochabamba Project is warranted depending on the results from the recommended work program.

Additional Mineral Resource Projects

In addition to the Cochabamba Project, the Resulting Issuer will continue to investigate and evaluate additional mineral resource projects for acquisition, exploration or development.

DESCRIPTION OF THE SECURITIES

Upon completion of the proposed Transaction, the share structure of the Resulting Issuer will be the same as Daura. See "*Part I - Information Concerning the Company – Description of the Securities*".

PRO-FORMA CAPITALIZATION

The following table represents select particulars of the share and loan capital of the Resulting Issuer following the completion of the Transaction.

Designation of Security	Amount Authorized or to be Authorized	Amount to be Outstanding After Giving Effect to the Transaction	Amount to be Outstanding After Giving Effect to the Transaction and Minimum Financing⁽¹⁾	Amount to be Outstanding After Giving Effect to the Transaction and Maximum Financing⁽²⁾
Common Shares	Unlimited	14,054,668	37,991,068 ⁽³⁾	42,157,734 ⁽³⁾
Preferred Shares	Unlimited	None	None	None
Warrants ⁽⁴⁾	Up to 25,000,000	None	20,833,334	25,000,000
Broker Warrants ⁽⁵⁾	Up to 1,750,000	None	1,458,333	1,750,000
Options ⁽⁵⁾	None	None	None	None

Notes:

- (1) Assuming sale of the minimum amount offered under the Financing, being 20,833,334 Units at \$0.06 per Unit.
- (2) Assuming sale of the maximum amount offered under the Financing, being 25,000,000 Units at \$0.06 per Unit.
- (3) Includes 3,103,066 Shares issued to settle outstanding indebtedness of Daura of \$186,184 at the Financing price of \$0.06 per Unit.
- (4) Each Warrant issued as part of a Unit issued under the Financing will be exercisable for one Warrant Share at a price of \$0.10 per share for a period of two years from the date of issue.
- (5) Each Broker Warrant issued in connection with the Financing will be exercisable for one Warrant Share at a price of \$0.10 per share for a period of two years from the date of issue.

Fully Diluted Share Capital

The following table summarizes the securities of the Resulting Issuer to be issued and outstanding following the completion of the Transaction:

Description	Number of Securities⁽¹⁾ (Max. Financing)	Percent of Total⁽¹⁾	Number of Securities⁽²⁾ (Min. Financing)	Percent of Total⁽²⁾
Common Shares issued and outstanding prior to Transaction	7,054,668	10.2%	7,054,668	11.7%
Common Shares to be issued pursuant to Transaction ⁽³⁾	7,000,000	10.1%	7,000,000	11.6%
Common Shares to be issued pursuant to the Financing	25,000,000	36.2%	20,833,334	34.6%
Common Shares to be issued to settle additional accounts payable ⁽⁴⁾	3,103,066	4.5%	3,103,066	5.1%

Securities Reserved for Future Issuance

Warrants to be issued pursuant to the Financing ⁽⁵⁾	25,000,000	36.2%	20,833,334	34.6%
Broker Share Purchase Warrants granted in connection with the Financing ⁽⁶⁾	1,750,000	2.5%	1,458,333	2.4%
Total	68,907,735	100.0%	60,282,735	100.0%

Note:

- (1) Assumes the sale of 25,000,000 Units offered under the Maximum Financing.
- (2) Assumes the sale of 20,833,334 Units offered under the Minimum Financing.
- (3) Under the Share Exchange Agreement, the Resulting Issuer has agreed to issue to a total of 7,000,000 Common Shares of the Resulting Issuer to the shareholders of Estrella.
- (4) To be settled for Units at the Financing price of \$0.06 per Unit.
- (5) Issuable upon completion of Financing, exercisable at \$0.10 per share for a period expiring two years from the date of issuance.
- (6) Up to 7% of the Units sold in the Financing, exercisable at a price of \$0.10 per share for a period expiring two years from the date of issuance.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Funds Available

The following is a breakdown of the funds expected to be available to the Resulting Issuer (the "Available Funds") upon completion of the Transaction:

Source of Funds	Available Funds upon completion of the Transaction (Minimum Financing) ⁽¹⁾	Available Funds upon completion of the Transaction (Maximum Financing) ⁽²⁾
Estimated working capital of Daura as at November 30, 2024	\$(342,346)	\$(342,346)
Estimated working capital of Estrella as at November 30, 2024 ⁽³⁾	\$(66,544)	\$(66,544)
Settlement of accounts payable and loan payable	\$186,184	\$186,184
Net Proceeds of Private Placement ⁽¹⁾	\$1,162,500	\$1,395,000
Expenses of Qualifying Transaction and the Financing ⁽⁴⁾	\$(47,550)	\$(47,550)
Total Available Funds	\$892,244	\$1,124,744

Note:

- (1) Assumes sale of 20,833,334 Units offered, net of cash finder's fees of 7% of the total proceeds subscribed for under the Minimum Financing.
- (2) Assumes sale of 25,000,000 Units offered, net of cash finder's fees of 7% of the total proceeds subscribed for under the Maximum Financing.
- (3) PEN(177,641), converted to C\$ at a rate of PEN1:C\$0.3746, being the daily exchange rate for November 30, 2024 as quoted by the Bank of Canada.
- (4) Includes legal expenses, accounting expenses, Exchange expenses and commissions.

Dividends

The holders of the Resulting Issuer's Common Shares are entitled to dividends, if, as and when declared by the board of directors. To date, the Resulting Issuer has not paid any dividends on its outstanding Common Shares and does not anticipate the payment of any dividends on its Common Shares for the foreseeable future.

Principal Purposes

Following completion of the Transaction, the Resulting Issuer intends to focus its initial exploration efforts on Phase 1 of the recommended work program for the Cochabamba Project.

The Resulting Issuer intends to use the Available Funds for the following purposes:

Purpose	Amount (\$) (Minimum Financing) ⁽¹⁾	Amount (\$) (Maximum Financing) ⁽²⁾
Exploration Program on Cochabamba Project	\$431,228 ⁽³⁾	\$431,228 ⁽³⁾
Property Maintenance Costs	\$110,923 ⁽⁴⁾	\$110,923 ⁽⁴⁾
General and administrative costs	\$140,400	\$140,400
Unallocated Working Capital	\$209,693	\$442,193
Total	\$892,244	\$1,124,744

Note:

- (1) Assumes the sale of 20,833,334 Units offered under the Minimum Financing.
- (2) Assumes the sale of 25,000,000 Units offered under the Maximum Financing.
- (3) Amount listed is based on anticipated costs totalling US\$307,800, converted to C\$ based on US\$1:C\$1.4010, being the daily exchange rate quoted by the Bank of Canada as of November 30, 2024.
- (4) Amount represents anticipated costs totalling US\$79,174, converted to C\$ based on US\$1:C\$1.4010, being the daily exchange rate quoted by the Bank of Canada as of November 30, 2024.

The Resulting Issuer expects to incur approximately \$140,400 in general and administrative costs over the twelve months following the completion of the Transaction. A breakdown of the management and administrative costs for that period is as follows:

Description	Amount (\$)
Audit and Accounting Expenses	\$30,000
Legal Expenses	\$15,000
Exchange and Filing Fees	\$15,000
Management Fees	\$32,400
Miscellaneous and Administrative Expenses	\$48,000
Total	\$140,400

PRINCIPAL SECURITYHOLDERS

The following table lists those persons who will own of record or beneficially, directly or indirectly, or exercise control or discretion over, 10% or more of the issued and outstanding Common Shares of the Resulting Issuer following completion of the Transaction:

Name	Type of Ownership	Number of Shares Held upon Completion of the Transaction and Financing	Percentage of Shares Held (Minimum Financing) ⁽¹⁾	Percentage of Shares Held (Maximum Financing) ⁽²⁾
Raul Ernesto Lima Osorio	Direct	4,950,000	13.0%	11.7%

Note:

- (1) Assuming completion of the Minimum Financing, and no common shares are purchased by the above noted person under the Financing. On a fully diluted basis, Dr. Lima will hold directly and indirectly 9.0% of the issued and outstanding common shares.

- (2) Assuming completion of the Maximum Financing, and no common shares are purchased by the above noted person under the Financing. On a fully diluted basis, Dr. Lima will hold directly and indirectly 7.2% of the issued and outstanding common shares.

DIRECTORS, OFFICERS AND PROMOTERS

Name, Occupation and Security Holding

The following table sets out the names of the proposed directors and officers of the Resulting Issuer, the municipalities of residence, their principal occupations during the past five years and the number of shares of the Resulting Issuer beneficially owned, directly or indirectly, or over which control is exercised following completion of the Transaction.

Name, Province and Country of Residence and Position	Principal Occupation for Past Five Years	Common Shares Held upon Completion of Transaction	Percentage of Shares Held (Minimum Financing) ⁽²⁾	Percentage of Shares Held (Maximum Financing) ⁽³⁾
Luis Saenz <i>Chief Executive Officer</i> Lima, Peru	Director, BLB Advisory from September 2019 to present; Director and President of South American Operations, Bearing Lithium Corp. from September 2017 to December 2022; Director of Atico Mining Corporation from May 2014 to present; CEO and Director, Compañía Minera Quiruvilca & Ausenco from July 2015 to January 2018, Director of Business Development Latin America, Ausenco from January 2018 to January 2019.	450,350	1.2%	1.1%
William Tsang <i>Chief Financial Officer and Corporate Secretary</i> British Columbia, Canada	CFO of Nova Royalty Corp. from May 2023 to December 2023; CFO of Pampa Metals Corp. from November 2022 to present; CFO of Lara Exploration Ltd. from December 2022 to present; CFO of Atico Mining Corp. from February 2016 to July 2021; CFO of Metalla Royalty and Streaming Ltd. from May 2017 to October 2020.	100,000 (Direct)	0.3%	0.2%
Mark D. Sumner ⁽¹⁾ <i>Director</i> Lake Oswego, Oregon, USA	CEO and Director of Infin8 Holdings LLC from November 2022 – Present. Managing Director of Kiwanda Group LLC from November 2007 to present; Executive Chairman of Valor Resources Ltd. from December 2016 to November 2018.	2,687,884 ⁽³⁾ (Indirect)	7.1%	6.4%
Duncan Quinn-Smith ⁽¹⁾ <i>Director</i> New York, New York, USA	Founder and CEO of DQ, LLC.	400,000 (Direct)	1.1%	1.0%

Name, Province and Country of Residence and Position	Principal Occupation for Past Five Years	Common Shares Held upon Completion of Transaction	Percentage of Shares Held (Minimum Financing)⁽²⁾	Percentage of Shares Held (Maximum Financing)⁽³⁾
Christina Cepeliauskas ⁽¹⁾ <i>Director</i> Vancouver, BC, Canada	CAO of EMX Royalty Corporation from July 2020 to present; CFO of EMX Royalty Corporation from September 2008 to June 2020; CFO of Pan Global Resources Inc. from May 2009 to August 2022; CFO of Reservoir Capital Corp. from May 2009 to May 2019.	200,000 (Direct)	0.5%	0.5%
Raul Ernesto Lima Osorio <i>Director, promoter</i> Montevideo, Uruguay	Board Director and COO of Bifox Limited since 2022; Director, Project Development, Endeavor Silver Corp. 2020-2021; and Chief Operating Officer of Valor Resources Limited from March 2017 to March 2019.	4,950,000	13.0%	11.7%
Total Securities		8,788,234	23.1%	20.8%

Notes:

- (1) Member of the Audit Committee.
- (2) Assuming completion of the Minimum Financing, and no common shares are purchased by the above noted person under the Financing and calculated on an undiluted basis.
- (3) Assuming completion of the Maximum Financing, and no common shares are purchased by the above noted person under the Financing and calculated on an undiluted basis.

Management

The following is a brief description of the proposed directors and officers of the Resulting Issuer following completion of the Transaction.

Luis Saenz (53), Chief Executive Officer

Mr. Sáenz is a finance executive with nearly 30 years of experience in corporate finance, strategic consulting, and metal trading with a focus on Latin America. He was recently CEO of Compañía Minera Quiruvilca (Peru) and Director of Business Development for Latin America at the engineering multinational Ausenco (Australia). Mr. Sáenz is founder and former CEO of Li3 Energy (later Bearing Lithium Corp. (TSX: BRZ)), which held a stake in the Maricunga lithium project in Chile, recently sold to Codelco. In addition, he is a Director of Atico Mining Corporation (TSX: ATY), which operates the El Roble mine in Colombia and develops the La Plata polymetallic project in Ecuador. Throughout his career, Mr. Sáenz has held senior executive positions at Standard Bank of South Africa, Merrill Lynch and Pechiney World Trade. He has a BA in Economics and International Affairs from Franklin & Marshall College in Lancaster, PA.

Mr. Saenz expects to devote approximately 20% of his time to the Resulting Issuer, or such greater amount of time as may be necessary to perform the work required in connection with the management of the Resulting Issuer. Mr. Saenz is currently not a Non-Arm's Length Party to the Company or to Estrella.

William Tsang (38), Chief Financial Officer and Secretary

Mr. Tsang is a Chartered Professional Accountant with a Bachelor of Commerce from the University of British Columbia with more than 15 years of financial accounting and auditing experience in the mineral exploration and mining industry. He had worked in public practice providing professional services and advice to publicly traded companies on the NYSE, TSX-V, and OTC markets on various public reporting services, such as Qualifying

Transactions for Reverse Take-Over, mergers and acquisitions, and financing transactions. Mr. Tsang was the Chief Financial Officer at Atico Mining Corporation from February 2016 to July 2021 and Metalla Royalty & Streaming Ltd. from May 2017 to October 2020. Mr. Tsang currently holds the position of Chief Financial Officer of Lara Exploration Ltd. and Pampa Metals Corporation.

Mr. Tsang expects to devote approximately 10% of his time to the Resulting Issuer, or such greater amount of time as may be necessary to perform the work required in connection with the management of the Resulting Issuer. Mr. Tsang is currently the Chief Financial Officer of the Company. Mr. Tsang is not a Non-Arm's Length Party to Estrella.

Mark D. Sumner (40), Director

Mr. Sumner is the founder and managing director of Kiwanda Group LLC (the "Kiwanda Group"), a US-based resources venture capital business. Founded in 2007, Kiwanda Group has financed mining and exploration projects across a range of commodities and regions, with a particular focus on metals in South America. Prior to founding Kiwanda Group, Mr. Sumner was an investment specialist at Madison Avenue Financial Group, a private wealth boutique based in Portland, OR. Mr. Sumner is currently the CEO and Director of Infin8 Holdings LLC, a climate tech company based in Austin, TX. Mr. Sumner is also on the board of BiFox Limited, an unlisted Chilean phosphate rock development company. Mr. Sumner previously held the position of Executive Chairman for Valor Resources Ltd.

Mr. Sumner expects to devote approximately 15% of his time to the Resulting Issuer, or such greater amount of time as may be necessary to perform the work required in connection with the management of the Resulting Issuer. Mr. Sumner is currently a director and the Chief Executive Officer of the Company. Mr. Sumner is not a Non-Arm's Length Party to Estrella.

Duncan Quinn-Smith (51), Director

Mr. Quinn-Smith has law degrees from the University of Bristol (LL.B), Bristol, England, and Columbia University (LL.M), New York, USA. Mr. Quinn-Smith was formerly an attorney at the offices of Kirkland & Ellis LLP in New York City, specializing in all aspects of private equity transactions. He founded DQ, LLC, a luxury lifestyle brand, in 2003 where he holds the position of Chief Executive Officer.

Mr. Quinn-Smith expects to devote approximately 10% of his time to the Resulting Issuer, or such greater amount of time as may be necessary to perform the work required in connection with the management of the Resulting Issuer. Mr. Quinn-Smith is currently a director of the Company. Mr. Quinn-Smith is not a Non-Arm's Length Party to Estrella.

Christina Cepeliauskas (59), Director

Ms. Cepeliauskas is a CPA, CGA professional accountant with more than 25 years of financial accounting and treasury experience in the mineral exploration and mining industry. Ms. Cepeliauskas was the Chief Financial Officer of EMX Royalty Corp. for 12 years from September 2008 until July 2020 wherein she assumed the role of Chief Administrative Officer. Additionally, Ms. Cepeliauskas was the Chief Financial Officer of Pan Global Resources Inc. from May 2009 to August 2022. Ms. Cepeliauskas has been a member of the Institute of Corporate Directors since May 2015 since she completed the comprehensive Corporate Directors Program.

Ms. Cepeliauskas expects to devote approximately 10% of her time to the Resulting Issuer, or such greater amount of time as may be necessary to perform the work required in connection with the management of the Resulting Issuer. Ms. Cepeliauskas is currently a director of the Company. Ms. Cepeliauskas is not a Non-Arm's Length Party to Estrella.

Raul Ernesto Lima Osorio (54), Director and promoter

Dr. Lima is the majority shareholder of Estrella. Dr. Lima has over 20 years of experience in the mining and exploration business across South America. Dr. Lima has been responsible for numerous mining development and construction projects throughout Uruguay, Brazil, Chile, Venezuela, Colombia, Argentina, Mexico and Peru. Dr. Lima's notable engineering and construction experience in South America includes engineering and development of the San Gregorio gold mine in Uruguay for Rea Gold Corporation (now operated by Orosur),

construction and engineering of the \$450 million Pirquitas open-pit silver mine in Argentina for Silver Standard Resources and engineering and construction of the Tucano Gold-Iron Mining Project in Brazil for Beadell Resources Ltd. Dr. Lima was previously Chief Operating Officer for Valor Resources Limited, an ASX-listed metals company focused on the development of the Berenguela Polymetallic Project in the Puno Department of Peru. Currently Dr. Lima is the Board Director and COO of Bifox Limited., an Australian company developing fertilizer assets in Chile.

Dr. Lima holds an engineering degree from the University of the Republic in Montevideo, Uruguay, an MBA from ORT University in Montevideo and a Doctorate in Management with a focus on mining projects from University of Phoenix. Dr. Lima is a resident of Montevideo, Uruguay and speaks fluent English, Portuguese and native Spanish.

Dr. Lima expects to devote approximately 10% of his time to the Resulting Issuer, or such greater amount of time as may be necessary to perform the work required in connection with the management of the Resulting Issuer. Dr. Lima is not a Non-Arm's Length Party to the Company.

Promoters

In addition to being appointed as a director of the Resulting Issuer upon completion of the Transaction, Dr. Lima may be considered to be a "promoter" of the Resulting Issuer. A "promoter" is defined in the Securities Act (British Columbia) as a person who: (a) acting alone or in concert with one or more other persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, or (b) in connection with the founding, organization or substantial reorganization of the business of the issuer, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the issuer's own securities or 10% or more of the proceeds from the sale of a class of the issuer's own securities of a particular issue. As part of the Transaction, Dr. Lima will be issued 4,900,000 Common Shares, representing between 14.5% (in the case of the minimum amount of the Financing) and 11.7% (in the case of the maximum amount of the Financing) of the outstanding Common Shares upon completion of the Transaction and the Financing.

The number and percentage of securities to be owned by Dr. Lima upon completion of the Transaction is disclosed above. The shares of the Resulting Issuer to be owned by Dr. Lima will be issued to him in consideration for 123,200 shares of Estrella owned by Dr. Lima, representing 70% of the outstanding shares of Estrella. The consideration paid by the Company to the shareholders of Estrella was determined based on negotiations between the Company and the shareholders of Estrella, including Dr. Lima. Dr. Lima acquired 950 of his shares of Estrella for 950 sol (S/950.00) upon Estrella's formation. An additional 122,250 shares of Estrella were issued to Dr. Lima in December 2023 in satisfaction of S/122,250.00 owed by Estrella to Dr. Lima for expenses paid on behalf of Estrella by Dr. Lima.

Corporate Cease Trade Orders or Bankruptcies

Except as set forth below, no proposed director, officer, Insider, Control Person or promoter of the Resulting Issuer has, within the last 10 years, been a director, officer or promoter of any reporting issuer that, while such person was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold assets of that person.

Ms. Cepeliauskas was the CFO of Reservoir Capital Corp. ("**Reservoir**") from May 2009 to May 2019. Reservoir failed to file its annual financial statements and related management's discussion and analysis for the year ended April 30, 2016 within the period required under applicable securities laws. Reservoir was unable to complete its financial statements for the period then ended as it did not receive the required financial information from its Serbian subsidiary in time. On August 31, 2016, a management cease trade order was issued with respect to Reservoir and on September 28, 2016, the management cease trade order was revoked upon Reservoir filing the required financial statements and management's discussion and analysis.

Penalties or Sanctions

No proposed director, officer, Insider, Control Person or Promoter of the Resulting Issuer has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or

has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulating authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No proposed director, officer, Insider, Control Person or Promoter of the Resulting Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

Conflicts of Interest

Other than as described in this Filing Statement, there are no known conflicts of interest involving the directors. See “*Summary of Filing Statement*” and “*Part I – Information Concerning the Company – General Development of Business*”.

There are potential conflicts of interest to which some of the proposed directors, officers, insiders and promoters of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Some of the directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia).

Other Reporting Issuers Experience

The following table sets out the proposed directors, officers and promoter(s) of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction.

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	Period
Christina Cepeliauskas	EMX Royalty Corporation	NYSE American TSX-V	CFO	September 2008 – June 2020
	EMX Royalty Corporation	NYSE American TSX-V	CAO	July 2020 – Present
	Pan Global Resources Inc. (formerly Mosam Capital Corp.)	TSX-V	CFO	May 2009 – August 2022
William Tsang	Atico Mining Corporation	TSX-V	CFO	February 2016 – July 2021
	Lara Exploration Ltd.	TSX-V	CFO	December 2022 – Present
	Metalla Royalty & Streaming Ltd.	TSX-V	CFO	May 2017 – October 2020
	Nova Royalty Corp.	TSX-V	CFO	November 2020 – March 2023
	Nova Royalty Corp.	TSX-V	CFO	May 2023 – December 2023
	Pampa Metals Corporation	CSE	CFO	November 2022 – Present

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	Period
	Reservoir Capital Corp.	CSE	CFO	May 2019 – October 2019
	Resouro Strategic Metals Inc. (formerly Resouro Gold Inc.)		CFO	May 2022 – October 2022
Luis Saenz	Atico Mining Corporation	TSX-V	Director	May 2014 – Present
	Bearing Lithium Corp.	TSX-V	Director	September 2017 – December 2022

Audit Committee

The Audit Committee's role is to assist the Board in fulfilling its responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures on behalf of the Company and its direct and indirect subsidiaries, the adequacy of internal accounting controls and procedures, and the quality and integrity of the financial statements of the Company. In addition, the Audit Committee is responsible for overseeing the audits of the financial statements of the Company, for directing the auditors' examination of specific areas, for the selection of the independent external auditors of the Company and for the approval of all non-audit services for which the auditors of the Company may be engaged.

Composition of Audit Committee

Upon completion of the transaction, the Audit Committee of the Resulting Issuer will be composed of Christina Cepeliauskas, Mark Sumner and Duncan Quinn-Smith. Each of Ms. Cepeliauskas, Mr. Sumner and Mr. Quinn-Smith are financially literate and, upon completion of the Transaction, each of Ms. Cepeliauskas, Mr. Sumner and Mr. Quinn-Smith will be independent.

For additional details regarding the relevant experience and education of each member of the Company's Audit Committee, please refer to their biographical information disclosed above under "*Directors, Officers and Promoters.*"

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110;
- (b) the exemption in subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*) of NI 52;
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110;
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Approval Policies and Procedures

The Company's Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The aggregate fees billed by the Company's external auditor during the fiscal years ended December 31, 2023 and December 31, 2022 by category, are as follows:

Financial Year Ended December 31	Audit Fees (\$)⁽¹⁾	Audit Related Fees (\$)⁽²⁾	Tax Fees (\$)⁽³⁾	All Other Fees (\$)⁽⁴⁾
2023	16,000	Nil	Nil	Nil
2022	15,500	Nil	Nil	Nil

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audit related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Corporate Governance

Corporate governance relates to the activities of the board of directors, the members of which will be elected by and will be accountable to the shareholders of the Resulting Issuer, and takes into account the role of the individual members of management who are appointed by the Board and who will be charged with the day-to-day management of the Resulting Issuer. The Board of the Company is, and the Board of the Resulting Issuer will be, committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Board of Directors

Upon completion of the Transaction, the board of directors for the Resulting Issuer is expected to be comprised of four directors. Mark D. Sumner, Duncan Quinn-Smith and Christina Cepeliauskas will all be considered independent. Raul Ernesto Lima Osorio is not expected to be considered independent due to the number of Common Shares of the Resulting Issuer that he will own upon completion of the Transaction.

Orientation and Continuing Education

If any new directors are appointed to the board of directors of the Resulting Issuer, then the existing directors will provide a brief orientation consisting of a telephone conference and a review of material transactions effected to-date by the Resulting Issuer, as well as the general nature and proceedings of the Resulting Issuer's board of directors.

Given the industry experience of the Resulting Issuer's board of directors, it is not anticipated that the Resulting Issuer provide continuing education for its directors at this time.

Ethical Business Conduct

The Company has not adopted policies or codes of business conduct and ethics at this time. Given the experience of the anticipated board of directors for the Resulting Issuer and their prior experience, the Resulting Issuer does not, at this time, anticipate taking any additional steps to encourage and promote a culture of ethical business conduct.

Nomination of Directors

The Board has not formed a nominating committee or similar committee to assist the Board with the nomination of directors for the Company and the Resulting Issuer does not, at this time, anticipate forming a nominating committee. It is anticipated that the board of directors for the Resulting Issuer will be too small to warrant creation of such a committee, and it is anticipated that the board of directors of the Resulting Issuer will have sufficient contacts which they can draw upon to identify new directors board as needed from time to time.

The board of directors of the Resulting Issuer will continually assess its size, structure and composition, taking into consideration its current strengths, skills and experience, proposed retirements and the requirements and strategic direction of the Resulting Issuer. As required, the members of the board of directors will recommend suitable candidates for consideration as new directors.

Compensation

The Company does not have a compensation committee or a formal compensation policy and the Resulting Issuer does not, at this time, anticipate appointing any such committees. The Resulting Issuer expects to rely on its board of directors to determine the compensation of its directors and officers. In determining compensation, the directors consider industry standards and the Resulting Issuer's financial situation. The performance of each executive officer will be informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

Other Board Committees

At this time, it is not anticipated that the board of directors of the Resulting Issuer will have any standing committees other than the Audit Committee.

Assessments

The Board has not implemented a process for assessing its effectiveness and the Resulting Issuer does not, at this time, anticipate, adopting a formal process. As a result of the Resulting Issuer's small size and stage of development, it is anticipated that a formal assessment process will be in appropriate at this time.

The Board does not formally assess the performance or contribution of individual members of the Board or of any of the Company's committees, and the Resulting Issuer does not, at this time, anticipate conducting any such formal assessments.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This discussion describes the Resulting Issuer's anticipated compensation program for each person who will act as Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three most highly compensated executive officers (or three most highly compensated individuals acting in a similar capacity), other than the CEO and CFO, subsequent to the Resulting Issuer completing the Transaction (each a "Named Executive Officer").

Significant Elements

The significant elements of compensation awarded to the Named Executive Officers are a cash salary and stock options. The Resulting Issuer does not presently have a long-term incentive plan for its Named Executive Officers. There is no policy or target regarding allocation between cash and non-cash elements of the Resulting Issuer's compensation program. The Board of Directors is solely responsible for determining compensation to be paid to the Resulting Issuer's Named Executive Officers. In addition, the Board of Directors reviews annually the total compensation package of each of the Company's executives on an individual basis.

Cash Salary

In setting compensation rates for Named Executive Officers, the Resulting Issuer will compare the amounts paid to them with the amounts paid to executives in comparable positions at other comparable corporations. The Resulting Issuer's anticipated compensation payable to the Named Executive Officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Resulting Issuer.

Option-Based Awards

The Resulting Issuer has adopted a Stock Option Plan (the "Stock Option Plan") whereby a maximum of 10% of the Resulting Issuer's issued and outstanding Common Shares are reserved at any time for issuance on the exercise of stock options. The grant of stock options, as a key component of the executive compensation package, enables the Resulting Issuer to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Stock Option Plan. In granting stock options, the Board of Directors reviews the total of stock options available under the Stock Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive.

Summary Compensation Table

The following table provides a summary of compensation anticipated to be paid by the Resulting Issuer to the CEO, CFO, and the three most highly compensated executive officers of the Company other than the CEO and CFO, if any (the "Named Executive Officers") during the twelve month period following completion of the Transaction:

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Luis Saenz CEO	2024	\$32,400	-	-	-	-	-	-	\$32,400
William Tsang, CFO	2024	\$30,000 ⁽¹⁾	-	-	-	-	-	-	\$30,000

(1) Pursuant to a management services agreement to be entered into between the Resulting Issuer and Seabord Services Corp., Mr. Tsang's remuneration is expected to be paid by Seabord.

Termination and Change of Control Benefits

The Resulting issuer does not anticipate on having any contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Resulting Issuer or a change in the Named Executive Officer's responsibilities.

Compensation of Directors

The Resulting Issuer does not anticipate that it will pay any compensation to its directors during the twelve months period following completion of the Transaction. However, the Resulting Issuer's Stock Option Plan allows for the granting of stock options to its officers and directors. The purpose of granting such options is to assist the Resulting

Issuer in compensating, attracting, retaining and motivating its directors and to closely align the personal interests of such persons to that of the shareholders.

Management Contract

Pursuant to a management service agreement expected to be entered upon completion of the Transaction by the Resulting Issuer and Seabord Services Corp. of Suite 501, 543 Granville Street, Vancouver, British Columbia, the Corporation expects to pay to Seabord paid \$6,000 per month in consideration of Seabord providing office, reception, secretarial, accounting and corporate records services to the Resulting Issuer, including the services of the Resulting Issuer's CFO and Corporate Secretary. William Tsang is an employee of Seabord. Mr. Tsang is not an officer, director or shareholder of Seabord. Seabord is a private Corporation wholly-owned by Michael D. Winn of Laguna Beach, California.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, officer, promoter, member of management, nominee for election as director of the Resulting Issuer, nor any of their Associates or Affiliates, is or has been indebted to Company or expected to be indebted to the Resulting Issuer following completion of the Transaction.

INVESTOR RELATIONS ARRANGEMENTS

The Resulting Issuer does not anticipate on entering into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Resulting Issuer.

SECURITY BASED COMPENSATION

Stock Option Plan

The Company has adopted a 10% rolling stock option plan (the "Stock Option Plan"), the purpose of which is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's Common Shares issued and outstanding at the time such options are granted. The Stock Option Plan will be administered by the Company's Board of Directors, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of option grants will be determined by the Board of Directors, but after listing on the Exchange will not be less than the closing market price of the Common Shares on the Exchange less allowable discounts at the time of grant. The Stock Option Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares, if the individual is a director, officer, employee or consultant, or 2% of the issued Common Shares, if the individual is engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

See "*Part I – Information Concerning the Company – Stock Option Plan*" for the details of the Stock Option Plan.

Options Granted

No stock options will be outstanding on closing of the Transaction.

ESCROW SECURITIES

CPC Escrow Shares

As of the date of this Filing Statement, there are 2,766,668 CPC Escrow Shares held in escrow representing 39.2% of the total issued and outstanding shares of Daura. After closing of the Transaction and the Financing, the CPC Escrow Shares held in escrow will represent 4.6% of the total issued and outstanding shares of the Company, assuming the issuance of the maximum number of shares being offered pursuant to the Financing. The CPC Escrow Shares are escrowed pursuant to the CPC Escrow Agreement.

Under the CPC Escrow Agreement, 10% of the CPC Escrow Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. If the Resulting Issuer subsequently meets the Exchange's Tier 1 initial listing requirements either, the release of the CPC Escrow Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange. The Exchange's prior consent must be obtained before a transfer within escrowed Common Shares.

The following table, as of the date of this Filing Statement, sets out the number of Common Shares which will be held in escrow prior to and following completion of the Transaction:

Name	Prior to Giving Effect to the Transaction and Financing		After Giving Effect to the Transaction and Financing		
	Number of Shares held in Escrow	Percentage of Shares	Number of Shares to be held in Escrow	Percentage of Shares ⁽²⁾ (Min. Financing)	Percentage of Shares ⁽¹⁾ (Max. Financing)
Adelheid Holdings LLC. ⁽³⁾	1,200,001	17.0%	900,001	2.4%	2.1%
Duncan Quinn-Smith	400,000	5.7%	300,000	0.8%	0.7%
Jason Surratt	766,667	10.9%	575,001	1.5%	1.4%
William Tsang	100,000	1.4%	75,000	0.2%	0.2%
Christina Cepeliauskas	200,000	2.8%	150,000	0.4%	0.4%
Nicholas Lindsay	100,000	1.4%	75,000	0.2%	0.2%
Total	2,766,668	39.2%	2,075,002	5.5%	4.9%

Notes:

- (1) Assumes the issuance of 20,833,334 Units under the Minimum Financing.
- (2) Assumes the issuance of 25,000,000 Units under the Maximum Financing.
- (3) Adelheid Holdings LLC. is a company controlled by Mark D. Sumner, a director and officer of the Company prior to closing of the Transaction.

Value Escrow Shares

Upon closing of the Transaction, 7,000,000 Value Escrow Shares will be issued to the Vendors, representing 16.0% of the issued and outstanding shares of the Resulting Issuer, assuming the sale of the maximum number of Common Shares being offered pursuant to the Financing. An additional 3,103,066 Value Escrow Shares will be

issued to a director and an officer of the Resulting Issuer in settlement for amounts owed by Daura to them prior to closing of the Transaction. The Value Escrow Shares are escrowed pursuant to an escrow agreement to be entered into before closing (the "Value Escrow Agreement") among Computershare Investor Services Inc., the Company and the Value Escrow Security Holders.

Under the Value Escrow Agreement, 10% of the Value Escrowed Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. If the Resulting Issuer subsequently meets the Exchange's Tier 1 initial listing requirements either, the release of the Value Escrowed Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange. The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Common Shares.

The following table sets out the number of Common Shares which will be held as per the Value Escrow Agreement following completion of the Transaction and upon issuance of the Final Exchange Bulletin:

Name	Designation of Class	After Giving Effect to the Transaction and Financing		
		Number of Securities to be held in Escrow	Percentage of Class ⁽¹⁾	Percentage of Class ⁽²⁾
Raul Ernesto Lima Osorio	Common Shares	4,950,000	13.0%	11.7%
Preeya Lakhani	Common Shares	1,750,000	4.6%	4.2%
Lara Exploration Ltd.	Common Shares	350,000	1.0%	0.8%
Mark D. Sumner	Common Shares	1,602,716	4.2%	3.5%
Luis Saenz	Common Shares	450,350	1.2%	1.1%
Seabord Services Corp.	Common Shares	1,050,000	2.8%	2.5%
Total		10,153,066	26.7%	24.1%

Notes:

- (1) Assumes the issuance of 20,833,334 Units under the Minimum Financing.
- (2) Assumes the issuance of 25,000,000 Units under the Maximum Financing.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of the Resulting Issuer will continue to be Davidson & Company LLP, Suite 1200 - 609 Granville Street, Vancouver, B.C. V7Y 1G6.

The registrar and transfer agent of the Common Shares will continue to be Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, B.C. V6C 3B9.

PART IV – GENERAL MATTERS

SPONSORSHIP AND AGENT RELATIONSHIP

The Exchange has waived the sponsorship requirements of Policy 2.2 *Sponsorship and Sponsorship Requirements* of the Exchange.

RELATIONSHIPS

Daura has not entered into any agreements with any registrants to provide sponsorship or corporate finance services. The Company may enter into compensation or finder's fee agreements to pay registrants in connection with the Financing, but has not entered into any such agreements or into any formal engagement or similar agreements in connection with the Financing.

EXPERTS

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this Filing Statement as having prepared or certified a report, valuation, statement or opinion in this Filing Statement:

- (d) Owen D. W. Miller, PhD. FAusIMM(CP) is the author of the Technical Report on the Cochabamba Project dated July 30, 2023 and prepared in accordance with NI 43-101.
- (e) Davidson & Company LLP audited Daura's annual financial statements for the fiscal years ended December 31, 2023 and 2022.
- (f) Martinez, Rodriguez y Asociados Sociedad Civil de R.L. audited Estrella's financial statements for the fiscal year ended December 31, 2023.

Other than as disclosed herein, none of the foregoing persons or companies have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person or company prepared the report, valuation, statement or opinion aforementioned or thereafter.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts about Daura or the Transaction that are not disclosed in this Filing Statement, or are necessary in order for the Filing Statement to contain full, true and plain disclosure of all material facts relating to the Company or the Transaction.

BOARD APPROVAL

The contents of this Filing Statement have been approved by the Board of Directors of Daura Capital Corp. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than the Issuer, the Issuer has relied upon information furnished by such person.

CERTIFICATE OF ISSUER

Dated: December 19, 2024

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of **DAURA CAPITAL CORP.** assuming Completion of the Qualifying Transaction.

/s/ Mark D. Sumner

MARK D. SUMNER

Chief Executive Officer and Director

/s/ William Tsang

WILLIAM TSANG

Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ Duncan Quinn-Smith

DUNCAN QUINN-SMITH

Director

/s/ Christina Cepeliauskas

CHRISTINA CEPELIAUSKAS

Director

CERTIFICATE OF PROMOTER

Dated: December 19, 2024

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of **DAURA CAPITAL CORP.** assuming Completion of the Qualifying Transaction.

/s/ Raul Ernesto Lima Osorio

RAUL ERNESTO LIMA OSORIO

Promoter

CERTIFICATE OF ESTRELLA GOLD. S.A.C.

Dated: December 19, 2024

The foregoing, as it relates to **ESTRELLA GOLD S.A.C.**, constitutes full, true and plain disclosure of all material facts relating to the securities of **ESTRELLA GOLD S.A.C.**

/s/ Diego Cilloniz Montesinos

DIEGO CILLONIZ MONTESINOS
General Manager
(chief executive officer and chief financial officer)

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ Raul Ernesto Lima Osorio

RAUL ERNESTO LIMA OSORIO
Director (Chair of the Board)

/s/ Diego Cilloniz Montesinos

DIEGO CILLONIZ MONTESINOS
Director

SCHEDULE "A" FINANCIAL STATEMENTS OF DAURA CAPITAL CORP.

DAURA CAPITAL CORP.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Daura Capital Corp.

Opinion

We have audited the accompanying financial statements of Daura Capital Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss of \$22,732 during the year ended December 31, 2023 and, as of that date, the Company's accumulated deficit was \$1,058,063. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year ended. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Glenn Parchomchuk.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 29, 2024

DAURA CAPITAL CORP.
 STATEMENTS OF FINANCIAL POSITION
 (Expressed in Canadian Dollars)

	December 31 2023	December 31 2022
ASSETS		
Current assets		
Cash	\$ 1,398	\$ 211,403
Total current assets	1,398	211,403
TOTAL ASSETS	\$ 1,398	\$ 211,403
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 3)	\$ 332,972	\$ 308,879
Note payable (Note 4)	-	101,200
Total current liabilities	332,972	410,079
Non-current liabilities		
Note payable (Note 4)	101,200	-
Total non-current liabilities	101,200	-
Total liabilities	434,172	410,079
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 5)	569,121	569,121
Subscription received in advance (Note 5)	-	211,366
Reserves	56,168	56,168
Deficit	(1,058,063)	(1,035,331)
Total shareholders' equity (deficiency)	(432,774)	(198,676)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	\$ 1,398	\$ 211,403

Nature and continuance of operations (Note 1)

Event after reporting date (Note 11)

These financial statements were authorized for issuance by the Board of Directors on April 29, 2024.

Approved by the Board of Directors

"Mark D. Sumner" Director

"Christina Cepeliauskas" Director

The accompanying notes are an integral part of these financial statements.

DAURA CAPITAL CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year ended December 31 2023	Year ended December 31 2022
General and administrative expenses		
Office and administrative expenses	\$ 14,354	\$ 13,388
Professional fees	16,189	85,456
Transfer agent and filing fees	10,948	14,405
Loss from operations	(41,491)	(113,249)
Interest income	-	22,217
Loan impairment (Note 6)	-	(276,147)
Derecognition of deferred acquisition costs (Note 6)	-	(224,727)
Recovery of past expenses	18,853	-
Foreign exchange loss and other	(94)	(171)
Net loss and comprehensive loss	\$ (22,732)	\$ (592,077)
Earnings (loss) per share - basic and diluted	\$ (0.00)	\$ (0.08)
Weighted average number of shares - basic and diluted	7,054,668	7,054,668

The accompanying notes are an integral part of these financial statements.

DAURA CAPITAL CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended December 31 2023	Year ended December 31 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (22,732)	\$ (592,077)
Items not affecting cash:		
Loan impairment	-	276,147
Derecognition of deferred acquisition costs	-	224,727
Interest income	-	(22,217)
Net change in non-cash working capital items:		
Accounts payable and accrued liabilities	24,093	61,049
Net cash provided by (used in) operating activities	1,361	(52,371)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deferred acquisition costs	-	(93,408)
Net cash used in investing activities	-	(93,408)
CASH FLOWS FROM FINANCING ACTIVITIES		
Return of subscriptions received in advance	(211,366)	-
Net cash used in financing activities	(211,366)	-
Change in cash	(210,005)	(145,779)
Cash, beginning of year	211,403	357,182
Cash, end of year	\$ 1,398	\$ 211,403

Supplemental disclosure with respect to cash flows (Note 8)

The accompanying notes are an integral part of these financial statements.

DAURA CAPITAL CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Subscription received in advance	Share-based payments reserve	Deficit	Total shareholders' equity
Balance as at December 31, 2021	7,054,668	\$ 569,121	\$ 312,566	\$ 56,168	\$ (443,254)	494,601
Note payable arrangement (Note 4)	-	-	(101,200)	-	-	(101,200)
Loss for the year	-	-	-	-	(592,077)	(592,077)
Balance as at December 31, 2022	7,054,668	\$ 569,121	\$ 211,366	\$ 56,168	\$ (1,035,331)	(198,676)
Return of subscription received in advance	-	-	(211,366)	-	-	(211,366)
Loss for the year	-	-	-	-	(22,732)	(22,732)
Balance as at December 31, 2023	7,054,668	\$ 569,121	\$ -	\$ 56,168	\$ (1,058,063)	(432,774)

The accompanying notes are an integral part of these financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Daura Capital Corp. (the "Company") has completed an Initial Public Offering ("IPO") and it has been classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange" or "TSX-V") Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view of completing a Qualifying Transaction under the policies of the TSX-V. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on March 29, 2018. The Company's common shares are listed on the TSX-V under the symbol "DUR". The Company's head office, registered, and records office address is 704 - 595 Howe Street, Vancouver, British Columbia, Canada.

The Company incurred a loss during the year of \$22,732 (2022 - \$592,077) and has an accumulated deficit of \$1,058,063 (2022 - \$1,035,331) as at December 31, 2023. The Company's continuing operations are dependent upon its ability to identify and evaluate assets or businesses potential for acquisition or participation by completing a Qualifying Transaction, as defined in Exchange Policy 2.4. Any acquisition or investment proposed by the Company will be subject to regulatory approval. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation and measurement

These financial statements have been prepared using accounting policies in compliance with IFRS and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements have been prepared on a historical cost basis, except for financial instruments, which have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Foreign currency translation

These financial statements are presented in Canadian dollars, unless otherwise noted. The functional currency of the Company is the Canadian dollar, which is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgements to determine the primary economic environment.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

Financial instruments

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Financial instruments (cont'd...)

The Company classifies its financial assets and financial liabilities in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- b) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). Any fair value changes due to credit risk for liabilities designated at fair value through profit and loss are recorded in other comprehensive income.

The Company has implemented the following classifications for financial instruments:

- a) cash is measured at amortized cost; and
- b) accounts payable and accrued liabilities and note payable are classified as other financial liabilities and are measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss, as applicable.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Impairment of financial assets

An 'expected credit loss' impairment model is applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Deferred acquisition costs

Costs incurred or accrued prior to the execution and closing of an acquisition are deferred. Deferred costs are re-allocated to long-lived assets upon signing of a definitive agreement. If management determines not to proceed with a proposed acquisition, the deferred costs are expensed at that time.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Loss per share

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted loss per share is calculated by adjusting the loss attributable to equity holders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In periods where a loss is reported, diluted loss per share is the same as basic loss per share as the effects of potentially dilutive common shares would be anti-dilutive.

Share-based payments

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

Stock options granted to directors, officers, and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based payments recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of loss and comprehensive loss.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and losses carried forward. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Critical accounting estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about significant areas of estimation uncertainty and judgments made by management in preparing the financial statements are described below. The preparation of financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

a) Income taxes

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

New accounting pronouncements

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended December 31, 2023:

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, classification of liabilities as current or non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are to be applied retrospectively. The Company does not expect the amendment or any other amendments to standards and interpretations applicable to the Company and not yet effective for the year ended December 31, 2023 to have a significant effect on its financial statements.

DAURA CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31 2023	December 31 2022
Accounts payable	\$ 183,558	\$ 201,179
Accrued liabilities	83,200	82,700
Other payable	66,214	25,000
	\$ 332,972	\$ 308,879

During the year ended December 31, 2023, related parties advanced \$41,214 (2022 - \$25,000) to the Company, which is non-interest bearing and has been included in the accounts payable as at the reporting date.

4. NOTE PAYABLE

In April 2022, the Company entered into a loan agreement for proceeds of \$101,200, which had been previously recorded as share subscriptions received in advance. The loan is non-interest bearing and is due and payable on or before June 30, 2023. Should the Company complete its contemplated Qualifying Transaction and concurrent financing on or before June 30, 2023, the loan shall be converted into 506,000 units having the same terms as those issued in connection with the proposed concurrent financing. During the year ended December 31, 2023, the term of loan was extended by two years to June 30, 2025.

5. SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares and preferred shares without par value. As at December 31, 2023 and 2022, 2,766,668 common shares of the Company were held in escrow, 25% of which are to be released upon issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 25% every six months thereafter, over eighteen months following the Initial Release.

Issued share capital

There were no changes in share capital during the years ended December 31, 2023 and 2022.

Stock options

The Company has adopted an incentive stock option plan (the "Plan") which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at closing until the completion of a Qualifying Transaction and thereafter 10% of the issued and outstanding common shares. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Stock options may be exercised the greater of 12 months after completion of a Qualifying Transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Subject to earlier termination, all stock options granted under the Plan will expire not later than the date that is ten years from the date of the grant. Any common shares acquired pursuant to the exercise of stock options prior to completion of a Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

DAURA CAPITAL CORP.
 NOTES TO THE FINANCIAL STATEMENTS
 (Expressed in Canadian Dollars)
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

5. SHARE CAPITAL (cont'd...)

Stock options (cont'd...)

There were no changes to the number of stock options outstanding for the years ended December 31, 2023 and 2022.

As at December 31, 2023, the weighted average remaining life of the outstanding stock options was 0.72 (2022 - 1.72) years. The Company's outstanding stock options as at December 31, 2023 are as follows:

Expiry date	Exercise price	Outstanding	Exercisable
September 17, 2024	\$ 0.10	460,000	460,000

During the year ended December 31, 2023, the Company returned \$211,366 of subscriptions received in advance.

6. LOANS RECEIVABLE AND DEFERRED ACQUISITION COSTS

In October 2019, the Company entered into a letter of intent ("LOI") with the shareholders of Estrella Gold S.A.C. ("Estrella") to acquire all issued and outstanding common shares of Estrella for common shares of the Company. The transaction contemplated in the LOI was subject to completion of due diligence, a concurrent financing, approval of the TSX-V, and other conditions contained in the LOI. In March 2021, the Company entered into a definitive share exchange agreement with Estrella.

In November 2022, the Company announced the termination of this contemplated transaction.

In connection with the acquisition, the Company advanced a total of \$222,177 as a refundable deposit in the form of a secured loan, subject to an interest rate of 10% per annum. As at December 31, 2022, the Company has accrued interest of \$53,970 on the outstanding balance and recognized an allowance of \$276,147 on the total loans receivable balance outstanding.

Up to November 2022, the Company advanced US\$25,000 or \$33,282 as a non-refundable deposit upon the execution of the LOI and incurred other expenditures of \$191,445 cumulatively relating to the contemplated transaction with Estrella. The Company recognized the cumulative advance and deferred expenditures in its profit or loss during the year ended December 31, 2022.

7. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

For the years ended December 31, 2023 and 2022, there was no compensation to management personnel. Seaboard Services Corp. ("Seaboard") provides the following services to the Company: A Chief Financial Officer ("CFO"), a Corporate Secretary, accounting and administration staff, office space, and any related work to the IPO and Qualifying Transaction of the Company. The CFO and Corporate Secretary are employees of Seaboard and are not paid directly by the Company.

As at December 31, 2023, the Company had \$65,214 (2022 - \$29,985) due to an officer of the Company related to advances and expense reimbursements, and \$64,080 (2022 - \$63,000) due to Seaboard which have been included in accounts payable and accrued liabilities.

DAURA CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no non-cash investing or financing activities during the year ended December 31, 2023.

During the year ended December 31, 2022, the Company entered into a loan agreement for proceeds of \$101,200, which had previously been recorded as subscription received in advance.

9. FINANCIAL INSTRUMENTS

Capital risk management

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at December 31, 2023, the Company had a working capital deficiency of \$432,774 (2022 - \$198,676). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company is not subject to any externally imposed requirements other than the expenditure restrictions applicable under the Exchange Policy 2.4, which will apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, Qualifying Transaction, assurance and audit fees, and escrow agent and transfer agent fees.

The Company classified its financial instruments as follows:

	December 31 2023	December 31 2022
Financial assets - Amortized cost:		
Cash	\$ 1,398	\$ 211,403
Financial liabilities - Amortized cost:		
Accounts payable and accrued liabilities	\$ 332,972	\$ 308,879
Note payable	101,200	101,200

Fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The carrying value of cash, accounts payable and accrued liabilities, and note payable approximated their fair value.

Credit risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

DAURA CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

9. FINANCIAL INSTRUMENTS (cont'd...)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash as well as anticipated proceeds from the proposed financing. The Company believes that further funding will be required to meet long-term requirements. All the Company's financial liabilities are to be settled within one year.

10. INCOME TAXES

Income tax expense differs from the amount that would result from applying Canadian income tax rates to earnings before income taxes. These differences result from the following items:

	December 31 2023	December 31 2022
During the year ended		
Loss before income taxes	\$ (22,732)	\$ (592,077)
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax recovery at statutory income tax rate	(6,138)	(159,861)
Changes in unrecognized deductible temporary differences and other	6,138	159,861
Total income tax expense (recovery)	\$ -	\$ -

The composition of the Company's net deferred income tax asset (liability) that has been recognized is as follows:

	December 31 2023	December 31 2022
Deferred income tax assets (liabilities)		
Non-capital losses carried forward	\$ 288,528	\$ 278,329
Share issue costs	1,137	5,207
	289,665	283,536
Unrecognized deferred tax assets	(289,665)	(283,536)
Net deferred income tax asset (liability)	\$ -	\$ -

Significant components of the Company's deferred tax assets that have not been included in the statements of financial position are as follows:

	December 31 2023	Expiry date range	December 31 2022	Expiry date range
Non-capital losses	\$ 1,068,624	2026-2043	\$ 1,030,849	2026-2042
Share issue costs	\$ 4,211	2024	\$ 19,284	2023-2024

Tax attributes are subject to review and potential adjustment by tax authorities.

11. EVENT AFTER REPORTING DATE

Subsequent to December 31, 2023, the Company received an additional non-interest-bearing advance of \$5,000 from a related party.

DAURA CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

DAURA CAPITAL CORP.**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian Dollars)

	Three months ended September 30 2024	Three months ended September 30 2023	Nine months ended September 30 2024	Nine months ended September 30 2023
General and administrative expenses				
Office and administrative expenses	\$ 4,201	\$ 1,782	\$ 13,563	\$ 9,858
Professional fees	5,567	4,000	19,329	12,189
Transfer agent and filing fees	496	1,068	6,425	9,815
Loss from operations	(10,264)	(6,850)	(39,317)	(31,862)
Interest expense (Note 4)	(836)	-	(836)	-
Recovery of past expenses	-	-	-	18,853
Foreign exchange loss and other	-	-	-	(94)
Loss and comprehensive loss	\$ (11,100)	\$ (6,850)	\$ (40,153)	\$ (13,103)
Loss per share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of shares - basic and diluted	7,054,668	7,054,668	7,054,668	7,054,668

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

DAURA CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended September 30 2024	Nine months ended September 30 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (40,153)	\$ (13,103)
Items not affecting cash:		
Interest expense	836	-
Net change in non-cash working capital items:		
Prepaid expenses	(10,500)	-
Accounts payable and accrued liabilities	20,087	16,917
Net cash (used in) provided by operating activities	(29,730)	3,814
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt (return) of subscriptions received in advance	141,633	(211,366)
Proceeds from loans payable, net	33,448	-
Net cash provided by (used in) financing activities	175,081	(211,366)
Change in cash	145,351	(207,552)
Cash, beginning of period	1,398	211,403
Cash, end of period	\$ 146,749	\$ 3,851

Supplemental disclosure with respect to cash flows (Note 7)

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

DAURA CAPITAL CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Unaudited - Expressed in Canadian Dollars)

	Number of shares	Share capital	Subscriptions received in advance	Share-based payments reserve	Deficit	Total shareholders' equity (deficiency)
Balance as at December 31, 2022	7,054,668	\$ 569,121	\$ 211,366	\$ 56,168	\$ (1,035,331)	\$ (198,676)
Return of subscriptions received in advance	-	-	(211,366)	-	-	(211,366)
Loss for the period	-	-	-	-	(13,103)	(13,103)
Balance as at September 30, 2023	7,054,668	\$ 569,121	\$ -	\$ 56,168	\$ (1,048,434)	\$ (423,145)

	Number of shares	Share capital	Subscriptions received in advance	Share-based payments reserve	Deficit	Total shareholders' equity (deficiency)
Balance as at December 31, 2023	7,054,668	\$ 569,121	\$ -	\$ 56,168	(1,058,063)	(432,774)
Loss for the period	-	-	-	-	(40,153)	(40,153)
Balance as at September 30, 2024	7,054,668	\$ 569,121	\$ -	\$ 56,168	(1,098,216)	(472,927)

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

DAURA CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

1. NATURE AND CONTINUANCE OF OPERATIONS

Daura Capital Corp. (the "Company") has completed an Initial Public Offering ("IPO") and it has been classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange" or "TSX-V") Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view of completing a Qualifying Transaction under the policies of the TSX-V. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on March 29, 2018. The Company's common shares are listed on the TSX-V under the symbol "DUR". The Company's head office, registered, and records office address is 704 - 595 Howe Street, Vancouver, British Columbia, Canada.

The Company incurred a loss during the period of \$40,153 (2023 - \$13,103) and has an accumulated deficit of \$1,098,216 (December 31, 2023 - \$1,058,063) as at September 30, 2024. The Company's continuing operations are dependent upon its ability to identify and evaluate assets or businesses potential for acquisition or participation by completing a Qualifying Transaction, as defined in Exchange Policy 2.4. Any acquisition or investment proposed by the Company will be subject to regulatory approval. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation and measurement

These condensed interim financial statements, including comparatives, have been prepared in accordance with IFRS, applicable to preparation of interim financial statements including International Accounting Standard 34 Interim Financial Reporting. These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments, which have been measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2023.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30	December 31
	2024	2023
Accounts payable	\$ 170,682	\$ 183,558
Accrued liabilities	75,200	83,200
Other payables	107,177	66,214
	\$ 353,059	\$ 332,972

During the nine months ended September 30, 2024, related parties and parties at-arm's-length advanced \$35,963 (2023 - \$34,229) and \$5,000 (2023 - \$Nil) to the Company respectively, which is non-interest bearing and has been included in the accounts payable as at the reporting date.

DAURA CAPITAL CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

4. NOTES PAYABLE

In April 2022, the Company entered into a loan agreement for proceeds of \$101,200, which had been previously recorded as share subscriptions received in advance. The loan is non-interest bearing and is due and payable on or before June 30, 2023 (extended to June 30, 2025).

In July 2024, the Company entered into a loan agreement for proceeds of \$33,448 or US\$25,000, which is bearing interest at 15% per annum and payable on the earlier of (a) June 30, 2026 and (b) completion of the Company's contemplated Qualifying Transaction and concurrent financing. As at September 30, 2024, the Company has accrued interest of \$836 (December 31, 2023 - \$Nil).

5. SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares and preferred shares without par value. As at September 30, 2024 and December 31, 2023, 2,766,668 common shares of the Company were held in escrow, 25% of which are to be released upon issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 25% every six months thereafter, over eighteen months following the Initial Release.

Issued share capital

There were no changes in share capital during the nine months ended September 30, 2024.

During the nine months ended September 30, 2024, the Company received \$141,633 of subscriptions in advance.

During the nine months ended September 30, 2023, the Company returned \$211,366 of subscriptions received in advance.

Stock options

The changes in stock options outstanding are as follows:

	Outstanding	Weighted average exercise price
As at December 31, 2023	460,000	\$ 0.10
Expired/cancelled	(460,000)	0.10
As at September 30, 2024	-	\$ -

As at September 30, 2024, the weighted average remaining life of the outstanding stock options was Nil (December 31, 2023 - 0.72) years.

6. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

DAURA CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

6. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd...)

For the nine months ended September 30, 2024 and 2023, there was no compensation to management personnel. Seabord Services Corp. ("Seabord") provides the following services to the Company: A Chief Financial Officer ("CFO"), a Corporate Secretary, accounting and administration staff, office space, and any related work to the IPO and Qualifying Transaction of the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

As at September 30, 2024, the Company had \$96,162 (December 31, 2023 - \$65,214) due to an officer of the Company and \$5,015 (December 31, 2023 - \$Nil) due to directors of the Company related to advances and expense reimbursements, and \$64,080 (December 31, 2023 - \$64,080) due to Seabord which have been included in accounts payable and accrued liabilities.

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash investing or financing activities during the nine months ended September 30, 2024 and 2023.

8. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	September 30	December 31
	2024	2023
Financial assets - Amortized cost:		
Cash	\$ 146,749	\$ 1,398
Financial liabilities - Amortized cost:		
Accounts payable and accrued liabilities	\$ 353,059	\$ 332,972
Notes payable	135,484	101,200
Subscriptions received in advance	141,633	-

Fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The carrying value of cash, accounts payable and accrued liabilities, notes payable, and subscription received in advance approximated their fair value.

DAURA CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

8. FINANCIAL INSTRUMENTS (cont'd...)

Capital risk management

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at September 30, 2024, the Company had a working capital deficiency of \$438,643 (December 31, 2023 - \$331,574). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company is not subject to any externally imposed requirements other than the expenditure restrictions applicable under the Exchange Policy 2.4, which will apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, Qualifying Transaction, assurance and audit fees, and escrow agent and transfer agent fees.

Credit risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

In October 2019, the Company entered into a letter of intent ("LOI") with the shareholders of Estrella Gold S.A.C. ("Estrella") to acquire all issued and outstanding common shares of Estrella for common shares of the Company. The transaction contemplated in the LOI was subject to completion of due diligence, a concurrent financing, approval of the TSX-V, and other conditions contained in the LOI. In March 2021, the Company entered into a definitive share exchange agreement with Estrella.

In November 2022, the Company announced the termination of this contemplated transaction, which has increased the associated credit risks and affected the Company's ability to recover its loans receivable.

In connection with the acquisition, the Company advanced a total of \$222,177 as a refundable deposit in the form of a secured loan, subject to an interest rate of 10% per annum. As at December 31, 2022, the Company has accrued interest of \$53,970 on the outstanding balance and assessed these loans receivable to be credit-impaired financial assets; therefore, the Company recognized an allowance of \$276,147 on the total loans receivable balance outstanding. The Company applied the 'expected credit loss' impairment model and estimated the probability-weighted present value of future cash flows to be \$Nil, based on (a) the available working capital of Estrella, (b) costs, effort, expertise, and time to foreclose, (c) net recoverable amount on Estrella's pledged mineral concessions (the "Collateral") issued by Peruvian Geology, Mining and Metallurgical Institute ("INGEMMET"), and (d) uncertainty on favourable outcome.

Up to November 2022, the Company advanced US\$25,000 or \$33,282 as a non-refundable deposit upon the execution of the LOI and incurred other expenditures of \$191,445 cumulatively relating to the contemplated transaction with Estrella. The Company recognized the cumulative advance and deferred expenditures in its profit or loss during the year ended December 31, 2022.

DAURA CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

8. FINANCIAL INSTRUMENTS (cont'd...)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash as well as anticipated proceeds from the proposed financing. The Company believes that further funding will be required to meet long-term requirements. All the Company's financial liabilities are to be settled within one year, except for its note payable (Note 4).

9. PROPOSED TRANSACTIONS

In July 2024, the Company entered into a new share exchange agreement (the "SEA") with the shareholders of Estrella Gold S.A.C., a privately held Peruvian gold company, pursuant to which Daura proposes to acquire a 100% interest in Estrella, who holds a series of gold concessions in the Ancash Region of Northern Peru and the primary target being a high-grade gold-silver project called Antonella. The Company has agreed to issue 7,000,000 common shares to acquire Estrella. It is intended that the acquisition of Estrella will constitute Daura's "Qualifying Transaction" under the policies of the TSX-V (the "Estrella QT").

The Company intends to issue a minimum of 16,666,667 units (each a "Unit") and a maximum of up to 25,000,000 Units at a price of \$0.06 per Unit for gross proceeds of between \$1,000,000 and \$1,500,000. Each Unit will consist of one Daura Share and one (full) share purchase warrant (each a "Warrant"), with each whole Warrant entitling the holder to purchase one additional Daura Share at a price of \$0.10 per share for a period of two years from the date of issuance. Net proceeds from this concurrent financing will be used to fund exploration of the Estrella project portfolio, expenses related to the Estrella QT and for general working capital purposes. Subject to the approval of the TSX-V, Daura may pay eligible finders a fee equal to 7% of the financing in cash, and 7% in share purchase warrants under the concurrent financing.

SCHEDULE "B" MANAGEMENT'S DISCUSSION AND ANALYSIS FOR DAURA CAPITAL CORP.

DAURA CAPITAL CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

GENERAL

This management's discussion and analysis ("MD&A") of the financial position and results of operations is as at April 29, 2024 and should be read in conjunction with the financial statements of Daura Capital Corp. (the "Company" or "Daura") for the years ended December 31, 2023 and 2022 and the related notes thereto. Those financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). All dollar amounts included therein and in the following management's discussion and analysis are in Canadian dollars except where noted.

FORWARD LOOKING INFORMATION

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Daura's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicate herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities regulations.

COMPANY OVERVIEW

The Company was incorporated under the Business Corporations Act of British Columbia on March 29, 2018. The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V" or the "Exchange"). The Company's principal business is to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange. The Company's common shares are listed on the TSX-V under the symbol "DUR". The Company's head office is located at 704 - 595 Howe Street, Vancouver, British Columbia, Canada.

HIGHLIGHT

During the year ended December 31, 2023, the Company returned all subscriptions received in advance in connection to the concurrent financing related to the Company's proposed Qualifying Transaction with Estrella Gold SAC ("Estrella").

SELECTED ANNUAL INFORMATION

Year ended	December 31, 2023	December 31, 2022	December 31, 2021
Financial Results			
General and administrative expenses	\$ 41,491	\$ 113,249	\$ 96,875
Loss for the year	(22,732)	(592,077)	(73,765)
Loss per share - basic and diluted	(0.00)	(0.08)	(0.02)
Financial Position			
Working capital (deficiency)	(432,774)	(198,676)	109,352
Total assets	1,398	211,403	742,431
Share capital	569,121	569,121	569,121
Deficit	(1,058,063)	(1,035,331)	(443,254)

RESULTS OF OPERATIONS

Three months ended December 31, 2023

The Company recorded a loss of \$9,629 for the three months ended December 31, 2023, compared to the loss of \$511,598 for the comparative period. The change was primarily attributable to the impairment of loans receivable of \$276,147 and derecognition of deferred costs of \$224,727 during the comparative period, as a result of the termination of the Company's proposed Qualifying Transaction with Estrella.

Year ended December 31, 2023

The Company recorded a loss of \$22,732 for the year ended December 31, 2023, compared to the loss of \$592,077 for the comparative year. The change was primarily attributable to the impairment of loans receivable and derecognition of deferred costs as discussed above.

QUARTERLY FINANCIAL INFORMATION

The following table provides selected financial information for the eight quarters up to December 31, 2023 and should be read in conjunction with the Company's financial statements for the years ended December 31, 2023 and 2022.

Quarter ended	December 31 2023	September 30 2023	June 30 2023	March 31 2023
Revenue	\$ -	\$ -	\$ -	\$ -
Share-based payments	-	-	-	-
Income (loss) and comprehensive income (loss)	\$ (9,629)	\$ (6,850)	\$ (11,353)	\$ 5,100

Quarter ended	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Revenue	\$ -	\$ -	\$ -	\$ -
Share-based payments	-	-	-	-
Income (loss) and comprehensive income (loss)	\$ (511,598)	\$ (75,564)	\$ (1,067)	\$ (3,848)

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, the Company had working capital deficit of \$432,774 (2022 - \$198,676), which was primarily comprised of cash of \$1,398, accounts payable and accrued liabilities of \$332,972, and a non-interest-bearing note payable of \$101,200 originally due on or before June 30, 2023 (should the Company complete its contemplated Qualifying Transaction and concurrent financing on or before June 30, 2023, the loan shall be converted into 506,000 units having the same terms as those issued in connection with the concurrent financing). The term of this loan was extended by two years to June 30, 2025.

During the year ended December 31, 2023, cash decreased by \$210,005, primarily from cash used in financing activities.

Operating activities

During the year ended December 31, 2023, net cash provided by operating activities amounted to \$1,361, which included an increase of accounts payable and accrued liabilities of \$24,093.

Financing activities

During the year ended December 31, 2023, net cash used in financing activities was \$211,366, which related to the return of subscriptions received in advance in connection to the concurrent financing related to the Company's proposed Qualifying Transaction with Estrella.

FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT

The Company does not utilize complex financial instruments in hedging metal price, foreign exchange, or interest exposure. Any hedging activity requires approval of the Company's Board of Directors. The Company will not hold or issue derivative instruments for speculation or trading purposes. Please refer to the financial statements for the year ended December 31, 2023.

RELATED PARTY TRANSACTIONS

For the year ended December 31, 2023 and 2022, there was no compensation to management personnel.

For the year ended December 31, 2023, the Company paid or accrued \$Nil (2022 - \$Nil) to Seabord Services Corp. ("Seabord"). Seabord provides the following services to the Company: A Chief Financial Officer ("CFO"), a Corporate Secretary, accounting and administration staff, office space, and any related work to the IPO and Qualifying Transaction of the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

As at December 31, 2023, the Company had \$65,214 (2022 - \$28,985) due to an officer of the Company related to advances and expense reimbursements, and \$64,080 (2022 - \$63,000) due to Seabord which have been included in accounts payable and accrued liabilities.

EVENT AFTER REPORTING DATE

Subsequent to December 31, 2023, the Company received an additional non-interest-bearing advance \$5,000 from a related party.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CHANGES IN ACCOUNTING POLICIES

Please refer to the financial statements for the years ended December 31, 2023 and 2022.

RISKS AND UNCERTAINTIES

The Company has successfully completed its IPO. Subsequent to the completion of its IPO, the Company is not permitted to carry on any other business other than the identification and evaluation of assets or business to complete a Qualifying Transaction. There can be no assurance the Company will successfully identify an assets or businesses to complete a Qualifying Transaction or have the necessary financial resources to complete a Qualifying Transaction. There can be no assurance that the Company will be able to successfully obtain the necessary financing in the future on terms acceptable to the Company or at all.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certification 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 financial statements for the years ended December 31, 2023 and 2022 and this accompanying MD&A.

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 the Annual Filings on SEDAR+ at www.sedarplus.ca.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 7,054,668 common shares issued and outstanding. There were also 460,000 stock options outstanding with expiry date of September 17, 2024.

DAURA CAPITAL CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

GENERAL

This management's discussion and analysis ("MD&A") of the financial position and results of operations is as at November 29, 2024 and should be read in conjunction with the condensed interim financial statements of Daura Capital Corp. (the "Company" or "Daura") for the nine months ended September 30, 2024 and 2023 and the related notes thereto. Those financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). All dollar amounts included therein and in the following management's discussion and analysis are in Canadian dollars except where noted.

FORWARD LOOKING INFORMATION

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Daura's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicate herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities regulations.

COMPANY OVERVIEW

The Company was incorporated under the Business Corporations Act of British Columbia on March 29, 2018. The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V" or the "Exchange"). The Company's principal business is to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange. The Company's common shares are listed on the TSX-V under the symbol "DUR". The Company's head office is located at 704 - 595 Howe Street, Vancouver, British Columbia, Canada.

HIGHLIGHTS

During the three months ended September 30, 2024, the Company:

- entered into a new share exchange agreement (the "SEA") with the shareholders of Estrella Gold S.A.C ("Estrella"), a privately held Peruvian gold company, pursuant to which Daura proposes to acquire a 100% interest in Estrella, who holds a series of gold concessions in the Ancash Region of Northern Peru and the primary target being a high-grade gold-silver project called Antonella. The Company has agreed to issue 7,000,000 common shares of Company to acquire Estrella. It is intended that the acquisition of Estrella will constitute Daura's "qualifying transaction" under the policies of the Exchange (the "Qualifying Transaction");
- announced it intends to issue a minimum of 16,666,667 units and a maximum of up to 25,000,000 units at a price of \$0.06 per unit for gross proceeds of between \$1,000,000 and \$1,500,000 concurrent to its Qualifying Transaction. Each unit will consist of one common share and one share purchase warrant, with each whole warrant is exercisable at \$0.10 per share for a period of two years from the date of issuance. Net proceeds will be used to fund exploration of the Estrella project portfolio, expenses related to the Qualifying Transaction and for general working capital purposes; and
- has made its initial filings with the TSX-V to seek conditional acceptance of the proposed Qualifying Transaction.

RESULTS OF OPERATIONS

Three months ended September 30, 2024

The Company recorded a loss of \$11,100 for the three months ended September 30, 2024, compared to \$6,850 for the comparative quarter. The change was primarily attributable to increased administrative expenses for its Annual General Meeting.

Nine months ended September 30, 2024

The Company recorded a loss of \$40,153 for the nine months ended September 30, 2024, compared to \$13,103 for the comparative period. The change was primarily attributable to a recovery of regulatory fees previously paid and recognized in the profit or loss during the comparative period.

QUARTERLY FINANCIAL INFORMATION

The following table provides selected financial information for the eight quarters up to September 30, 2024 and should be read in conjunction with the Company's financial statements for the years ended December 31, 2023 and 2022.

Quarter ended	September 30 2024	June 30 2024	March 31 2024	December 31 2023
Revenue	\$ -	\$ -	\$ -	\$ -
Share-based payments	-	-	-	-
Income (loss) and comprehensive income (loss)	\$ (11,100)	\$ (16,022)	\$ (13,031)	\$ (9,629)

Quarter ended	September 30 2023	June 30 2023	March 31 2023	December 31 2022
Revenue	\$ -	\$ -	\$ -	\$ -
Share-based payments	-	-	-	-
Income (loss) and comprehensive income (loss)	\$ (6,850)	\$ (11,353)	\$ 5,100	\$ (511,598)

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2024, the Company had working capital deficit of \$438,643 (December 31, 2023 - \$331,574), which was primarily comprised of cash of \$146,749, accounts payable and accrued liabilities of \$353,059, a note payable of \$101,200, and subscriptions received in advance of \$141,633.

The Company had a non-interest-bearing note payable of \$101,200 originally due on or before June 30, 2023 (should the Company complete its contemplated Qualifying Transaction and concurrent financing on or before June 30, 2023, the loan shall be converted into 506,000 units having the same terms as those issued in connection with the concurrent financing). The term of this loan was extended by two years to June 30, 2025.

The Company entered into a loan agreement for proceeds of \$33,448 or US\$25,000, which is bearing interest at 15% per annum and payable on June 30, 2026.

During the nine months ended September 30, 2024, cash increased by \$145,351, primarily from cash provided by financing activities.

Operating activities

During the nine months ended September 30, 2024, net cash used in operating activities amounted to \$29,730, which included an increase of accounts payable and accrued liabilities of \$20,087.

Financing activities

During the nine months ended September 30, 2024, net cash provided by financing activities amounted to \$175,081, which included \$141,633 of subscriptions received in advance and \$33,448 proceed from its loan payable.

FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT

The Company does not utilize complex financial instruments in hedging metal price, foreign exchange, or interest exposure. Any hedging activity requires approval of the Company's Board of Directors. The Company will not hold or issue derivative instruments for speculation or trading purposes. Please refer to the condensed interim financial statements for the nine months ended September 30, 2024 and 2023.

RELATED PARTY TRANSACTIONS

For the nine months ended September 30, 2024 and 2023, there was no compensation to management personnel. Seabord Services Corp. ("Seabord") provides the following services to the Company: A Chief Financial Officer ("CFO"), a Corporate Secretary, accounting and administration staff, office space, and any related work to the IPO and Qualifying Transaction of the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

As at September 30, 2024, the Company had \$96,162 (December 31, 2023 - \$65,214) due to an officer of the Company and \$5,015 (December 31, 2023 - \$Nil) due to directors of the Company related to advances and expense reimbursements, and \$64,080 (December 31, 2023 - \$64,080) due to Seabord which have been included in accounts payable and accrued liabilities.

PROPOSED TRANSACTIONS

In July 2024, the Company entered into a new share exchange agreement (the "SEA") with the shareholders of Estrella Gold S.A.C ("Estrella"), a privately held Peruvian gold company, pursuant to which Daura proposes to acquire a 100% interest in Estrella, who holds a series of gold concessions in the Ancash Region of Northern Peru and the primary target being a high-grade gold-silver project called Antonella. The Company has agreed to issue 7,000,000 common shares of Company to acquire Estrella. It is intended that the acquisition of Estrella will constitute Daura's "Qualifying Transaction" under the policies of the TSX-V (the "Estrella QT").

The Company intends to issue a minimum of 16,666,667 units (each a "Unit") and a maximum of up to 25,000,000 Units at a price of \$0.06 per Unit for gross proceeds of between \$1,000,000 and \$1,500,000. Each Unit will consist of one Daura Share and one (full) share purchase warrant (each a "Warrant"), with each whole Warrant entitling the holder to purchase one additional Daura Share at a price of \$0.10 per share for a period of two years from the date of issuance. Net proceeds from this concurrent financing will be used to fund exploration of the Estrella project portfolio, expenses related to the Estrella QT and for general working capital purposes. Subject to the approval of the TSX-V, Daura may pay eligible finders a fee equal to 7% of the financing in cash, and 7% in share purchase warrants under the concurrent financing.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CHANGES IN ACCOUNTING POLICIES

Please refer to the condensed interim financial statements for the nine months ended September 30, 2024 and 2023.

RISKS AND UNCERTAINTIES

The Company has successfully completed its IPO. Subsequent to the completion of its IPO, the Company is not permitted to carry on any other business other than the identification and evaluation of assets or business to complete a Qualifying Transaction. There can be no assurance the Company will successfully identify an assets or businesses to complete a Qualifying Transaction or have the necessary financial resources to complete a Qualifying Transaction. There can be no assurance that the Company will be able to successfully obtain the necessary financing in the future on terms acceptable to the Company or at all.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certification 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 condensed interim financial statements for the nine months ended September 30, 2024 and 2023 and this accompanying MD&A.

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 the Annual Filings on SEDAR+ at www.sedarplus.ca.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 7,054,668 common shares issued and outstanding.

SCHEDULE "C" FINANCIAL STATEMENTS OF ESTRELLA GOLD S.A.C.

ESTRELLA GOLD S.A.C.

FINANCIAL AUDIT REPORT

FROM THE REVIEW TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND 2022 (UNAUDITED)

ESTRELLA GOLD S.A.C.

Financial Statements

As of December 31, 2023 and 2022 (Unaudited)

Together with the opinion of the independent auditors

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Statement of changes in equity	8
Statement of cash flows	9
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S/ = Sun

US\$ = US Dollar

Independent auditors' opinion

To the Shareholders of
Estrella Gold S.A.C.

Opinion

We have audited the financial statements of Estrella Gold S.A.C. (the Company), which comprise the statement of financial position as of December 31, 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date, as well as the explanatory notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Company's financial position as at December 31, 2023, its results and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB, for its acronym in English).

Basis for our opinion

We conduct our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are described in more detail in the Auditor's Responsibilities in Relation to the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics for Accounting Professionals of the International Ethics Standards Board for Accountants (IESBA Code of Ethics) together with the ethical requirements that are relevant to our audit of financial statements in Peru, and we have fulfilled our other ethics responsibilities in accordance with these requirements and with the IESBA Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to support our opinion.

Key audit issues

Key audit matters are those that, in our professional judgment, have been of the greatest importance in our audit of the current period's financial statements.

These matters have been addressed in the context of our audit of the financial statements as a whole and in forming our opinion on them; however, we do not express a separate opinion on these matters.

Intangible assets, recognition and measurement

Intangible assets are made up of mining concessions, which represent a significant part of the Company's total assets. For the year ended December 31, 2023, disbursements in the amount of S/ 154,424 have been made for the exploration and evaluation of mineral resources, which amounted on that date to the sum of S/ 2,790,504.

For this reason, the Company reviews and evaluates the recognition and measurement of intangible assets to determine whether the recoverable value is less than the carrying amount as of the date of presentation of the financial statements.

Our audit procedures have consisted of the following:

- We have gained an understanding of the nature of the disbursements made by the Company in relation to the valuation and recognition of intangible assets.
- We have obtained justified documentation regarding the existence of disbursements under the intangible assets item as of December 31, 2023, which include, among others, the Company's most recent financial information for proper recording in the accounting books.
- We have gained an understanding of the process of valuation and estimation of potential impairment losses under the heading of intangible assets.
- We obtained and evaluated the Company's documentation on the analysis of internal and external indicators of impairment in mining concessions.
- We evaluated the adequacy of the information disclosed in the notes to the financial statements with respect to this matter.

Other matters

The Company's financial statements as of December 31, 2022, have not been audited by other independent auditors, which are shown for comparison purposes only.

Responsibilities of Management and Persons in Charge of Governance of the Company in relation to the financial statements

Management is responsible for the preparation and fair presentation of these accompanying financial statements in accordance with International Financial Reporting Standards (IFRS), issued by the IASB, and for the internal control that Management deems necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for evaluating the Company's ability to continue as a going concern, disclosing as applicable matters relating to the continuity of its

operations and using going concern accounting principle, unless Management intends to liquidate the Company or cease operations. or has no other realistic alternative.

Those charged with the Company's governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility in Relation to the Audit of Financial Statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit opinion that includes our opinion. Reasonable assurance is a high level of security, but it does not guarantee that an audit conducted in accordance with (ISAs) approved for application in Peru will always detect material errors, where they exist. Errors may arise from fraud or misstatement that are considered material if, individually or in aggregate, they could reasonably influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with (ISAs) approved for application in Peru, we exercise our professional judgment and maintain professional skepticism throughout the audit.

We also:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, and we design and implement audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of failing to detect a material error resulting from fraud is higher than failing to detect one arising from an error, since fraud may involve collusion, falsification, intentional omissions, intentional misstatements, or the breach of internal control.

- We obtained an understanding of the internal control relevant to the audit for the purpose of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the adequacy of the accounting policies applied and the reasonableness of the accounting estimates and respective information disclosed by Management.

- We conclude on the proper use of the going concern accounting principle by Management and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to events or conditions that may raise significant doubts about the Company's ability to continue as a going concern.

If we conclude that there is material uncertainty, we are required to draw attention in our audit opinion to the respective information disclosed in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our findings are based on audit evidence obtained to date from our audit opinion. However, future events or conditions may cause the Company to no longer be able to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the information disclosed and whether the financial statements represent the respective underlying transactions and events in a manner that achieves their reasonable presentation.

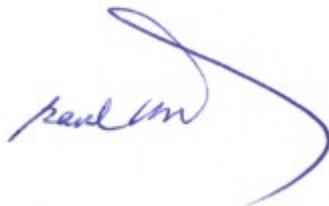
We communicate with those charged with Company Governance regarding, among other things, the scope and timing of the planned audit and significant audit findings, as well as any significant deficiencies in internal control that we identify in the course of our audit.

We also provide those charged with the Company's governance with a statement that we have complied with applicable ethical requirements regarding our independence and have communicated to them all relationships and other matters that could reasonably affect our independence and, as appropriate, including the respective safeguards.

In matters communicated to those charged with the Company's governance, we identified those matters that were of the greatest importance in the audit of the current period's financial statements and are, therefore, the key matters of the audit.

We have described these matters in our audit opinion unless applicable laws and regulations prohibit public disclosure of the matter or when, in extremely unusual circumstances, we determine that a matter should not be disclosed in our opinion because it can reasonably be expected that the adverse consequences of doing so could outweigh the public interest benefits of such disclosure.

Endorsed by:



Martínez, Rodríguez y Asociados S. Civil de R.L.
AGN International Member Firm

Raúl Martínez Torres (Partner)
Chartered Public Accountant
Registration No. 5410

September 17, 2024
Lima, Peru

ESTRELLA GOLD S.A.C.

Balance Sheet

As of December 31, 2023 and 2022 (Not Audited)

Asset	As of December 31		Liability and equity	As of December 31	
	2023	2022		2023	2022
	S/	S/		S/	S/
Current assets			Current liability		
Cash and cash equivalents (note 4)	309	5,013	Trade payable (note 7)	199,814	217,540
Other accounts receivable (note 5)	64,248	62,351	Other accounts payable	1,618	1,618
Total current assets	64,557	67,364	Total current liability	201,432	219,158
			Non-current liability		
Non-current assets			Other related accounts payable (note 8)	2,688,221	2,761,226
Deferred asset from income tax	105,140	105,140	Total non-current liability	2,688,221	2,761,226
Net intangible asset (note 6)	2,790,504	2,636,080	Total liability	2,889,653	2,980,384
Total non-current assets	2,895,644	2,741,220	Equity (note 9)		
			Shareholder's equity	176,000	1,000
			Cumulative income	(105,452)	(172,800)
Total assets	2,960,201	2,808,584	Total equity	70,548	(171,800)
			Total liabilities and equity	2,960,201	2,808,584

The accompanying notes are an integral part of the financial statements.

ESTRELLA GOLD S.A.C.**Comprehensive income statement****For the years completed as of December 31, 2023 and 2022 (Not audited)**

	2023	2022
	S/	S/
Operational expense		
Administration expense (note 10)	(10,658)	(23,223)
Net income (expense)	(1,579)	(19,415)
Operational (loss)	<u>(12,237)</u>	<u>(42,638)</u>
Net profit per exchange rate (note 3.1)	<u>79,586</u>	<u>123,640</u>
Loss profit before the income tax	<u>67,349</u>	<u>81,002</u>
Income tax (note 11)	-	-
Year's net profit	<u>67,349</u>	<u>81,002</u>
Other comprehensive incomes	-	-
Year's comprehensive income	<u><u>67,349</u></u>	<u><u>81,002</u></u>
Subscribed Common Shares	<u>1,000</u>	<u>1,000</u>
Earnings (loss) per share	<u>67.35</u>	<u>81.00</u>

The accompanying notes are an integral part of the financial statements.

ESTRELLA GOLD S.A.C.

Statement of changes in equity

For the years completed as of December 31, 2023 and 2022 (Not audited)

	Shareholder's equity	Cumulative income	Total
	S/	S/	S/
Balance as of January 1, 2022	1,000	(253,803)	(252,803)
Year's profit	-	81,002	81,002
Other increases or decreases in equity	-	-	-
Balance as of December 31, 2022	1,000	(172,801)	(171,801)
Year's profit	-	67,349	67,349
Capitalization of accounts (note 9.1)	175,000	-	175,000
Other increases or decreases in equity	-	-	-
Balance as of December 31, 2023	176,000	(105,452)	70,548

The accompanying notes are an integral part of the financial statements.

ESTRELLA GOLD S.A.C.**Cash Flow Statement**

For the years completed as of December 31, 2023 and 2022 (Not Audited)

	2023	2022
	S/	S/
Operational activities		
Other activity-related collection	-	-
Other activity-related payents	(18,960)	18,513
Minus:		
Payments to suppliers of goods and services	(10,658)	(23,223)
Payment of salaries and social security benefits	-	-
Tax payment	-	-
Increase (decrease) in cash flows from operational activities	<u>(29,618)</u>	<u>(4,710)</u>
Investment activities		
Acquisition of mining concessions (note 6)	(154,424)	(191,705)
Increase (decrease) in cash flows from investing activities	<u>(154,424)</u>	<u>(191,705)</u>
Funding activities		
Stockholders' loans (note 8)	179,338	197,781
Increase (decrease) in cash flows from financing activities	<u>179,338</u>	<u>197,781</u>
Increase (decrease) in cash and cash equivalents	<u>(4,704)</u>	<u>1,366</u>
Cash balance at the year's beginning	5,013	3,647
Balance at the year's end (note 4)	<u><u>309</u></u>	<u><u>5,013</u></u>

The accompanying notes are an integral part of the financial statements.

ESTRELLA GOLD S.A.C.

Notes to the Financial Statements

As of December 31, 2023 and 2022 (Unaudited)

1. Identification and economic activity

1.1. Identification

ESTRELLA GOLD S.A.C. (hereinafter the Company), is a closed corporation established in Peru, by public deed dated August 7, 2018, executed before a notary public of Lima, Dr. José Alfredo Paino Scarpati, registered in registry entry No. 14142825, of the Registry of Legal Entities, Registry Zone IX, Headquarters in Lima-Peru.

The Company's fiscal and legal domicile is located at Avenida Santo Toribio N° 115, 8th floor, belonging to the district of San Isidro, Lima-Peru.

1.2. Economic activity

The Company, according to its constitution, has as its corporate purpose to engage in all kinds of activities of the mining industry, especially the exploration, exploitation and commercialization of mineral substances, searching, general work, beneficiation, refining, mining transport, as well as the purchase and sale of goods and products, import, export, provision of services, rental of equipment and machinery, logistical support, advice and consulting, supply of inputs and related services and other related or complementary activities required for the full development of its purposes, or in those others in which it expressly decides to venture by agreement of its General Meeting of Shareholders.

1.3. Going concern

During the years 2023 and 2022, the Company has generated net profits amounting to the amounts of S/ 67,349 and S/ 81,002 respectively. During these years, the Company's Management has focused on the reduction and optimization of costs, as well as laying a renewed foundation for the operational management of mining concessions that allows a long-term return on investment.

In the opinion of the Management and its shareholders, as of December 31, 2023 and 2022, the activities in the mining concessions do not present significant uncertainties that could cast doubt on the normal operation of the Company during the next 12 months, taking into consideration the current financial and economic situation and its cash flow generation expectations for the following year; nor do they present matters of non-compliance with the "going concern" principle.

1.4. Approval of financial statements

The financial statements for the year ended December 31, 2023, were approved by the General Meeting of Shareholders on September 16, 2024.

The financial statements for and for the year ended December 31, 2022, were approved by the General Meeting of Shareholders on June 1, 2023.

2. Main principles and summary of significant accounting policies

2.1. Basis for preparation of financial statements

Declaration of Compliance. -

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), effective as of December 31, 2023.

The information contained in these financial statements is the responsibility of the Company's Management, who expressly state that the principles and criteria included in the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), in force at the date of the financial statements, have been fully applied.

Responsibility for Information. -

The information contained in these financial statements is the responsibility of the Company's Management, which expressly states that the principles and criteria included in the IFRS issued by the IASB, in force at the end of each financial year, have been applied in their entirety.

Measurement base. -

The Company's financial statements are derived from the accounting records, which have been prepared in accordance with the historical cost principle as of December 31, 2023.

Functional currency and presentation currency. -

The financial statements are presented in Soles (S/), which is the functional currency and presentation of the Company, except when a different monetary expression is indicated.

2.2. International Financial Reporting Standards

Rules, amendments and interpretations in force as of January 1, 2023, applicable to the Company and adopted as of that date

Below are the main modifications to the existing rules and the inclusion of a new rule, effective as of January 1, 2023 or later, that have been adopted by the Company:

<u>Pronouncement</u>	<u>Concept</u>
Amendments to IAS 1 and Statement of Practice 2	<u>Disclosure of accounting policies</u> The modifications are effective for annual periods beginning on or after January 1, 2023, with the option of early application.

Pronouncement	Concept
Amendments to IAS 8	<p><u>Definition of accounting estimates</u> The changes replace the definition of a change in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in the financial statements that are subject to measure uncertainty." The modifications are effective for annual periods beginning on January 1, 2023, with the option of early application.</p>
Amendments to IAS 12	<p><u>Deferred taxes related to assets and liabilities arising from a single transaction</u> The modifications are effective for annual periods beginning on January 1, 2023, with the option of early application.</p>
Amendments to IAS 12	<p><u>International Tax Reform Second Pillar Model Rules</u> Annual periods beginning on or after January 1, 2023.</p>
IAS 33	<p><u>Earnings per share</u> The standard establishes the principles for the determination and presentation of the earnings per share figure, the effect of which will be to improve the comparison of returns between different entities in the same period.</p>
IAS 38	<p><u>Intangible Assets</u> It is established as an accounting policy that disbursements are recognized as exploration and evaluation assets. This prescribes accounting treatment that is not specifically contemplated in another Standard.</p>
IFRS 6	<p><u>Mineral Resource Exploration and Evaluation</u> These disbursements will be associated with the discovery of specific mineral resources. The accounting policies applied to disbursements related to exploration and evaluation may be changed if the change makes the Financial Statements more relevant for economic decision-making purposes.</p>
IFRS 8	<p><u>Operation segments</u> Information will be disclosed that allows users of the Financial Statements to assess the nature and financial effects of the business activities it conducts and the economic environments in which it operates.</p>
IFRS 17	<p><u>Insurance Contracts</u> Issued on May 18, 2017, this Standard requires that insurance liabilities be measured at a current performance value and provides a more uniform approach to presentation and measurement for all insurance contracts. These requirements are designed to generate consistent, principled accounting. The standard applies to annual periods beginning on or after 1 January 2023, with early application permitted as long as IFRS 15, "Revenue from contracts with customers" and IFRS 9, "Financial instruments" are applied.</p>
IFRS 17 and IFRS 9	<p><u>Initial application of IFRS 17 and IFRS 9</u> Annual periods beginning on or after January 1, 2023.</p>

The modifications to the standards and the new standard issued have not had an impact on the Company's financial statements in the current year; likewise, they are not expected to have a material impact on the financial statements of future years.

Standards, amendments and interpretations that will be in effect for annual financial statements commencing on or after January 1, 2024 and that have not been adopted in advance

Certain standards and amendments to standards have been published that are mandatory for 2024 or later and have not been adopted in advance by the Company and are explained below:

<u>Pronouncement</u>	<u>Concept</u>
Amendments to IAS 1	<u>Classification of liabilities as current or non-current</u> The modifications are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application allowed.
Amendments to IAS 1	<u>Non-current liabilities with covenants</u> Mandatory application in annual periods beginning on or after January 1, 2024.
Amendments to IFRS 10 and IAS 28	<u>Sale or contributions of assets between an investor and its associate or joint venture</u> The effective date of the amendments has not yet been set by the IASB; however, early application is allowed.
Amendments to IAS 7 and IFRS 7	<u>Supplier financing agreements</u> Mandatory application in annual periods beginning on or after January 1, 2024.
Amendment to IAS 21	<u>Absence of convertibility</u> It establishes the guidelines to be followed to determine the exchange rate to be used in situations of non-convertibility. Mandatory application in annual periods beginning on or after January 1, 2025. Early adoption is allowed.
Amendments to IFRS 16	<u>Lease Liabilities on leaseback sales</u> Mandatory application in Annual Periods beginning on or after January 1, 2024.

The Company is currently evaluating the impact that the modifications may have on current practice. No other standards have been identified that are not yet effective and for which a material impact on the Company could be expected in current or future reporting periods, and in foreseeable future transactions.

Regulatory pronouncements on sustainability not yet in force, whose application is not yet mandatory, for which no early adoption has been made

<u>Pronouncement</u>	<u>Concept</u>
IFRS S1	<u>General requirements for sustainability disclosures related to financial reporting</u> Annual periods beginning on or after January 1, 2024. Annual periods beginning on or after January 1, 2024. Early adoption is allowed with the joint application of IFRS S2.
IFRS S2	<u>Climate-related disclosures</u> Annual periods beginning on or after January 1, 2024. Its early adoption is allowed, with the application jointly with IFRS S1 of general requirements for disclosure of sustainability related to financial reporting.

2.3. Using Estimates and Judgments

The preparation of financial statements also requires management to conduct estimates and judgments for the determination of asset and liability balances, income and expenses, the amount of contingencies, and the disclosure of significant events in notes to the financial statements. The use of reasonable estimates is an essential part of the preparation of financial statements and does not impair their reliability. The estimates and judgments determined by the Company are continuously evaluated and are based on historical experience and any information that is considered relevant.

If these estimates and judgments vary in the future as a result of changes in the assumptions underlying them, the corresponding balances in the financial statements will be corrected on the date on which the change in estimates and judgments occurs.

In the opinion of the Administration, these variations do not affect the operation of the Company.

The estimates and assumptions that are likely to cause adjustments to the balances of reported assets and liabilities and critical judgments in the application of accounting policies are presented below:

- Recovery and Application of Deferred Income Tax Assets and Liabilities: Determining the ability to use accrued tax losses to offset deferred tax liabilities requires management to exercise its judgment and make certain assumptions about the Company's future performance. Management should assess whether the Company is likely to benefit from these past losses and other tax-deferred assets. Changes in economic conditions, metal prices and other factors could lead to revisions to estimates of profits to be made or the timing of losses.

2.4. Financial instruments

Initial recognition and measurement

Trade receivables, credit portfolios and debt instruments initially issued are recognized when they originate. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade debtor without a significant financing component) or financial liability is initially measured at fair value plus, in the case of an item not measured at fair value through profit or loss, the transaction costs directly attributable to its acquisition or issuance. A trade debtor without a significant funding component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets. -

In its initial recognition, a financial asset is classified at amortized cost (debt instrument), at fair value with changes in other comprehensive income (debt instruments or equity instruments) or at fair value with changes in profit or loss (debt instruments or equity instruments).

Assets based on a business model that is to hold them to obtain contractual cash flows, are subsequently measured, at amortized cost using the effective interest rate method.

Financial liabilities – Other financial liabilities. -

The Company maintains in this category trade accounts payable and other accounts payable (excluding taxes and provisions). Financial liabilities are classified as measured at amortized cost or fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is classified as held for trading, is a derivative or is designated as such in initial recognition.

Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are measured after amortized cost using the effective interest method. Interest income and gains and losses on foreign currency translation are recognized in profit or loss. Any gain or loss on the write-off is also recognised in profit or loss.

Derecognition of financial assets and liabilities

Financial assets. -

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

(i) the rights to receive cash flows from the asset have terminated; or (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay all cash flows immediately received to a third party under a pass through agreement; and (iii) the Company has transferred substantially all of the risks and rewards of the asset or, if it has not transferred or retained substantially all of the risks and rewards of the asset, has transferred its control.

Financial liabilities. -

A financial liability is derecognized when the payment obligation is terminated, canceled, or expires. When an existing financial liability is replaced by another of the same borrower under significantly different conditions, or the conditions are changed in a material way, such replacement or modification is treated as a reduction of the original liability and the recognition of a new liability, the difference between the two being recognized in the results of the period.

Clearing of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if there is a statutory right in force at that time to offset the amounts recognized and if there is an intention to settle on net terms or to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The initial recognition of financial assets is at their nominal value and includes interest (as appropriate to the type of portfolio), which is carried to amortized cost, using the effective interest rate method minus the estimate for uncollectibles. The amortized cost is calculated by considering any discounts

or premiums incurred in the acquisition, commissions and costs, which constitute an integral part of the effective interest rate. Losses caused by impairment are recognized in the statement of comprehensive income, under the heading of estimation for doubtful collection accounts.

The method used for impairment is the simplified one, considering that most of the Company's accounts receivable do not have the financing component, are in a judicial situation or are overdue, the simplified method of estimating the impairment will respond to the expected credit losses during the life of the account, both in the initial recognition and in subsequent periods; using this method the Company has no significant impact on the income statement.

2.5. Measuring Fair Values

The fair value of financial instruments is the price that would be received for selling an asset or that would be paid when transferring a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when placing value on the asset or liability, assuming that market participants are acting in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and by which it has sufficient information available to measure fair value, maximizing the use of relevant observable data and minimizing the use of unobservable data.

All assets and liabilities for which fair values are determined or disclosed in the financial statements are classified within the fair value hierarchy, described below, based on the lowest level of data used that are significant for the measurement of fair value as a whole:

Level 1: Quoted (unadjusted) prices in active markets for assets or liabilities identical to those that the entity can access on the measurement date.

Level 2: Valuation techniques by which the lowest level of information that is significant for the measurement at fair value is directly or indirectly observable.

Level 3: Valuation techniques by which the lowest level of information that is significant for the measurement at fair value is not observable.

For assets and liabilities that are recognized at fair value in the financial statements on a recurring basis, the Company determines whether transfers have occurred between the different levels within the hierarchy by reviewing the categorization at the end of each reporting period.

For purposes of fair value disclosures, the Company has determined the asset and liability classes based on their nature, characteristics and risks and the level of the fair value hierarchy as explained above.

In the opinion of the Company's Management, as of December 31, 2023, the fair value of its financial instruments is not materially different from that of their respective carrying amounts and, therefore, the disclosure of such information has no effect on the financial statements as of that date.

2.6. Foreign currency transactions

Functional and presentation currency. -

The items included in the Company's financial statements are expressed in the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in soles, which is the functional currency and the presentation currency of the Company.

Transactions and balances in foreign currency. -

Transactions in foreign currency are considered to be those carried out in a currency other than the functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates in effect on the dates of the transactions or the valuation date in the case of items that are revalued. Gains and losses on exchange differences resulting from the payment of such transactions and the translation of monetary assets and liabilities into foreign currency at the year-end exchange rate are recognized under the heading Exchange difference, net of the statement of comprehensive income.

2.7. Cash, cash equivalent

For purposes of the statement of cash flows, cash and cash equivalents include the cash on hand and current accounts in the statement of financial position. Such accounts are not subject to significant risk of changes in value.

2.8. Impairment of long-lived assets

The Company reviews and evaluates the depreciation of its long-lived assets when there are economic events or changes that indicate that the value of an asset will not be recoverable.

A impairment loss is the amount by which the carrying amount of long-lived assets exceeds the net selling price or use value, whichever is greater. The net sale price is the amount that can be obtained in the sale of an asset in a free market, while the value in use is the present value of the estimated future flows from the continuous use of an asset and its disposal at the end of its useful life.

An impairment loss recognized in prior years is returned if there is a change in the estimates that were used at the last time the loss was recognized. Such reversal is recognized in the statement of comprehensive income.

2.9. Mining concessions

Mining concessions represent the ownership of the exploration right that the Company has over the mining properties held by the acquired mineral reserves. Mining concessions are presented at cost

and are not amortized until the beginning of their exploitation using proven and probable reserves as a basis.

In the event that the Company abandons such concessions, the associated costs are penalized in the statement of comprehensive income. (See note 6)

2.10. Provisions

A provision is recognized only when the Company has a present obligation (legal or implied) as a result of a past event, it is probable that an outflow of resources will be required for its settlement and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed periodically and adjusted to reflect the best estimate at the date of the statement of financial position.

The expense related to a provision is shown in the comprehensive income statement. Provisions are discounted at present value using a rate that reflects, where appropriate, the specific risks related to the liability. When the discount is made, the increase in the provision over time is recognized as a financial expense in the statement of comprehensive income.

2.11. Liabilities and contingent assets

Contingent liabilities are recognized in the financial statements to the extent that outflows are likely, and are disclosed in notes to the separate financial statements only when outflows are possible. Contingent assets are not recognized in the financial statements and are only disclosed when the Company is likely to generate an income from economic benefits in the future.

2.12. Issued capital

The issued capital constitutes the part of the share capital that a company makes available in the form of shares recognized at their nominal value and that have been effectively subscribed and paid up by the fireman or shareholders. Transaction costs directly attributed to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

2.13. Cost and expense recognition

Costs and expenses are recognized as they are accrued, regardless of when they are paid, and are recorded in the periods to which they relate.

Finance costs are recorded as an expense when accrued and include interest charges and other costs incurred related to borrowing. Unearned financial costs are presented by reducing the liability that gave rise to them.

2.14. Taxation

The income tax expense for the period includes current and deferred income tax. The tax is recognized in the separate statement of comprehensive income, except when it relates to items recognized directly

in the statement of other comprehensive income or in equity. In this case, the tax is also recognized in the statement of other comprehensive income or directly in equity, respectively.

Deferred income tax is calculated by the liability method on the temporary differences that arise between the tax bases of assets and liabilities and their respective values shown in the financial statements. However, deferred income tax arising from the initial recognition of an asset or liability in a transaction that does not correspond to a business combination that at the time of the transaction does not affect either the profit or the accounting or taxable loss, is not recorded. Deferred income tax is determined using the legislation and tax rates that have been enacted or substantially enacted as of the date of the statement of financial position of the country in which the Company operates and generates taxable income, and which are expected to be applicable when the active deferred income tax is realized or the passive income tax is paid.

Deductible temporary differences and accumulated tax losses generate deferred tax assets to the extent that the tax benefit can be used against income tax for future taxable years. The carrying amount of deferred earnings tax assets is reviewed as of the date of each separate statement of financial position and is reduced to the extent that it is determined that sufficient taxable income is unlikely to be generated against which the deferred asset can be offset. Asset deferred income tax that has not been recognized in the financial statements is revalued at the date of each statement of financial position.

2.15. Subsequent events

Events after the end of the year that provide additional information about the Company's financial condition as of the date of the statement of financial position (adjustment events) are included in the financial statements.

Subsequent material events that are not adjustment events are disclosed in notes to the financial statements.

2.16. Classification of items into current and non-current

The Company presents the assets and liabilities in the statement of financial position classified as current and non-current.

An asset is classified as current when the entity:

- Expects to realize the asset or intends to sell or consume it in its normal cycle of operation;
- You hold the asset primarily for trading purposes;
- You expect to realize the asset within twelve months after the reporting period;
- The asset is cash or cash equivalent, unless it is restricted and cannot be exchanged or used to settle a liability, for a minimum period of twelve months following the reporting period.

All other assets are classified as non-current.

A liability is classified as current when the entity:

- It expects to settle the liability in its normal operating cycle;
- It holds liabilities primarily for trading purposes.

2.17. Reclassifications

A number of presentation-level reclassifications have been incorporated into the 2022 financial statements to allow for comparison with the financial statements as of December 31, 2023. Regarding this reclassification in the financial statements for the year 2022, the other miscellaneous accounts receivable account for S/ 762 was added to the tax credit item amounting to S/ 61,589, giving a total of S/ 62,351 reflecting this amount in the comparative financial statements.

3. Financial Risk Management and Capital Management

3.1. Financial risk factors. -

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, credit and liquidity.

The Company's risk management program seeks to minimize potential adverse effects on its financial performance.

The Company's Management is aware of the prevailing market conditions and, based on its knowledge and experience, controls liquidity, currency and credit risks, following the policies approved by the shareholders.

The most important aspects for managing these risks are:

i. Market risk. -

Market risk is the risk that the fair value of future flows of a financial instrument fluctuates due to changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk, and stock investment risk.

In the case of the Company, the financial instruments affected by market risks include deposits and loans; which are exposed to currency and interest rate risk.

ii. Interest rate risk. -

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuate due to changes in market interest rates.

Management believes that future fluctuations in interest rates will not materially affect the Company's future results of operations because its financial liabilities have been obtained at fixed interest rates.

iii. Exchange rate risk. -

Foreign exchange risk is the risk that the future fair value or cash flows of a primary financial instrument will fluctuate due to changes in exchange rates. The Company's exposure to foreign exchange rates relates primarily to operating activities.

The current position in foreign currency includes assets and liabilities that are expressed at the exchange rate on the date of the statement of financial position. Any devaluation/revaluation of the foreign currency would affect the statement of comprehensive income.

Management believes that future fluctuations in the exchange rate of the Peruvian currency against the U.S. dollar will not significantly affect the results of future operations.

The Company does not use derivative financial instruments to hedge its exposure to foreign exchange risk, however, it aims to keep its net position reasonable so as not to expose itself to any significant variation in the exchange rate.

As of December 31, 2023 and 2022, the Company had the following assets and liabilities in U.S. dollars:

	As of December 31	
	2023	2022
	US \$	US \$
<u>Active:</u>		
Cash and cash equivalent	20	957
Other accounts receivable	200	200
Total monetary assets	220	1,157
<u>Passive:</u>		
Trade Accounts Payable	(52,769)	(55,931)
Other accounts payable	(771,134)	(722,834)
Total monetary liabilities	(823,903)	(778,765)
Net (Passive) Position	(823,683)	(777,608)

These balances have been expressed in soles at the following exchange rates of the free exchange market established by the Superintendence of Banking, Insurance and AFPs (hereinafter the SBS) in force as of December 31, as follows:

As of December 31

	2023	2022
	S/	S/
1 US \$ - Exchange rate – buy (active)	3.705	3.808
US\$ 1 - Exchange rate – sell (liability)	3.713	3.820

The exchange difference generated during the year is presented under the heading Net exchange difference, in the statement of comprehensive income:

	As of December 31	
	2023	2022
	S/	S/
Exchange Difference Gain	346,914	550,042
(Loss) due to exchange difference	(267,328)	(426,402)
Exchange difference, net	79,586	123,640

iv. Credit risk. -

Credit risk is the risk that a counterparty will fail to meet its obligations under a financial instrument or commercial contract, resulting in a financial loss. The Company is exposed to credit risk from its operating activities (in particular by commercial debtors) and its financial activities, including deposits with banks and financial institutions, foreign exchange operations and other financial instruments.

- Financial instruments and bank deposits. -

The credit risk of the balance in banks is managed by the Finance Management in accordance with the Company's policies. Counterparty credit limits are reviewed by Management. Limits are established to minimize the concentration of risk and, consequently, mitigate financial losses from potential defaults by the counterparty.

In Management's opinion, as of December 31, 2023 and 2022, the Company does not consider that such concentrations imply unusual risks to its operations.

v. Liquidity risk. -

The Company's objective is to maintain the balance between continuity and flexibility of financing through the use of overdrafts in bank checking accounts. The Company maintains adequate cash levels.

The following tables summarize the maturity profile of the Company's financial liabilities on the basis of the undiscounted payments provided for in the respective contracts:

	From 3 to 12 months	Between 1 and 2 years	Total
As of December 31, 2023	S/	S/	S/
Trade Accounts Payable	199,814	-	199,814
Other accounts payable	1,618	-	1,618
Other related accounts payable	-	2,688,221	2,688,221
Total liabilities	201,432	2,688,221	2,889,653
	From 3 to 12 months	Between 1 and 2 years	Total
As of December 31, 2022	S/	S/	S/
Trade Accounts Payable	217,540	-	217,540
Other accounts payable	1,618	-	1,618
Other related accounts payable	-	2,761,226	2,761,226
Total liabilities	219,158	2,761,226	2,980,384

3.2. Capital management. -

The Company's objectives in managing capital are to safeguard its ability to continue as a going concern for the purpose of generating shareholder returns, profits and maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain a level of capital, the Company receives the funds to finance its operations with capital contributions from its shareholders.

4. Cash and cash equivalent

This item includes:

	As of December 31	
	2023	2022
	S/	S/
Current accounts in national currency	237	1,369
Current accounts in foreign currency	72	3,644
Total	309	5,013

The Company maintains current accounts in local financial institutions, which are denominated in soles and U.S. dollars, are freely available and do not generate interest.

5. Other accounts receivable

This item includes:

	As of December 31	
	2023	2022
	S/	S/
General Sales Tax - IGV (*)	63,507	61,589
Different	741	762
Total	<u>64,248</u>	<u>62,351</u>

The General Sales Tax (IGV) corresponds mainly to a balance in favor of applying for container rental service for S/ 39,451.

6. Mining concessions

The movement of the intangible assets item, for the year ended December 31, 2023, has been as follows:

<u>Acquisition, costs, payment options and others</u>	Balances as of	Additions	Deductions	Balances as of
	S/	S/	S/	S/
Estrella 06-18, Estrella 07-18 and Estrella 08-18	116,671	15,085	-	131,756
Star 01-19, Star 02-19, Star 03-19 and Star 04-19	98,934	16,923	-	115,857
Pampa 1, Pampa 2 and Tayacoto	90,466	23,646	-	114,112
Star 01-18, Star 02-18, Star 03-18, Star 04-18 and Star 05-18	124,986	9,428	-	134,414
Antonella Daniela	2,205,023	89,342	-	2,294,365
Total	<u>2,636,080</u>	<u>154,424</u>	<u>-</u>	<u>2,790,504</u>

As of December 31, 2023, the additions correspond mainly to concession license payments to the Geological, Mining and Metallurgical Institute (INGEMMET) of mining concessions.

Below is the detail of the Cochabamba Project:

Between November 7, 2018 and April 29, 2019, the Company filed Star Forms 06-18, Star 07-18, Star 08-18, Star 01-19, Star 02-19, Star 03-19, and Star 04-19. Mining applications (claims) before INGEMMET.

On September 12, 2019, the Company completed the acquisition of the Pampas 1, Pampas 2 and Tayacoto mining concessions from Lara Peru SAC ("Lara Peru"), a wholly-owned subsidiary of Lara Exploration Ltd. ("Lara"). In exchange for a 100% undivided interest in these mining concessions, the Company's shareholder transferred to Lara a 5% interest in the Company's outstanding shares and the Company granted Lara Peru a net smelter return ("NSR") royalty of 1% on the applicable amount of minerals extracted from these mining concessions.

On November 6, 2019, the mining concessions Estrella 01-18, Estrella 02-18, Estrella 03-18, Estrella 04-18 and Estrella 05-18 were transferred to the Company by Mr. Diego Manuel Cilloniz Montesinos

for US\$100. The Company's General Manager acted as the Company's Representative to acquire these concessions initially.

On June 30, 2023, the Company ordered the mining exploitation of the concessions: Estrella 03-18, Estrella 04-18, Estrella 05-18, Estrella 08-18 and Estrella 04-19.

On June 30, 2024, the Company ordered the mining exploitation of the concessions: Estrella 01-18 and Estrella 02-18.

Subsequently, on July 11, 2024, the Company filed the mining application of: Estrella 05-19 and Opción Antonella.

On September 26, 2019, the Company entered into the Antonella Option and Lease Agreement for an option to acquire 100% of the Antonella Daniela I Concession. The contract was subsequently amended on 21 January 2020. As of November 2021, the Company made all of the following payments and exercised its option to purchase the concession:

- to. US\$15,000 payable at the time of conclusion of the contract;
- b. US\$40,000 payable on or before the date that is 30 days after the settlement date;
- c. US\$25,000 payable on June 1, 2020;
- d. US\$100,000 payable on or before the date that is 12 months after the date of the agreement;
- and. US\$170,000 payable on or before the date that is 24 months after the date of the agreement;
- f. US\$80,000 payable on or before the date that is 36 months after the date of settlement.

7. Trade Accounts Payable

This item includes:

	As of December 31	
	2023	2022
	S/	S/
Trade Accounts Payable – in local currency	1,508	1,508
Trade Accounts Payable – in Foreign Currency (*)	183,010	200,364
Fees payable - national currency	2,375	2,375
Fees payable - foreign currency	12,921	13,293
Total	<u>199,814</u>	<u>217,540</u>

As of December 31, 2023 and 2022, commercial accounts payable in foreign currency correspond mainly to consulting services in the amount of US\$43,223. (*)

8. Other related accounts payable

The movement of this account was as follows:

<u>Loans received</u>	Balances as of	Additions	Capitalization	Restatement	Balances as of
	S/	S/	S/	S/	S/
Lima Osorio, Raúl Ernesto	868,324	170,427	(131,000)	(24,322)	883,429
Daura Capital Corp.	865,246	-	-	(24,236)	841,010
Sanchez Rocha, Luis Francisco	34,456	8,911	-	(965)	42,402
Lakhani Preeya	993,200	-	(44,000)	(27,820)	921,380
Total	<u>2,761,226</u>	<u>179,338</u>	<u>(175,000)</u>	<u>(77,343)</u>	<u>2,688,221</u>

On December 30, 2023, the Company has made the Capitalization of the debts held by two of its shareholders for the amount of S/ 175,000. (See note 9)

At the end of the 2023 period, as a result of the restatement of the foreign currency (US\$) to the functional currency (S/) of the Company, a loss due to exchange difference in the amount of S/ 77,343 has resulted.

As of December 31, 2023 and 2022, other related accounts payable correspond mainly to shareholder loans for payments of mining claims, do not accrue interest and do not have specific guarantees.

As of December 31, 2023, no payment was made to the Company's Key Management.

In the opinion of the Company's Management, it is not necessary to constitute any provision as of December 31, 2023 for loans received by related parties.

9. Heritage

9.1 Issued capital. -

The Company's capital as of December 31, 2023 and 2022 is represented by 1,000 common shares respectively, whose par value is S/ 1.00 each, which are fully issued, subscribed and paid.

As of December 31, 2023 and 2022, the Company's corporate structure is as follows:

<u>Percentage of individual equity participation 2023</u>	<u>Shareholders</u>	<u>Participation</u>
	N°	%
From 0.00 to 5.00	1	5.00
From 5.00 to 25.00	1	25.00
From 25.00 to 100.00	1	70.00
Total	<u>3</u>	<u>100.00</u>

By means of the General Shareholders' Meeting held on December 30, 2023, it was agreed to approve the increase in capital stock from S/ 1,000 to S/ 176,000, through the capitalization of debts for S/ 175,000, which as of the date of this Report is registered and pending formalization in the Public Registries. (See note 8)

9.2 Cumulative results. -

The accumulated results are likely to be capitalized or may be distributed as dividends, in accordance with the Company's dividend policy that is subject to article 230 of the General Companies Law.

Dividends in favor of shareholders other than domiciled legal entities are subject to the 5% income tax rate charged to these shareholders, a rate in force as of December 31, 2023 and 2022.

10. Administrative expenses

During 2023, administrative expenses amounted to the sum of S/ 10,658 (2022 administrative expenses for S/ 23,223), which are mainly composed of expenses for services provided by third parties for rent.

11. Tax situation

Determination of income tax. -

The Company is subject to the Peruvian tax regime. As of December 31, 2023 and 2022, the income tax rate was 29.5 percent, on taxable profit. Legal entities not domiciled in Peru and natural persons are subject to the withholding of an additional tax on dividends received.

In this regard, in accordance with Legislative Decree No. 1261, the additional tax for the profits generated is 5 percent.

Management considers that it has determined the tax result, under the general income tax regime, in accordance with current tax legislation, which requires adding and deducting to the result shown in the financial statements, those items that the aforementioned legislation recognizes as taxable and non-taxable, respectively.

As of December 31, 2023 and 2022, in the opinion of Management and its legal advisors, it was considered that there is no taxable base to determine income tax, given that the Company maintains tax losses, due to the fact that it does not generate future taxable profits.

In accordance with the provisions of the Income Tax Law and its amendments, entities established in Peru that establish carry-forward tax losses have the right to choose between one of the following two methods for carry-forward.

- The tax loss may be used for up to four years from the year in which the taxable profits are generated.
- The tax loss may be offset against future taxable profits year by year until their final extinction, applying such loss up to 50 percent of their taxable profit.

As of December 31, 2023 and 2022, the Company has an uncompensated carry-forward tax loss that amounted to S/ 168,286 and S/ 235,635 respectively. In relation to this tax loss, the Company has recognized as of December 31, 2023, a deferred income tax asset amounting to S/ 105,140.

The Company has taken advantage of the method of carry-forward of tax losses (system B). Through this system, the total net loss of third category of Peruvian source that they register in a taxable year may be offset by imputing it year by year, until its amount is exhausted, to fifty percent (50%) of the net income of the third category that they obtain in the immediately following years.

Financial transaction tax. -

For the years 2023 and 2022, the rate of the Financial Transaction Tax has been set at 0.005% and is applicable to charges and credits in bank accounts or movements of funds through the financial system, unless it is exempt.

Transfer pricing. -

For purposes of determining Income Tax, the transfer prices of transactions with related companies and with companies resident in territories with low or no taxation, must be supported with documentation and information on the valuation methods used and the criteria considered for their determination.

Based on the analysis of the Company's operations, Management and its legal advisors are of the opinion that, as a result of the application of these rules, no contingencies of importance will arise for the Company as of December 31, 2023 and 2022.

Subject without operational capacity. -

Legislative Decree No. 1532 includes the concept of Subject Without Operational Capacity (SSCO), being that SUNAT, based on the regulated procedure for its attribution, may attribute the status of SSCO to those companies that, although they appear as issuers of payment vouchers, do not have personnel, assets or the capacity to be able to carry out the operations for which such documents are issued. having the effect that all payment vouchers issued from that date may not support an expense or cost for Income Tax purposes, nor IGV tax credit as of January 1, 2023, the date on which this rule came into force.

Tax review by the tax authority. -

The income tax affidavits for the years 2020 to 2022 and the one that has been filed for the 2023 fiscal year, are pending review by the tax authorities. Any greater or lesser expense on the provisions made to cover tax obligations, according to their materiality, will be charged to the income statement on the date they are finally determined.

The Company's Management, together with its legal advisors, are of the opinion that no material changes will arise that affect the financial statements as of December 31, 2023 and 2022.

Tax modifications of greater relevance in force as of January 1, 2021.-

Depreciation of assets

Through Legislative Decree No. 1488 Special Depreciation and Modification Regime, the depreciation percentages of assets acquired during the years 2020 and 2021 are increased, in order to promote private investment and provide greater liquidity given the current economic situation due to the effects of COVID-19.

Undercapitalization

As of January 1, 2021, financial expenses will be deductible up to the limit of 30% of the tax EBITDA (Net Income – Compensation of Losses + Net Interest + Depreciation + Amortization) of the previous year. There are some exceptions to the application of this limitation in the case of banks, taxpayers with incomes not exceeding 2,500 UITs, infrastructure, public services, among others.

By means of Supreme Decree No. 402-2021 published on December 30, effective as of December 31, 2021, the Regulations of the Income Tax Law that regulate the calculation of tax EBITDA for the purposes of the debt interest limit were modified. For 2019 and 2020, the financial expense generated by borrowings between both independent and related parties is subject to the thin capitalization limit of (3:1 Debt-Equity Ratio) calculated at the end of the previous year.

Tax modifications of greater relevance in force as of January 1, 2019.-

New normative concept of Legal Accrual

Legislative Decree No. 1425 introduced the definition of legal accrual for Income Tax purposes, establishing that income in the case of: a) transfer of assets occurs when: i) the change of control operates (according to IFRS 15); or ii) the transfer of risk to the acquirer occurs (Risk Theory established in the Civil Code), whichever occurs first; and b) in the case of the provision of services, the degree of performance of the provision has been established. The new legal concept of accrual is applicable to lessees for the purposes of establishing the tax treatment of the expense associated with lease contracts regulated by (IFRS) 16 (i.e. operating lease for tax purposes). The concept that is the subject of the comment will not be applicable to those entities that accrue their income or expenses for Income Tax according to provisions of a tax nature that establish a special (sectoral) accrual regime.

Deduction of expenses or costs incurred in transactions with non-domiciled subjects

Legislative Decree No. 1369 requires that costs and/or expenses (including outbound interest) incurred with non-domiciled counterparties must have been effectively paid in order to be deducted in the year in which they were incurred until before the expiration of the deadline for filing the annual affidavit. Otherwise, its impact on the determination of net income will be deferred to the year in which it is actually paid, at which time the corresponding withholding will be applied.

This regulation eliminated the obligation to pay the amount equivalent to the withholding on the amount accounted for as a cost and/or expense.

Measures for the application of the General Anti-Avoidance Clause contained in Rule XVI of the C.T.

Through Legislative Decree No. 1422, the procedure for the application of the aforementioned General Anti-Avoidance Clause (CAG) has been established, basically stating that: (i) it is applicable only in definitive audit procedures in which acts, facts or situations occurring since July 19, 2012 are reviewed; (ii) for its application there must be a prior favorable opinion of a review committee made

up of officials of SUNAT itself, such opinion not being appealable; (iv) the final audit procedures in which the (CAG) is applied are not subject to the period of one (1) year to request information from the auditees.

On May 6, 2019, Supreme Decree No. 145-2019-EF was published in the Official Gazette El Peruano, approving the substantive and formal parameters for the application of the general anti-avoidance rule contained in Rule XVI of the Tax Code ("CT"); with which the requirement to lift the suspension established by Law 30230 for the application of said rule is understood to have been met. Likewise, the SUNAT Audit Procedure Regulations have been adapted for this purpose. By Superintendence Resolution No. 000184-2021/SUNAT published on December 13, 2021, the members of the Review Committee of the National Superintendence of Customs and Tax Administration - SUNAT referred to in Article 62-C of the Single Ordered Text of the Tax Code were appointed, which states that, when applying the Anti-Avoidance Rule in an inspection procedure, a report must be submitted together with the audit file to the Review Committee.

Joint and several liability of the legal representatives and directors of the companies

As of September 14, 2018, it has been established, through Legislative Decree No. 1422, that, when an audited subject is subject to the General Anti-Avoidance Clause (CAG), it is automatically considered that there is fraud, gross negligence or abuse of powers with respect to its legal representatives, unless proven otherwise. The aforementioned joint and several liability will be attributed to said representatives provided that they have collaborated with the design or approval or execution of acts, situations or economic relationships with an elusive purpose.

The aforementioned rule also involves the members of the Board of Directors of companies, as it is indicated that these subjects are responsible for defining the tax strategy of the companies in which they are directors, and they must decide whether or not to approve acts, situations or economic relations to be carried out within the framework of tax planning, being non-delegable – according to the rule in comment – this attribution of the directors.

The members of the Board of Directors of domiciled companies were granted a deadline of March 29, 2019 to ratify or modify the acts, situations or economic relationships carried out within the framework of tax planning, and implemented as of September 14, 2018 that continue to have tax effect to date. Notwithstanding the aforementioned maximum period indicated for the fulfillment of said formal obligation, and considering the aforementioned joint and several liability attributable to both legal representatives and directors, as well as the lack of definition of the term tax planning, it will be critical to review any act, situation or economic relationship that has (i) increased tax attributes; and/or, (ii) generated a lower payment of taxes for the aforementioned years, in order to avoid the attribution of joint and several tax liability, both at the administrative and even criminal level, depending on the criteria of the supervisory agent, in the event that the (CAG) is applied to the company that is the subject of a tax intervention by SUNAT.

Beneficial Ownership Related Information

Within the framework of the regulations to strengthen the fight against tax evasion and avoidance as well as against money laundering and terrorist financing, as of August 3, 2018, the provisions introduced through Legislative Decree No. 1372 are in force, which require the competent authorities to provide, through an affidavit of final beneficiaries, information related to said subjects, that is, to reveal through said declaration who are the natural persons who effectively have ownership or control in persons or legal entities. Thus, it will be mandatory to report aspects such as (i) identification of the final beneficiary; (ii) the chain of ownership with the respective supporting documentation; (iii) identification of the third parties that have such information, if applicable. It is also noted that the information related to the identification of the final beneficiaries of the persons and legal entities that is provided to the competent authorities within the framework of these rules does not constitute a violation of professional secrecy nor is it subject to the restrictions on disclosure of information derived from the confidentiality imposed by contractual means or by any legal or regulatory provision.

It should be taken into consideration that, if the informative affidavit containing the information related to the final beneficiary is not filed, the legal representatives of the entity that failed to comply with the filing of said declaration will incur joint and several liability.

As of December 31, 2023, in the opinion of legal advisors, the Company is not required to submit such information related to beneficial owners.

12. Contingencies

In the opinion of the Company's Management and in accordance with the confirmations of its Legal Advisors, the Company does not present outstanding lawsuits and major events or other contingencies against it as of December 31, 2023.

13. Segmented information

The Company operates in a single reportable operating segment: the acquisition and exploration of mineral properties in Peru.

14. Post-date events of financial statements

In July 2024, the Company entered into a new share exchange agreement (the "SEA") with its shareholders and Daura Capital Corp. ("Daura"), pursuant to which Daura proposes to acquire a 100% interest in the Company. Daura has agreed to issue 7,000,000 shares of common stock to acquire Estrella, where the acquisition will constitute Daura's "qualifying transaction" under the policies of the Toronto Stock Exchange (TSX Venture Exchange) in Canada.

Management is not aware of events that occurred between January 1, 2024 and the date on which the issuance of these financial statements was authorized that require recognition as adjustments to balances or additional information to be disclosed.

-- -or--

ESTRELLA GOLD S.A.C.

FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2024 AND 2023



MARTINEZ, RODRIGUEZ & ASSOCIATES,
PUBLIC ACCOUNTANTS LIMITED
LIABILITY CIVIL SOCIETY GENERAL
MANAGER: MARTINEZ TORRES RAUL
DOMINGO
gerencia@martinezrodriguez.com.pe
Date: 25/11/2024
14:55
Signed with www.tocapu.pe

ESTRELLA GOLD S.A.C.

Financial Statements

As of September 30, 2024 and 2023

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S/ = Sun

US\$ = US Dollar

ESTRELLA GOLD S.A.C.**Statement of Financial Position**

As of September 30, 2024 and December 31, 2023 (Audited)

Active	As of September 30	As of December 31	Liabilities and Equity	As of September 30	As of December 31
	2024	2023		2024	2023
	S/	S/		S/	S/
Current Assets			Current liabilities		
Cash and cash equivalents (note 4)	-	309	Trade accounts payable (note 7)	239,202	199,814
Other accounts receivable (note 5)	70,348	64,248	Other accounts payable	1,618	1,618
Total current assets	70,348	64,557	Total current liabilities	240,820	201,432
			Non-current liabilities		
Non-Current Assets			Other related accounts payable (note 8)	2,694,261	2,688,221
Deferred asset for income tax	105,140	105,140	Total non-current liabilities	2,694,261	2,688,221
Mining concessions (note 6)	2,790,504	2,790,504	Total Liabilities	2,935,081	2,889,653
Total non-current assets	2,895,644	2,895,644	Heritage (note 9)		
			Share capital	176,000	176,000
Total assets	2,965,992	2,960,201	Cumulative results	(145,089)	(105,452)
			Total Equity	30,911	70,548
			Total liabilities and equity	2,965,992	2,960,201

The accompanying notes to the financial statements are an integral part of this statement.

ESTRELLA GOLD S.A.C.**Statement of Comprehensive Income**

	For the three-month period ended September 30		For the nine-month period ended September 30	
	2024	2023	2024	2023
	S/	S/	S/	S/
Operating Expense				
Administrative expenses (Note 10)	(19,574)	(7,935)	(33,440)	(7,935)
Net income (expense)	-	(567)	(311)	(1,212)
(Loss) of operation	(19,574)	(8,502)	(33,751)	(9,147)
(Loss) Net gain on exchange difference (Note 3.1)	6,723	(132,396)	(5,886)	10,421
(Loss) before income tax	(12,851)	(140,898)	(39,637)	1,274
Income tax (note 11)	-	-	-	-
(Loss) Net income for the period	(12,851)	(140,898)	(39,637)	1,274
Other comprehensive results	-	-	-	-
Comprehensive profit for the period	(12,851)	(140,898)	(39,637)	1,274
Subscribed Common Shares	176,000	1,000	176,000	1,000
Earnings (loss) per share	(0.07)	(140.90)	(0.23)	1.27

The accompanying notes are part of the financial statements.

ESTRELLA GOLD S.A.C.

Statement of Changes in Equity

For the nine-month periods ended September 30, 2024 and 2023

	Shareholder's equity	Cumulative income	Total
	S/	S/	S/
Balances as of January 1, 2023	1,000	(172,800)	(171,800)
Loss of period	-	1,274	1,274
Balances as of September 30, 2023	1,000	(171,526)	(170,526)
Balances as of January 1, 2024	176,000	(105,452)	70,548
Loss of period	-	(39,637)	(39,637)
Balances as of September 30, 2024	176,000	(145,089)	30,911

The accompanying notes are part of the financial statements.

ESTRELLA GOLD S.A.C.**Statement of Cash Flows**

For the nine-month periods ended September 30, 2024 and 2023

	2024	2023
	S/	S/
Operation Activities		
Other charges related to the activity	-	-
Other payments related to the activity Less:	(309)	(23)
Payments to suppliers of goods and services	-	-
Payment of salaries and social benefits	-	-
Payment of taxes	-	-
Increase (decrease) in cash flows from operations activities	<u>(309)</u>	<u>(23)</u>
Investment activities		
Acquisition of mining concessions (Note 6)	-	-
Increase (decrease) in cash flows from investing activities	<u>-</u>	<u>-</u>
Financing activities		
Shareholder loans (Note 8)	-	-
Increase (decrease) in cash flows from financing activities	<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	<u>(309)</u>	<u>(23)</u>
Cash balance at the beginning of the period	<u>309</u>	<u>5,013</u>
Cash balance at the end of the period (Note 4)	<u><u>-</u></u>	<u><u>4,990</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

ESTRELLA GOLD S.A.C.

Notes to the Financial Statements

As of September 30, 2024 and 2023

1. Identification and economic activity

1.1. Identification

ESTRELLA GOLD S.A.C. (hereinafter the Company), is a closed corporation established in Peru, by public deed dated August 7, 2018, executed before a notary public of Lima, Dr. José Alfredo Paino Scarpati, registered in registry entry No. 14142825, of the Registry of Legal Entities, Registry Zone IX, Headquarters in Lima-Peru.

The Company's fiscal and legal domicile is located at Avenida Santo Toribio N° 115, 8th floor, belonging to the district of San Isidro, Lima-Peru.

1.2. Economic activity

The Company, according to its constitution, has as its corporate purpose to engage in all kinds of activities of the mining industry, especially the exploration, exploitation and commercialization of mineral substances, searching, general work, beneficiation, refining, mining transport, as well as the purchase and sale of goods and products, import, export, provision of services, rental of equipment and machinery, logistical support, advice and consulting, supply of inputs and related services and other related or complementary activities required for the full development of its purposes, or in those others in which it expressly decides to venture by agreement of its General Meeting of Shareholders.

1.3. Going concern

During the periods ended September 30, 2024 and 2023, the Company has generated (losses) and net profits amounting to the amounts of S/ (39,637) and S/ 142,172 respectively. During these years, the Company's Management has focused on the reduction and optimization of costs, as well as laying a renewed foundation for the operational management of mining concessions that allows a long-term return on investment.

In the opinion of the Management and its shareholders, as of September 30, 2024 and December 31, 2023, the activities in the mining concessions do not present significant uncertainties that could cast doubt on the normal operation of the Company during the next 12 months, taking into consideration the current financial and economic situation and its expectations of cash flow generation for the following year; nor do they present matters of non-compliance with the "going concern" principle.

1.4. Approval of financial statements

The financial statements for the period ended September 30, 2024, have been issued with authorization from the Company's Management on October 31, 2024.

The financial statements for the year ended December 31, 2023, were approved by the General Shareholders' Meeting on September 16, 2024.

2. Main principles and summary of significant accounting policies

2.1. Basis for preparation of financial statements

Declaration of Compliance. -

The financial statements for the six months ended September 30, 2024, have been prepared following the criteria contained in International Accounting Standard 34 – Interim Financial Reporting.

The information contained in these financial statements is the responsibility of the Company's Management, who expressly state that the principles and criteria included in the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), in force at the date of the financial statements, have been fully applied.

Responsibility for Information. -

The information contained in these financial statements is the responsibility of the Company's Management, which expressly states that the principles and criteria included in the IFRS issued by the IASB, in force at the end of each financial year, have been applied in their entirety.

Measurement base. -

The Company's financial statements are derived from the accounting records, which have been prepared in accordance with the principle of historical cost as of September 30, 2024 and December 31, 2023.

Functional currency and presentation currency. -

The financial statements are presented in Soles (S/), which is the functional currency and presentation of the Company, except when a different monetary expression is indicated.

Use of estimates and judgments. -

The preparation of financial statements also requires management to conduct estimates and judgments for the determination of asset and liability balances, income and expenses, the amount of contingencies, and the disclosure of significant events in notes to the financial statements. The use of reasonable estimates is an essential part of the preparation of financial statements and does not impair their reliability. The estimates and judgments determined by the Company are continuously evaluated and are based on historical experience and any information that is considered relevant.

If these estimates and judgments vary in the future as a result of changes in the assumptions underlying them, the corresponding balances in the financial statements will be corrected on the date on which the change in estimates and judgments occurs.

The estimates and assumptions that are likely to cause adjustments to the balances of reported assets and liabilities and critical judgments in the application of accounting policies are presented below:

- Useful life and recoverable value of intangible assets.
- Recovery and application of deferred income tax assets and liabilities.

2.2. International Financial Reporting Standards

Standards, amendments and interpretations that will be in effect for annual financial statements commencing on or after January 1, 2024 and that have not been adopted in advance

Certain standards and amendments to standards have been published that are mandatory for 2024 or later and have not been adopted in advance by the Company and are explained below:

<u>Pronouncement</u>	<u>Concept</u>
Amendments to IAS 1	<u>Classification of liabilities as current or non-current</u> The modifications are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application Allowed.
<u>Pronouncement</u>	<u>Concept</u>

Amendments to IAS 1	<u>Non-current liabilities with covenants</u> Mandatory application in annual periods beginning on or after January 1 , 2024.
Amendments to IFRS 10 and IAS 28	<u>Sale or contributions of assets between an investor and its associate or joint venture</u> The date of entry into force of the amendments has not yet been set by the IASB; however, early application is allowed.
Amendments to IAS 7 and IFRS 7	<u>Supplier financing agreements</u> Mandatory application in annual periods beginning on or after January 1 , 2024.
Amendment to IAS 21	<u>Absence of convertibility</u> It establishes the guidelines to be followed to determine the exchange rate to be used in situations of non-convertibility. Mandatory application in annual periods beginning on or after January 1, 2025. It is allowed early adoption.
Amendments to IFRS 16	<u>Lease Liabilities on leaseback sales</u> Mandatory application in Annual Periods beginning on or after 1 December 2019. January 2024.

The Company is currently evaluating the impact that the modifications may have on current practice. No other standards have been identified that are not yet effective and for which a material impact on the Company could be expected in current or future reporting periods, and in foreseeable future transactions.

Regulatory pronouncements on sustainability not yet in force, whose application is not yet mandatory, for which no early adoption has been made

<u>Pronouncement</u>	<u>Concept</u>
IFRS S1	<u>General requirements for sustainability disclosures related to financial reporting</u> Annual periods beginning on or after January 1, 2024. Periods initiated on or after January 1, 2024. Early adoption is allowed with the joint application of IFRS S2.
IFRS S2	<u>Climate-related disclosures</u> Annual periods beginning on or after January 1, 2024. Early adoption is permitted, with the application of general requirements for sustainability disclosure in conjunction with IFRS S1 related to financial information.

2.3. Using Estimates and Judgments

The preparation of financial statements also requires management to conduct estimates and judgments for the determination of asset and liability balances, income and expenses, the amount of contingencies, and the disclosure of significant events in notes to the financial statements. The use of reasonable estimates is an essential part of the preparation of financial statements and does not impair their reliability. The estimates and judgments determined by the Company are continuously evaluated and are based on historical experience and any information that is considered relevant.

If these estimates and judgments vary in the future as a result of changes in the assumptions underlying them, the corresponding balances in the financial statements will be corrected on the date on which the change in estimates and judgments occurs.

In the opinion of the Administration, these variations do not affect the operation of the Company.

The estimates and assumptions that are likely to cause adjustments to the balances of reported assets and liabilities and critical judgments in the application of accounting policies are presented below:

- Recovery and Application of Deferred Income Tax Assets and Liabilities: Determining the ability to use accrued tax losses to offset deferred tax liabilities requires management to exercise its judgment and make certain assumptions about the Company's future performance. Management must assess whether the Company is likely to benefit from these past losses and other assets

for deferred taxes. Changes in economic conditions, metal prices and other factors could lead to revisions to estimates of profits to be made or the timing of losses.

2.4. Financial instruments

Initial recognition and measurement

Trade receivables, credit portfolios and debt instruments initially issued are recognized when they originate. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade debtor without a significant financing component) or financial liability is initially measured at fair value plus, in the case of an item not measured at fair value through profit or loss, the transaction costs directly attributable to its acquisition or issuance. A trade debtor without a significant funding component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets. -

In its initial recognition, a financial asset is classified at amortized cost (debt instrument), at fair value with changes in other comprehensive income (debt instruments or equity instruments) or at fair value with changes in profit or loss (debt instruments or equity instruments).

Assets based on a business model that is to hold them to obtain contractual cash flows, are subsequently measured, at amortized cost using the effective interest rate method.

Financial liabilities – Other financial liabilities. -

The Company maintains in this category trade accounts payable and other accounts payable (excluding taxes and provisions). Financial liabilities are classified as measured at amortized cost or fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is classified as held for trading, is a derivative or is designated as such in initial recognition.

Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are measured after amortized cost using the effective interest method. Interest income and gains and losses on foreign currency translation are recognized in profit or loss. Any gain or loss on the write-off is also recognised in profit or loss.

Derecognition of financial assets and liabilities

Financial assets. -

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

(i) the rights to receive cash flows from the asset have terminated; or (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay all cash flows immediately received to a third party under a pass through agreement; and (iii) the Company has transferred substantially all of the risks and rewards of the asset or, if it has not transferred or retained substantially all of the risks and rewards of the asset, has transferred its control.

Financial liabilities. -

A financial liability is derecognized when the payment obligation is terminated, canceled, or expires. When an existing financial liability is replaced by another of the same borrower under significantly different conditions, or the conditions are changed in a material way, such replacement or modification is treated as a reduction of the original liability and the recognition of a new liability, the difference between the two being recognized in the results of the period.

Clearing of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if there is a statutory right in force at that time to offset the amounts recognized and if there is an intention to settle on net terms or to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The initial recognition of financial assets is at their nominal value and includes interest (as appropriate to the type of portfolio), which is carried to amortized cost, using the effective interest rate method minus the estimate for uncollectibles. The amortized cost is calculated by considering any discounts or premiums incurred in the acquisition, commissions and costs, which constitute an integral part of the effective interest rate. Losses caused by impairment are recognized in the statement of comprehensive income, under the heading of estimation for doubtful collection accounts.

The method used for impairment is the simplified one, considering that most of the Company's accounts receivable do not have the financing component, are in a judicial situation or are overdue, the simplified method of estimating the impairment will respond to the expected credit losses during the life of the account, both in the initial recognition and in subsequent periods; using this method the Company has no significant impact on the income statement.

2.5. Measuring Fair Values

The fair value of financial instruments is the price that would be received for selling an asset or that would be paid when transferring a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when placing value on the asset or liability, assuming that market participants are acting in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and by which it has sufficient information available to measure fair value, maximizing the use of relevant observable data and minimizing the use of unobservable data.

All assets and liabilities for which fair values are determined or disclosed in the financial statements are classified within the fair value hierarchy, described below, based on the lowest level of data used that are significant for the measurement of fair value as a whole:

Level 1: Quoted (unadjusted) prices in active markets for assets or liabilities identical to those that the entity can access on the measurement date.

Level 2: Valuation techniques by which the lowest level of information that is significant for the measurement at fair value is directly or indirectly observable.

Level 3: Valuation techniques by which the lowest level of information that is significant for the measurement at fair value is not observable.

For assets and liabilities that are recognized at fair value in the financial statements on a recurring basis, the Company determines whether transfers have occurred between the different levels within the hierarchy by reviewing the categorization at the end of each reporting period.

For purposes of fair value disclosures, the Company has determined the asset and liability classes based on their nature, characteristics and risks and the level of the fair value hierarchy as explained above.

In the opinion of the Company's Management, as of September 30, 2024 and December 31, 2023, the fair value of its financial instruments is not materially different from their respective carrying amounts and, therefore, the disclosure of such information has no effect on the financial statements as of that date.

2.6 Foreign currency transactions

Functional and presentation currency. -

The items included in the Company's financial statements are expressed in the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in soles, which is the functional currency and the presentation currency of the Company.

Transactions and balances in foreign currency. -

Transactions in foreign currency are considered to be those carried out in a currency other than the functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates in effect on the dates of the transactions or the valuation date in the case of items that are revalued. Gains and losses on exchange differences resulting from the payment of such transactions and the translation of monetary assets and liabilities into foreign currency at the year-end exchange rate are recognized under the heading "Exchange difference, net" of the statement of comprehensive income.

2.7 Cash, cash equivalent

For purposes of the statement of cash flows, cash and cash equivalents include the cash on hand and current accounts in the statement of financial position. Such accounts are not subject to significant risk of changes in value.

2.8 Impairment of long-lived assets

The Company reviews and evaluates the depreciation of its long-lived assets when there are economic events or changes that indicate that the value of an asset will not be recoverable.

A impairment loss is the amount by which the carrying amount of long-lived assets exceeds the net selling price or use value, whichever is greater. The net sale price is the amount that can be obtained in the sale of an asset in a free market, while the value in use is the present value of the estimated future flows from the continuous use of an asset and its disposal at the end of its useful life.

An impairment loss recognized in prior years is returned if there is a change in the estimates that were used at the last time the loss was recognized. Such reversal is recognized in the statement of comprehensive income.

2.9 Mining concessions

Mining concessions represent the ownership of the exploration right that the Company has over the mining properties held by the acquired mineral reserves. Mining concessions are presented at cost and are not amortized until the beginning of their exploitation using proven and probable reserves as a basis.

In the event that the Company abandons such concessions, the associated costs are penalized in the statement of comprehensive income. (See note 6).

2.10 Provisions

A provision is recognized only when the Company has a present obligation (legal or implied) as a result of a past event, it is probable that an outflow of resources will be required for its settlement and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed periodically and adjusted to reflect the best estimate at the date of the statement of financial position.

The expense related to a provision is shown in the comprehensive income statement. Provisions are discounted at present value using a rate that reflects, where appropriate, the specific risks related to the liability. When the discount is made, the increase in the provision over time is recognized as a financial expense in the statement of comprehensive income.

2.11 Liabilities and contingent assets

Contingent liabilities are recognized in the financial statements to the extent that outflows are likely, and are disclosed in notes to the separate financial statements only when outflows are possible. Contingent assets are not recognized in the financial statements and are only disclosed when the Company is likely to generate an income from economic benefits in the future.

2.12 Issued capital

The issued capital constitutes the part of the share capital that a company makes available in the form of shares recognized at their nominal value and that have been effectively subscribed and paid up by the fireman or shareholders. Transaction costs directly attributed to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

2.13 Cost and expense recognition

Costs and expenses are recognized as they are accrued, regardless of when they are paid, and are recorded in the periods to which they relate.

Finance costs are recorded as an expense when accrued and include interest charges and other costs incurred related to borrowing. Unearned financial costs are presented by reducing the liability that gave rise to them.

2.14 Taxation

The income tax expense for the period includes current and deferred income tax. The tax is recognized in the statement of comprehensive income, except when it relates to items recognized directly in the statement of other comprehensive income or in equity. In this case, the tax is also recognized in the statement of other comprehensive income or directly in equity, respectively.

Deferred income tax is calculated by the liability method on the temporary differences that arise between the tax bases of assets and liabilities and their respective values shown in the financial statements. However, deferred income tax arising from the initial recognition of an asset or liability in a transaction that does not correspond to a business combination that at the time of the transaction does not affect either the profit or the accounting or taxable loss, is not recorded. Deferred income tax is determined using the legislation and tax rates that have been enacted or substantially enacted as of the date of the statement of financial position of the country in which the Company operates and generates taxable income, and which are expected to be applicable when the active deferred income tax is realized or the passive income tax is paid.

Deductible temporary differences and accumulated tax losses generate deferred tax assets to the extent that the tax benefit can be used against income tax for future taxable years. The carrying amount of deferred earnings tax assets is reviewed as of the date of each statement of financial position and is reduced to the extent that it is determined that sufficient taxable income is unlikely to be generated against which the deferred asset can be offset. Asset deferred income tax that has not been recognized in the financial statements is revalued at the date of each statement of financial position.

2.15 Classification of items into current and non-current

The Company presents the assets and liabilities in the statement of financial position classified as current and non-current.

An asset is classified as current when the entity:

- Expects to realize the asset or intends to sell or consume it in its normal cycle of operation;
- You hold the asset primarily for trading purposes;
- You expect to realize the asset within twelve months after the reporting period;
- The asset is cash or cash equivalent, unless it is restricted and cannot be exchanged or used to settle a liability, for a minimum period of twelve months following the reporting period.

All other assets are classified as non-current. A liability is

classified as current when the entity:

- It expects to settle the liability in its normal operating cycle;
- It holds liabilities primarily for trading purposes.

2.16 Subsequent events

Events after the end of the year that provide additional information about the Company's financial condition as of the date of the statement of financial position (adjustment events) are included in the financial statements.

Subsequent material events that are not adjustment events are disclosed in notes to the financial statements.

3. Financial Risk Management and Capital Management

3.1. Financial risk factors. -

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, credit and liquidity.

The Company's risk management program seeks to minimize potential adverse effects on its financial performance.

The Company's Management is aware of the prevailing market conditions and, based on its knowledge and experience, controls liquidity, currency and credit risks, following the policies approved by the shareholders.

The most important aspects for managing these risks are:

i. Market risk. -

Market risk is the risk that the fair value of future flows of a financial instrument fluctuates due to changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk, and stock investment risk.

In the case of the Company, the financial instruments affected by market risks include deposits and loans; which are exposed to currency and interest rate risk.

ii. Interest rate risk. -

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuate due to changes in market interest rates. Management believes that future fluctuations in interest rates will not materially affect the Company's future results of operations because its financial liabilities have been obtained at fixed interest rates.

iii. Exchange rate risk. -

Foreign exchange risk is the risk that the future fair value or cash flows of a primary financial instrument will fluctuate due to changes in exchange rates. The Company's exposure to foreign exchange rates relates primarily to operating activities. The current position in foreign currency includes assets and liabilities that are expressed at the exchange rate on the date of the statement of financial position. Any devaluation/revaluation of the foreign currency would affect the statement of comprehensive income.

Management believes that future fluctuations in the exchange rate of the Peruvian currency against the U.S. dollar will not significantly affect the results of future operations.

The Company does not use derivative financial instruments to hedge its exposure to foreign exchange risk, however, it aims to keep its net position reasonable so as not to expose itself to any significant variation in the exchange rate.

As of September 30, 2024 and December 31, 2023, the Company had the following assets and liabilities in U.S. dollars:

	<u>As of September 30</u>	<u>As of December 31</u>
	<u>2024</u>	<u>2023</u>
	US \$	US \$
<u>Active:</u>		
Cash and cash equivalent	-	20
Other accounts receivable	<u>200</u>	<u>200</u>
Total monetary assets	<u>200</u>	<u>220</u>
<u>Passive:</u>		
Trade Accounts Payable	(68,286)	(52,769)
Other accounts payable	<u>(723,874)</u>	<u>(771,134)</u>
Total monetary liabilities	<u>(792,160)</u>	<u>(823,903)</u>
Net (Passive) Position	<u>(791,960)</u>	<u>(823,683)</u>

These balances have been expressed in soles at the following exchange rates of the free exchange market established by the Superintendencia of Banking, Insurance and AFPs (hereinafter the SBS) in force as of September 30, 2024 and December 31, 2023 as follows:

	<u>As of September 30</u>	<u>As of December 31</u>
	<u>2024</u>	<u>2023</u>
	S/	S/
1 US \$ - Exchange rate – buy (active)	3.703	3.705
US\$ 1 - Exchange rate – sell (liability)	3.714	3.713

The exchange difference generated during the year is presented under the heading Net exchange difference, in the statement of comprehensive income:

	As of September 30	
	2024	2023
	S/	S/
Exchange Difference Gain	130,220	225,889
(Loss) due to exchange difference	(136,106)	(220,158)
Exchange difference, net	<u>(5,886)</u>	<u>5,731</u>

iv. Credit risk. -

Credit risk is the risk that a counterparty will fail to meet its obligations under a financial instrument or commercial contract, resulting in a financial loss. The Company is exposed to credit risk from its operating activities (in particular by commercial debtors) and its financial activities, including deposits with banks and financial institutions, foreign exchange operations and other financial instruments.

- Financial instruments and bank deposits. -

The credit risk of the balance in banks is managed by the Finance Management in accordance with the Company's policies. Counterparty credit limits are reviewed by Management. Limits are established to minimize the concentration of risk and, consequently, mitigate financial losses from potential defaults by the counterparty.

In the opinion of Management, as of September 30, 2024 and December 31, 2023, the Company does not consider that such concentrations imply unusual risks to its operations.

v. Liquidity risk. -

The Company's objective is to maintain the balance between continuity and flexibility of financing through the use of overdrafts in bank checking accounts. The Company maintains adequate cash levels.

The following tables summarize the maturity profile of the Company's financial liabilities on the basis of the undiscounted payments provided for in the respective contracts:

	From 3 to 12 months	Between 1 and 2 years	Total
As of September 30, 2024	S/	S/	S/
Trade Accounts Payable	239,202	-	239,202
Other accounts payable	1,618	-	1,618
Other related accounts payable	-	2,694,261	2,694,261
Total liabilities	<u>240,820</u>	<u>2,694,261</u>	<u>2,935,081</u>

	From 3 to 12 months	Between 1 and 2 years	Total
As of December 31, 2023	S/	S/	S/
Trade Accounts Payable	199,814	-	199,814
Other accounts payable	1,618	-	1,618
Other related accounts payable	-	2,688,221	2,688,221
Total liabilities	<u>201,432</u>	<u>2,688,221</u>	<u>2,889,653</u>

3.2. Capital management. -

The Company's objectives in managing capital are to safeguard its ability to continue as a going concern for the purpose of generating shareholder returns, profits and maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain a level of capital, the Company receives the funds to finance its operations with capital contributions from its shareholders.

4. Cash and cash equivalent

This item includes:

	<u>As of September 30</u>	<u>As of December 31</u>
	<u>2024</u>	<u>2023</u>
	S/	S/
Current accounts in national currency	-	237
Current accounts in foreign currency	-	72
Total	<u> =</u>	<u> 309</u>

The Company maintains current accounts in local financial institutions, which are denominated in soles and U.S. dollars, are freely available and do not generate interest.

5. Other accounts receivable

This item includes:

	<u>As of June 30</u>	<u>As of December 31</u>
	<u>2024</u>	<u>2023</u>
	S/	S/
General Sales Tax - IGV (*)	69,605	63,507
Different	<u> 743</u>	<u> 741</u>
Total	<u> 70,348</u>	<u> 64,248</u>

As of September 30, 2024 and December 31, 2023, the General Sales Tax (IGV) corresponds mainly to a balance in favor of applying for container rental service for S/ 41,159 and S/ 39,451, respectively.

6. Mining concessions

The movement of the intangible assets item, for the period ended September 30, 2024, was as follows:

<u>Acquisition, costs, payment options and others</u>	<u>Balances at 31.12.2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances at 30.09.2024</u>
	S/	S/	S/	S/
Star 06-18, Star 07-18 and Star 08-18	131,756	-	-	131,756
Star 01-19, Star 02-19, Star 03-19 and Estrella 04-19	115,857	-	-	115,857
Pampa 1, Pampa 2 and Tayacoto	114,112	-	-	114,112
Star 01-18, Star 02-18, Star 03-18, Estrella 04-18 and Estrella 05-18	134,414	-	-	134,414
Antonella Daniela	2,294,365	-	-	2,294,365
Total	<u> 2,790,504</u>	<u> -</u>	<u> -</u>	<u> 2,790,504</u>

As of September 30, 2024, the additions correspond mainly to concession license payments to the Geological Mining and Metallurgical Institute (INGEMMET) of mining concessions.

Below is the detail of the Cochabamba Project:

Between November 7, 2018 and April 29, 2019, the Company filed Star Forms 06-18, Star 07-18, Star 08-18, Star 01-19, Star 02-19, Star 03-19 and Star 04-19. Mining applications (claims) before INGEMMET.

On September 12, 2019, the Company completed the acquisition of the Pampas 1, Pampas 2 and Tayacoto mining concessions from Lara Peru SAC ("Lara Peru"), a wholly-owned subsidiary of Lara Exploration Ltd. ("Lara"). In exchange for a 100% undivided interest in these mining concessions, the Company's shareholder transferred to Lara a 5% interest in the Company's outstanding shares and the Company granted Lara Peru a net smelter return ("NSR") royalty of 1% on the applicable amount of minerals extracted from these mining concessions.

On November 6, 2019, the mining concessions Estrella 01-18, Estrella 02-18, Estrella 03-18, Estrella 04-18 and Estrella 05-18 were transferred to the Company by Mr. Diego Manuel Cilloniz Montesinos for US\$100. The Company's General Manager acted as the Company's Representative to acquire these concessions initially.

On June 30, 2023, the Company ordered the mining exploitation of the concessions: Estrella 03-18, Estrella 04-18, Estrella 05-18, Estrella 08-18 and Estrella 04-19.

On June 30, 2024, the Company ordered the mining exploitation of the concessions: Estrella 01-18 and Estrella 02-18. Subsequently, on July 11, 2024, the Company filed the mining application of: Estrella 05-19 and Opción Antonella.

On September 26, 2019, the Company entered into the Antonella Option and Lease Agreement for an option to acquire 100% of the Antonella Daniela I Concession. The contract was subsequently amended on 21 January 2020. As of November 2021, the Company made all of the following payments and exercised its option to purchase the concession:

- a. US\$15,000 payable at the time of conclusion of the contract;
- b. US\$40,000 payable on or before the date that is 30 days after the settlement date;
- c. US\$25,000 payable on June 1, 2020;
- d. US\$100,000 payable on or before the date that is 12 months after the date of the agreement;
- e. US\$170,000 payable on or before the date that is 24 months after the date of the agreement;
- f. US\$80,000 payable on or before the date that is 36 months after the date of settlement

7. Trade Accounts Payable

This item includes:

	<u>As of September 30</u>	<u>As of December 31</u>
	2024	2023
	S/	S/
Trade Accounts Payable – in local currency	1,508	1,508
Trade Accounts Payable – in Foreign Currency (*)	222,366	183,010
Fees payable - national currency	2,375	2,375
Fees payable - foreign currency	<u>12,953</u>	<u>12,921</u>
Total	<u><u>239,202</u></u>	<u><u>199,814</u></u>

As of September 30, 2024 and December 31, 2023, trade payables in foreign currency correspond mainly to consulting services in the amount of US\$43,223 for both fiscal years. (*)

8. Other related accounts payable

The movement of this account was as follows:

<u>Loans received</u>	Balances at 31.12.2023	Additions	Capitalization	Restatement	Balances at 30.09.2024
	S/	S/	S/	S/	S/
Lima Osorio, Raúl Ernesto	883,429	-	-	1,903	885,332
Daura Capital Corp.	841,010	-	-	82,604	952,151
Sanchez Rocha, Luis Francisco	42,402	-	-	91	42,493
Lakhani Preeya	921,380	-	-	(78,558)	842,822
Total	<u>2,688,221</u>	<u>-</u>	<u>-</u>	<u>6,040</u>	<u>2,694,261</u>

On March 31, 2024, the "Debt Payment Agreement" was executed between the Company and its Related Parties, in which the conversion of debts from U.S. dollars to Peruvian soles is agreed, using the official exchange rate of that date, which amounts to S/. 3.721.

As of September 30, 2024, as a result of the restatement of the foreign currency (US\$) to the Company's functional currency (S/), a loss on exchange difference in the amount of S/ 6,040 has resulted.

As of September 30, 2024 and December 31, 2023, other related accounts payable correspond mainly to shareholder loans for payments of mining requests, which are current maturity, do not accrue interest and do not have specific guarantees.

For the nine-month period ended September 30, 2024 and 2023, no payments were made to the Company's Key Management.

In the opinion of the Company's Management, no provision is required as of September 30, 2024 and December 31, 2023 for loans received from related parties.

9. Heritage

9.1 Issued capital. -

The Company's capital as of September 30, 2024 and December 31, 2023 is represented by 176,000 common shares respectively, whose par value is S/ 1.00 each, which are fully issued and paid.

As of September 30, 2024 and December 31, 2023, the Company's corporate structure is as follows:

<u>Percentage of individual equity</u>	<u>Shareholders</u>		<u>Participation</u>
	N°		%
From 0.00 to 5.00	1		5.00
From 5.00 to 25.00	1		25.00
From 25.00 to 100.00	1		<u>70.00</u>
Total	<u>3</u>	-	<u>100.00</u>

By means of the General Shareholders' Meeting held on December 30, 2023, it was agreed to approve the increase in capital stock from S/ 1,000 to S/ 176,000, through capitalization of debts for S/ 175,000, both registered in Public Registries.

9.2 Cumulative results. -

The accumulated results are likely to be capitalized or may be distributed as dividends, in accordance with the Company's dividend policy that is subject to article 230 of the General Companies Law.

Dividends in favor of shareholders other than domiciled legal entities are subject to the rate of 5% for income tax payable by these shareholders, a rate in force on September 30, 2024 and December 31, 2023.

10. Administrative expenses

As of September 30, 2024, administrative expenses amounted to the sum of S/ 33,440, which are mainly composed of expenses for services provided by third parties for consulting and rentals.

11. Tax situation

Determination of income tax. -

The Company is subject to the Peruvian tax regime. As of September 30, 2024 and December 31, 2023, the income tax rate was 29.5 percent, on taxable profit. Legal entities not domiciled in Peru and natural persons are subject to the withholding of an additional tax on dividends received. In this regard, in accordance with Legislative Decree No. 1261, the additional tax for the profits generated is 5 percent.

Management considers that it has determined the tax result, under the general income tax regime, in accordance with current tax legislation, which requires adding and deducting to the result shown in the financial statements, those items that the aforementioned legislation recognizes as taxable and non-taxable, respectively.

Subject without operational capacity. -

Legislative Decree No. 1532 includes the concept of Subject Without Operational Capacity (SSCO), being that SUNAT, based on the regulated procedure for its attribution, may attribute the status of SSCO to those companies that, although they appear as issuers of payment vouchers, do not have personnel, assets or the capacity to be able to carry out the operations for which such documents are issued. having the effect that all payment vouchers issued from that date may not support an expense or cost for Income Tax purposes, nor IGV tax credit as of January 1, 2023, the date on which this rule came into force.

Tax modifications of greater relevance in force as of January 1, 2021.-

Depreciation of assets

Through Legislative Decree No. 1488 Special Depreciation and Modification Regime, the depreciation percentages of assets acquired during the years 2020 and 2021 are increased, in order to promote private investment and provide greater liquidity given the current economic situation due to the effects of COVID-19.

Undercapitalization

As of January 1, 2021, financial expenses will be deductible up to the limit of 30% of the tax EBITDA (Net Income – Compensation of Losses + Net Interest + Depreciation + Amortization) of the previous year. There are some exceptions to the application of this limitation in the case of banks, taxpayers with incomes not exceeding 2,500 UITs, infrastructure, public services, among others.

By means of Supreme Decree No. 402-2021 published on December 30, effective as of December 31, 2021, the Regulations of the Income Tax Law that regulate the calculation of tax EBITDA for the purposes of the debt interest limit were modified. For 2019 and 2020, the financial expense generated by borrowings between both independent and related parties is subject to the thin capitalization limit of (3:1 Debt-Equity Ratio) calculated at the end of the previous year.

Tax modifications of greater relevance in force as of January 1, 2019.-

New normative concept of Legal Accrual

Legislative Decree No. 1425 introduced the definition of legal accrual for Income Tax purposes, establishing that income in the case of: a) transfer of assets occurs when: i) the change of control operates (according to IFRS 15); or ii) the transfer of risk to the acquirer occurs (Risk Theory established in the Civil Code), whichever occurs first; and b) in the case of the provision of services, the degree of performance of the provision has been established. The new legal concept of accrual is applicable to lessees for the purposes of establishing the tax treatment of the expense associated with lease contracts regulated by (IFRS) 16 (i.e. operating lease for tax purposes). The concept that is the subject of the comment will not be applicable to those entities that accrue their income or expenses for Income Tax according to provisions of a tax nature that establish a special (sectoral) accrual regime.

Deduction of expenses or costs incurred in transactions with non-domiciled subjects

Legislative Decree No. 1369 requires that costs and/or expenses (including outbound interest) incurred with non-domiciled counterparties must have been effectively paid in order to be deducted in the year in which they were incurred until before the expiration of the deadline for filing the annual affidavit. Otherwise, its impact on the determination of net income will be deferred to the year in which it is actually paid, at which time the corresponding withholding will be applied.

This regulation eliminated the obligation to pay the amount equivalent to the withholding on the amount accounted for as a cost and/or expense.

Measures for the application of the General Anti-Avoidance Clause contained in Rule XVI of the C.T.

Through Legislative Decree No. 1422, the procedure for the application of the aforementioned General Anti-Avoidance Clause (CAG) has been established, basically stating that: (i) it is applicable only in definitive audit procedures in which acts, facts or situations occurring since July 19, 2012 are reviewed; (ii) for its application there must be a prior favorable opinion of a review committee made up of officials of SUNAT itself, such opinion not being appealable; (iv) the final audit procedures in which the (CAG) is applied are not subject to the period of one (1) year to request information from the auditees.

On May 6, 2019, Supreme Decree No. 145-2019-EF was published in the Official Gazette El Peruano, approving the substantive and formal parameters for the application of the general anti-avoidance rule contained in Rule XVI of the Tax Code ("CT"); with which the requirement to lift the suspension established by Law 30230 for the application of said rule is understood to have been met. Likewise, the SUNAT Audit Procedure Regulations have been adapted for this purpose. By Superintendence Resolution No. 000184-2021/SUNAT published on December 13, 2021, the members of the Review Committee of the National Superintendence of Customs and Tax Administration - SUNAT referred to in Article 62-C of the Single Ordered Text of the Tax Code were appointed, which states that, when applying the Anti-Avoidance Rule in an inspection procedure, a report must be submitted together with the audit file to the Review Committee.

Joint and several liability of the legal representatives and directors of the companies

As of September 14, 2018, it has been established, through Legislative Decree No. 1422, that, when an audited subject is subject to the General Anti-Avoidance Clause (CAG), it is automatically considered that there is fraud, gross negligence or abuse of powers with respect to its legal representatives, unless proven otherwise. The aforementioned joint and several liability will be attributed to said representatives provided that they have collaborated with the design or approval or execution of acts, situations or economic relationships with an elusive purpose.

The aforementioned rule also involves the members of the Board of Directors of companies, as it is indicated that these subjects are responsible for defining the tax strategy of the companies in which they are directors, and they must decide whether or not to approve acts, situations or economic relations to be carried out within the framework of tax planning, being non-delegable – according to the rule in comment – this attribution of the directors.

The members of the Board of Directors of domiciled companies were granted a deadline of March 29, 2019 to ratify or modify the acts, situations or economic relationships carried out within the framework of tax planning, and implemented as of September 14, 2018 that continue to have tax effect to date.

Notwithstanding the aforementioned maximum period indicated for the fulfillment of said formal obligation, and considering the aforementioned joint and several liability attributable to both legal representatives and directors, as well as the lack of definition of the term tax planning, it will be critical to review any act, situation or economic relationship that has (i) increased tax attributes; and/or, (ii) generated a lower payment of taxes for the aforementioned years, in order to avoid the attribution of joint and several tax liability, both at the administrative and even criminal level, depending on the criteria of the supervisory agent, in the event that the (CAG) is applied to the company that is the subject of a tax intervention by SUNAT.

Beneficial Ownership Related Information

Within the framework of the regulations to strengthen the fight against tax evasion and avoidance as well as against money laundering and terrorist financing, as of August 3, 2018, the provisions introduced through Legislative Decree No. 1372 are in force, which require the competent authorities to provide, through an affidavit of final beneficiaries, information related to said subjects, that is, to reveal through said declaration who are the natural persons who effectively have ownership or control in persons or legal entities. Thus, it will be mandatory to report aspects such as (i) identification of the final beneficiary; (ii) the chain of ownership with the respective supporting documentation; (iii) identification of the third parties that have such information, if applicable. It is also noted that the information related to the identification of the final beneficiaries of the persons and legal entities that is provided to the competent authorities within the framework of these rules does not constitute a violation of professional secrecy nor is it subject to the restrictions on disclosure of information derived from the confidentiality imposed by contractual means or by any legal or regulatory provision.

It should be taken into consideration that, if the informative affidavit containing the information related to the final beneficiary is not filed, the legal representatives of the entity that failed to comply with the filing of said declaration will incur joint and several liability.

12. Contingencies

In the opinion of Management, the Company does not present any outstanding lawsuits and major events or other contingencies against it as of September 30, 2024 and December 31, 2023.

13. Segmented information

The Company operates in a single reportable operating segment: the acquisition and exploration of mineral properties in Peru.

14. Post-date events of financial statements

In July 2024, the Company entered into a new share exchange agreement (the "SEA") with its shareholders and Daura Capital Corp. ("Daura"), pursuant to which Daura proposes to acquire a 100% interest in the Company. Daura has agreed to issue 7,000,000 shares of common stock to acquire Estrella, where the acquisition will constitute Daura's "qualifying transaction" under the policies of the Toronto Stock Exchange (TSX Venture Exchange) in Canada.

Management is not aware of events that occurred between January 1, 2024 and the date on which the issuance of these financial statements was authorized that require recognition as adjustments to balances or additional information to be disclosed.

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SCHEDULE "D" MANAGEMENT'S DISCUSSION AND ANALYSIS FOR ESTRELLA GOLD S.A.C.

ESTRELLA GOLD S.A.C.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

GENERAL

This management's discussion and analysis ("MD&A") of the financial position and results of operations is as at December 31, 2023 and should be read in conjunction with the financial statements of Estrella Gold S.A.C. (the "Company" or "Estrella") for the years ended December 31, 2023 and 2022 and the related notes thereto. Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in the following management's discussion and analysis are in Peruvian soles except where noted.

FORWARD LOOKING INFORMATION

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities regulations.

COMPANY OVERVIEW

The Company was incorporated in Peru on August 7, 2018. The Company's principal business purpose is to engage in all kinds of activities of the mining industry, especially the exploration, exploitation and commercialization of mineral substances, prospecting, general labor, smelting, refining, mining transportation, as well as the purchase and sale of goods and products, import, export, provision of services, rental of equipment and machinery, logistical support, advice and consultancy, supply of inputs and other related or complementary activities required for the development of its purposes, or in those others in which the Company expressly decides to enter by agreement of its General Shareholders' Meeting.

OVERALL PERFORMANCE

Cochabamba Project

	December 31 2023	December 31 2022
Acquisition costs, option payments, and other		
Estrella 06-18, Estrella 07-18, and Estrella 08-18	S/ 131,756	S/ 116,671
Estrella 01-19, Estrella 02-19, Estrella 03-19, and Estrella 04-19	115,857	98,934
Pampas 1, Pampas 2 and Tayacoto	114,112	90,466
Estrella 01-18, Estrella 02-18, Estrella 03-18, Estrella 04-18, and Estrella 05-18	134,414	124,986
Antonella Daniela I	2,294,365	2,205,023
Total carrying amount	S/ 2,790,504	S/ 2,636,080

Between November 7, 2018 and April 29, 2019, the Company filed the Estrella 06-18, Estrella 07-18, Estrella 08-18, Estrella 01-19, Estrella 02-19, Estrella 03-19, and Estrella 04-19 mining applications (claims) with the Peruvian Geology, Mining and Metallurgical Institute ("INGEMMET").

On September 12, 2019, the Company completed the acquisition of the Pampas 1, Pampas 2, and Tayacoto mining concessions from Lara Peru S.A.C. ("Lara Peru"), a wholly owned subsidiary of Lara Exploration Ltd. ("Lara"). In consideration for a 100% undivided interest in these mining concessions, the shareholder of the Company transferred to Lara a 5% interest in the Company's outstanding shares and the Company granted Lara Peru a 1% net smelter return ("NSR") royalty on applicable minerals extracted from these mining concessions.

On November 6, 2019, the Estrella 01-18, Estrella 02-18, Estrella 03-18, Estrella 04-18, and Estrella 05-18 mining concessions were transferred to the Company from Mr. Diego Manuel Cilloniz Montesinos for US\$100. Mr. Cilloniz is the general manager of the Company and acted as a representative of the Company to acquire these concessions initially.

On June 30, 2023, Estrella disposed the Estrella 03-18, Estrella 04-18, Estrella 05-18, Estrella 08-18 and Estrella 04-19 mining concessions.

Subsequently, on June 30, 2024, Estrella disposed the Estrella 01-18, and Estrella 02-18 mining concessions.

Subsequently, on July 10, 2024, Estrella filed the Estrella 05-19 mining application.

Antonella Option

On September 26, 2019, the Company entered into the Antonella Option and Lease Agreement for an option to acquire 100% of the Antonella Daniela I Concession. The agreement was amended subsequently on January 21, 2020. By November 2021, the Company paid all of the following payments to the optionor and exercised its option to acquire the concession:

- a) US\$15,000 payable upon entering into the agreement;
- b) US\$40,000 payable on or before the date that is 30 days after the date of the agreement;
- c) US\$25,000 payable on June 1, 2020;
- d) US\$100,000 payable on or before the date that is 12 months after the date of the agreement;
- e) US\$170,000 payable on or before the date that is 24 months after the date of the agreement; and
- f) US\$80,000 payable on or before the date that is 36 months after the date of the agreement.

SELECTED ANNUAL INFORMATION

Selected financial information from the Company's most recently completed financial years is summarized as follows:

Year ended	December 31 2023	December 31 2022
Administrative expenses	S/ 12,237	S/ 42,638
Net income	67,349	81,002
Earnings (loss) per share - basic and diluted	67.35	81.00
Total assets	2,960,201	2,808,584
Total financial liabilities	S/ 2,889,653	S/ 2,980,384

RESULTS OF OPERATIONS

Three months ended December 31, 2023

The Company recorded income of S/ 66,075 for the three months ended December 31, 2023 compared to S/ 105,194 for the comparative quarter of 2022. The decrease was attributable to decrease in foreign exchange gain.

Year ended December 31, 2023

The Company recorded an income of S/ 67,349 for the year ended December 31, 2023 compared to S/ 81,002 for the comparative year. The decrease was attributable to decrease in foreign exchange gain.

QUARTERLY FINANCIAL INFORMATION

The following table provides selected financial information for the most recent quarters up to December 31, 2023 and should be read in conjunction with the Company's financial statements for the year ended December 31, 2023.

	December 31		September 30		June 30		March 31	
Three months ended	2023		2023		2023		2023	
Net income (loss) for the period	S/	66,075	S/	(140,898)	S/	96,593	S/	45,579
Earnings (loss) per share – basic and diluted		66.08		(140.90)		96.59		45.58
Weighted average shares outstanding – basic and diluted		1,000		1,000		1,000		1,000

	December 31		September 30		June 30		March 31	
Three months ended	2022		2022		2022		2022	
Net income (loss) for the period	S/	105,194	\$	(149,693)	S/	(45,994)	S/	171,494
Earnings (loss) per share – basic and diluted		105.19		(149.70)		(45.99)		171.49
Weighted average shares outstanding – basic and diluted		1,000		1,000		1,000		1,000

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, the Company had working capital deficiency of S/ 136,875 (2022 - S/ 151,794), which was primarily comprised of other accounts receivable of S/ 64,248 (2022 - S/ 62,351), and accounts payable of S/ 199,814 (2022 - S/ 217,540).

During the year ended December 31, 2023, cash decreased by S/ 4,704 (2022 - increased by S/ 1,366), primarily from net cash used in operating and investing activities, partially offset by net cash from financing activities.

Operating activities

During the year ended December 31, 2023, net cash provided by operating activities amounted to S/ 47,725 (2022 - S/ 95,493).

Investing activities

During the year ended December 31, 2023, net cash used in investing activities was S/ 154,424 (2022 - S/ 191,705), which were related to exploration activities on the company's mining properties and maintenance fees and payments.

Financing activities

During the year ended December 31, 2023, net cash provided by financing activities was S/ 101,995 (2022 - S/ 97,578), which included advances from its shareholders.

FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT

The Company does not utilize complex financial instruments in hedging metal price, foreign exchange or interest exposure. Any hedging activity requires approval of the Company's shareholders. The Company will not hold or issue derivative instruments for speculation or trading purposes. Please refer to the financial statements for the year ended December 31, 2023.

RELATED PARTY TRANSACTIONS

For the years ended December 31, 2023 and 2022, there was no compensation to management personnel.

As at December 31, 2023, the Company had a total S/ 1,847,211 (2022 - S/ 1,895,980) of payable due to related parties of the Company.

In addition, as at December 31, 2023, the Company owed S/ 841,010 (2022 - S/ 865,246) to Daura Capital Corp. ("Daura").

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RISKS AND UNCERTAINTIES

Foreign currency risk

The Company operates in Peru and is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company's primary funding is from its shareholders in US dollars and its expenditures are incurred in the local currencies. The risk is that a significant change in the exchange rate of the US dollar relative to the Peruvian sol could have an adverse effect on the Company's results of operations, financial position, or cash flows. The Company has not hedged its exposure to currency fluctuations. The Company is exposed to currency risk through assets and liabilities denominated in US dollar.

Credit risk

The Company's credit risk consists mainly of deposits in banks and other various accounts receivable. With respect to deposits in banks, the Company reduces the probability of significant concentrations of credit risk since it maintains deposits in first category financial institutions and limits the amount of credit risk exposure in any of the financial institutions.

Liquidity Risk

Management has the main responsibility for liquidity risk management and has established policies and procedures regarding short-term and medium-term debts. The Company manages liquidity risk by monitoring cash flows and maturities of its financial assets and liabilities. In this sense, the Company does not have significant liquidity risks since historically the cash flows from its operations have allowed it to maintain enough cash to meet its obligations.

Mineral property exploration and mining risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main responses to operating risks include: ensuring ownership of and access to mineral properties by confirming that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities. There can be additional risks involved in some countries where pending applications for claims or licenses can be affected by government changes to application procedures.

Any of the Company's mineral properties are located within or near local communities. In these areas, it may be necessary as a practical matter to negotiate surface access with these local communities. There can be no guarantee that, despite having the legal right to access a mineral property and carry on exploration activities, that the Company will be able to negotiate a satisfactory agreement with any such existing land-owners or communities for this access. Therefore, the Company or one of its joint venture partners may be unable to carry out exploration activities on a property. In those circumstances where access has been denied by a local community or land-owner, the Company may need to rely on the assistance of local officials or the courts to gain access, or it may be forced to abandon the property.

Commodity price risk

The Company is exposed to commodity price risk. Declines in the market prices of gold, base metals, and other minerals may adversely affect its ability to raise capital or attract partners to participate in its various exploration projects. Commodity price declines could also reduce the amount the Company would receive on the disposition of any of its mineral properties.

Political risks

The Company operates in Peru and is subject to various political, economic and other uncertainties, including the risks of civil unrest, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, and changing political conditions. It may not be possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such changes may have a material adverse effect on the Company's operations.

Insured and uninsured risks

During exploration, development, and production on mineral properties, the Company is subject to many risks and hazards in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as severe weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to mineral properties, delays, monetary losses, and possible legal liability.

Although the Company may maintain insurance to protect itself against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results, and cause a decline in the value of the Company's securities. Some work is carried out through independent consultants, and the Company requires that all consultants carry their own insurance to cover any potential liabilities because of their work on a project.

Financing risks

The Company has limited financial resources, has no reliable source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity issues, debt financing or liquidation of long-term investments. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Environmental risks and hazards

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 176,000 common shares issued and outstanding.

ESTRELLA GOLD S.A.C.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

GENERAL

This management's discussion and analysis ("MD&A") of the financial position and results of operations is as at October 31, 2024 and should be read in conjunction with the financial statements of Estrella Gold S.A.C. (the "Company" or "Estrella") for the nine months ended September 30, 2024 and the related notes thereto. Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in the following management's discussion and analysis are in Peruvian soles except where noted.

FORWARD LOOKING INFORMATION

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities regulations.

COMPANY OVERVIEW

The Company was incorporated in Peru on August 7, 2018. The Company's principal business purpose is to engage in all kinds of activities of the mining industry, especially the exploration, exploitation and commercialization of mineral substances, prospecting, general labor, smelting, refining, mining transportation, as well as the purchase and sale of goods and products, import, export, provision of services, rental of equipment and machinery, logistical support, advice and consultancy, supply of inputs and other related or complementary activities required for the development of its purposes, or in those others in which the Company expressly decides to enter by agreement of its General Shareholders' Meeting.

OVERALL PERFORMANCE

Cochabamba Project

	September 30 2024	December 31 2023
Acquisition costs, option payments, and other		
Estrella 06-18, Estrella 07-18, and Estrella 08-18	S/ 131,756	S/ 131,756
Estrella 01-19, Estrella 02-19, Estrella 03-19, and Estrella 04-19	115,857	115,857
Pampas 1, Pampas 2 and Tayacoto	114,112	114,112
Estrella 01-18, Estrella 02-18, Estrella 03-18, Estrella 04-18, and Estrella 05-18	134,414	134,414
Antonella Daniela I	2,294,365	2,294,365
Total carrying amount	S/ 2,790,504	S/ 2,790,504

Between November 7, 2018 and April 29, 2019, the Company filed the Estrella 06-18, Estrella 07-18, Estrella 08-18, Estrella 01-19, Estrella 02-19, Estrella 03-19, and Estrella 04-19 mining applications (claims) with the Peruvian Geology, Mining and Metallurgical Institute ("INGEMMET").

On September 12, 2019, the Company completed the acquisition of the Pampas 1, Pampas 2, and Tayacoto mining concessions from Lara Peru S.A.C. ("Lara Peru"), a wholly owned subsidiary of Lara Exploration Ltd. ("Lara"). In consideration for a 100% undivided interest in these mining concessions, the shareholder of the Company transferred to Lara a 5% interest in the Company's outstanding shares and the Company granted Lara Peru a 1% net smelter return ("NSR") royalty on applicable minerals extracted from these mining concessions.

On November 6, 2019, the Estrella 01-18, Estrella 02-18, Estrella 03-18, Estrella 04-18, and Estrella 05-18 mining concessions were transferred to the Company from Mr. Diego Manuel Cilloniz Montesinos for US\$100. Mr. Cilloniz is the general manager of the Company and acted as a representative of the Company to acquire these concessions initially.

On June 30, 2023, Estrella disposed the Estrella 03-18, Estrella 04-18, Estrella 05-18, Estrella 08-18 and Estrella 04-19 mining concessions.

On June 30, 2024, Estrella disposed the Estrella 01-18, and Estrella 02-18 mining concessions.

On July 10, 2024, Estrella filed the Estrella 05-19 mining application.

Antonella Option

On September 26, 2019, the Company entered into the Antonella Option and Lease Agreement for an option to acquire 100% of the Antonella Daniela I Concession. The agreement was amended subsequently on January 21, 2020. By November 2021, the Company paid all of the following payments to the optionor and exercised its option to acquire the concession:

- a) US\$15,000 payable upon entering into the agreement;
- b) US\$40,000 payable on or before the date that is 30 days after the date of the agreement;
- c) US\$25,000 payable on June 1, 2020;
- d) US\$100,000 payable on or before the date that is 12 months after the date of the agreement;
- e) US\$170,000 payable on or before the date that is 24 months after the date of the agreement; and
- f) US\$80,000 payable on or before the date that is 36 months after the date of the agreement.

RESULTS OF OPERATIONS

Three months ended September 30, 2024

The Company recorded a loss of S/ 12,851 for the three months ended September 30, 2024 compared to S/ 140,898 for the comparative quarter of 2023. The change was primarily attributable to significant foreign exchange loss in the comparative quarter.

Nine months ended September 30, 2024

The Company recorded a loss of S/ 39,637 for the nine months ended September 30, 2024 compared to income of S/ 1,274 for the comparative period of 2023. The change was primarily attributable to increased administrative expenses in the current period.

QUARTERLY FINANCIAL INFORMATION

The following table provides selected financial information for the most recent quarters up to September 30, 2024 and should be read in conjunction with the Company's financial statements for the year ended December 31, 2023.

	September 30		June 30		March 31		December 31	
Three months ended	2024		2024		2024		2023	
Net income (loss) for the period	S/	(12,851)	S/	(18,478)	S/	(8,308)	S/	66,075
Earnings (loss) per share – basic and diluted		(0.07)		(0.10)		(0.05)		66.08
Weighted average shares outstanding – basic and diluted		176,000		176,000		176,000		1,000

Three months ended	September 30 2023		June 30 2023		March 31 2023		December 31 2022	
Net income (loss) for the period	S/	(140,898)	S/	96,593	S/	45,579	S/	105,194
Earnings (loss) per share – basic and diluted		(140.90)		96.59		45.58		105.19
Weighted average shares outstanding – basic and diluted		1,000		1,000		1,000		1,000

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2024, the Company had working capital deficiency of S/ 170,472 (December 31, 2023 - S/ 136,875), which was primarily comprised of other accounts receivable of S/ 70,348 (December 31, 2023 - S/ 64,248), and accounts payable of S/ 240,820 (December 31, 2023 - S/ 199,814).

During the nine months ended September 30, 2024, cash decreased by S/ 309 (2023 - increased by S/ 5,013), primarily from net cash used in operating activities.

Operating activities

During the nine months ended September 30, 2024, net cash used in operating activities amounted to S/ 309 (2023 - S/ 23).

FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT

The Company does not utilize complex financial instruments in hedging metal price, foreign exchange or interest exposure. Any hedging activity requires approval of the Company's shareholders. The Company will not hold or issue derivative instruments for speculation or trading purposes. Please refer to the financial statements for the nine months ended September 30, 2024.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2024 and 2023, there was no compensation to management personnel.

As at September 30, 2024, the Company had a total S/ 1,770,647 (December 31, 2023 - S/ 1,847,211) of payable due to related parties of the Company.

In addition, as at September 30, 2024, the Company owed S/ 923,614 (December 31, 2023 - S/ 841,010) to Daura Capital Corp. ("Daura").

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RISKS AND UNCERTAINTIES

Foreign currency risk

The Company operates in Peru and is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company's primary funding is from its shareholders in US dollars and its expenditures are incurred in the local currencies. The risk is that a significant change in the exchange rate of the US dollar relative to the Peruvian sol could have an adverse effect on the Company's results of operations, financial position, or cash flows. The Company has not hedged its exposure to currency fluctuations. The Company is exposed to currency risk through assets and liabilities denominated in US dollar.

Credit risk

The Company's credit risk consists mainly of deposits in banks and other various accounts receivable. With respect to deposits in banks, the Company reduces the probability of significant concentrations of credit risk since it maintains deposits in first category financial institutions and limits the amount of credit risk exposure in any of the financial institutions.

Liquidity Risk

Management has the main responsibility for liquidity risk management and has established policies and procedures regarding short-term and medium-term debts. The Company manages liquidity risk by monitoring cash flows and maturities of its financial assets and liabilities. In this sense, the Company does not have significant liquidity risks since historically the cash flows from its operations have allowed it to maintain enough cash to meet its obligations.

Mineral property exploration and mining risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main responses to operating risks include: ensuring ownership of and access to mineral properties by confirming that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities. There can be additional risks involved in some countries where pending applications for claims or licenses can be affected by government changes to application procedures.

Any of the Company's mineral properties are located within or near local communities. In these areas, it may be necessary as a practical matter to negotiate surface access with these local communities. There can be no guarantee that, despite having the legal right to access a mineral property and carry on exploration activities, that the Company will be able to negotiate a satisfactory agreement with any such existing land-owners or communities for this access. Therefore, the Company or one of its joint venture partners may be unable to carry out exploration activities on a property. In those circumstances where access has been denied by a local community or land-owner, the Company may need to rely on the assistance of local officials or the courts to gain access, or it may be forced to abandon the property.

Commodity price risk

The Company is exposed to commodity price risk. Declines in the market prices of gold, base metals, and other minerals may adversely affect its ability to raise capital or attract partners to participate in its various exploration projects. Commodity price declines could also reduce the amount the Company would receive on the disposition of any of its mineral properties.

Political risks

The Company operates in Peru and is subject to various political, economic and other uncertainties, including the risks of civil unrest, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, and changing political conditions. It may not be possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such changes may have a material adverse effect on the Company's operations.

Insured and uninsured risks

During exploration, development, and production on mineral properties, the Company is subject to many risks and hazards in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as severe weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to mineral properties, delays, monetary losses, and possible legal liability.

Although the Company may maintain insurance to protect itself against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results, and cause a decline in the value of the Company's securities. Some work is carried out through independent consultants, and the Company requires that all consultants carry their own insurance to cover any potential liabilities because of their work on a project.

Financing risks

The Company has limited financial resources, has no reliable source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity issues, debt financing or liquidation of long-term investments. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Environmental risks and hazards

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 176,000 common shares issued and outstanding.

SCHEDULE "E" PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DAURA GOLD CORP.
(formerly Daura Capital Corp.)

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

SEPTEMBER 30, 2024

DAURA GOLD CORP. (formerly Daura Capital Corp.)
PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

As at September 30, 2024	Daura Gold Corp.	Estrella Gold S.A.C.	Estrella Gold S.A.C.	Notes	Pro-forma adjustments	Pro-forma consolidated
ASSETS						
Current assets						
Cash	\$ 146,749	S/ -	\$ -	4(a) 4(c) 4(d) 4(h)	\$ 1,250,000 (141,633) (87,500) (47,550)	\$ 1,120,066
VAT and other receivables	-	70,348	25,537	2 3 3	335,274 305,947 (641,221)	25,537
Prepaid expenses	10,500	-	-	4(g)	(10,500)	-
Total current assets	157,249	70,348	25,537		962,817	1,145,603
Non-current assets						
Exploration and evaluation asset	-	2,790,504	1,012,961	3	341,944	1,354,905
Deferred income tax assets	-	105,140	38,166	3	(38,166)	-
Total non-current assets	-	2,895,644	1,051,127		303,778	1,354,905
TOTAL ASSETS	\$ 157,249	S/ 2,965,992	\$ 1,076,664		\$ 1,266,595	\$ 2,500,508
LIABILITIES AND SHAREHOLDERS' EQUITY						
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	\$ 353,059	S/ 240,820	\$ 87,418	4(e)	\$ (186,184)	\$ 254,293
Notes payable	101,200	-	-	4(f)	(101,200)	-
Subscriptions received in advance	141,633	-	-	4(c)	(141,633)	-
Total current liabilities	595,892	240,820	87,418		(429,017)	254,293
Non-current liabilities						
Notes payable	34,284	2,694,261	978,024	3 4(f)	(641,221) 101,200	472,287
Total non-current liabilities	34,284	2,694,261	978,024		(540,021)	472,287
Total liabilities	630,176	2,935,081	1,065,442		(969,038)	726,580
SHAREHOLDERS' EQUITY						
Share capital	569,121	176,000	63,888	3 3 4(a) 4(d) 4(d) 4(d) 4(e)	(63,888) 315,000 1,250,000 (312,500) (87,500) (39,297) 186,184	1,881,008
Reserves	56,168	-	-	4(d) 4(d)	312,500 39,297	407,965
Deficit	(1,098,216)	(145,089)	(52,667)	2 3 3 4(g) 4(h)	335,274 305,947 52,667 (10,500) (47,550)	(515,045)
Total shareholders' equity	(472,927)	30,911	11,221		2,235,634	1,773,928
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 157,249	S/ 2,965,992	\$ 1,076,663		\$ 1,266,596	\$ 2,500,508

The accompanying notes are an integral part of the pro-forma consolidated statement of financial position.

1. BASIS OF PRESENTATION

The accompanying unaudited pro-forma consolidated statement of financial position of Daura Gold Corp. ("Daura" or the "Company"; formerly Daura Capital Corp.) have been prepared by management in accordance with IFRS Accounting Standards ("IFRS") from information derived from the financial statements of the Company and the financial statements of Estrella Gold S.A.C. ("Estrella") together with other information available to the Company.

The unaudited pro-forma consolidated statement of financial position has been prepared by the management of the Company for inclusion in the Filing Statement dated December 19, 2024 in connection with the Company's Qualifying Transaction (the "Transaction") and listing on the TSX Venture Exchange ("TSX-V") as discussed in Note 3. The unaudited pro-forma consolidated statement of financial position has been prepared as if the Transaction had occurred on September 30, 2024.

The pro forma consolidated statement of financial position of the Company has been compiled from and includes an unaudited pro-forma consolidated interim statement of financial position as at September 30, 2024 combining the unaudited interim statement of financial position of Daura as at September 30, 2024 with the unaudited interim statement of financial position of Estrella as at September 30, 2024 (translated into the presentation currency of Canadian dollars using a conversion rate of S/. 2.7548 to C\$1.0000).

The unaudited pro-forma consolidated statement of financial position should be read in conjunction with the financial statements and notes included therein, as referred to above and included in the Filing Statement.

It is management's opinion that this pro forma consolidated statement of financial position includes all adjustments necessary for the fair presentation of the transactions described here and are in accordance with IFRS applied on a basis consistent with the Company's accounting policies. The pro-forma consolidated statement of financial position is not intended to reflect the results of operations or the financial position of Daura which would have actually resulted had the transactions been effected on the dates indicated. Furthermore, the unaudited pro-forma statement of financial position is not necessarily indicative of the consolidated financial position that may be obtained in the future. Actual amounts recorded upon consummation of the Transaction will differ from those recorded in the consolidated statement of financial position and the differences may be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the unaudited pro-forma consolidated statement of financial position are consistent with those set out in the audited financial statements of Daura for the year ended December 31, 2023, which are applied in the preparation of the unaudited pro-forma consolidated statement of financial position as at September 30, 2024, in addition to the following:

Foreign currency translation

This pro forma consolidated statement of financial position is presented in Canadian dollars, unless otherwise noted. The functional currency of the Company is the Canadian dollar, which is the currency of the primary economic environment in which the entity operates. Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Exploration and evaluation assets and expenditures

Acquisition costs for exploration and evaluation assets are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares issued for mineral properties pursuant to the terms of the agreement. Exploration expenditures are recorded in profit or loss as incurred.

Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work being carried out by the Company on a property, when a property is abandoned or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount. The recoverability of the carrying amount of mineral properties is dependent on the successful development and commercial exploitation or the sale of the respective areas of interest.

Share capital

The Company has adopted the residual value method with respect to the measurement of common shares and warrants issued as private placement units, whereby the carrying amount of the warrants is determined based on any differences between gross proceeds and the estimated fair market value of the common shares. If the proceeds from the offering are less than or equal to the estimated fair market value of common shares issued, no value is assigned to the warrants. Warrants that are issued as payment to a finder or other transaction costs are accounted for as share-based payments.

To conform with the significant accounting policies, the Company recognized a reversal of impairment on the receivable from Estrella, interest accrual, and foreign exchange effect, resulting in the carrying amount of \$335,274 for the receivable and a charge against deficit of an equivalent amount.

3. ACQUISITION OF ESTRELLA GOLD S.A.C.

On July 16, 2024, Daura entered into a Share Exchange Agreement with the shareholders of Estrella, whereby the Company has agreed to acquire 100% of the outstanding shares of Estrella in exchange for an aggregate of 7,000,000 common shares of the Company (valued at \$315,000), to be allocated amongst the sellers in proportion to the number of Estrella shares held by them. Estrella is a closely held corporation (S.A.C.) formed under the laws of Peru. Estrella is the owner of a 100% undivided interest in ten (10) mining concessions and mining applications and has an option to acquire an additional mining concession all in the Ancash Region on the western flank of the Cordillera Negra in north-central Peru. Prior to the share exchange, \$305,947 or S/842,822 of Estrella's note payable are assigned to the Company from one of its shareholders.

Concurrently, the Company issued 20,833,334 units at a price of \$0.06 per unit for gross proceeds of \$1,250,000. The Company anticipated transaction costs of \$47,550 associated with legal, audit and completion of the Transaction and the associated Filing Statement.

Estrella does not constitute a business as defined under IFRS 3 Business Combination. The acquisition would not result in a change of control and the majority of directors and officers of the resulting entity remains unchanged. Therefore, the acquisition of Estrella is accounted for under IFRS 2 Share-based Payment as an asset acquisition. The purchase price is allocated to the assets acquired and liabilities assumed from the acquisition.

DAURA GOLD CORP. (formerly Daura Capital Corp.)
NOTES TO THE PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
AS AT SEPTEMBER 30, 2024

3. ACQUISITION OF ESTRELLA GOLD S.A.C. (cont'd...)

The preliminary purchase price allocation is summarized as follows:

	Amounts
Shares issued	\$ 315,000
Advances and accrued interest	335,274
Loan assigned by an Estrella shareholder	305,947
Total consideration paid	956,221
VAT and other receivables	25,537
Exploration and evaluation asset	1,354,905
Accounts payable and accrued liabilities	(87,418)
Notes payable	(336,803)
Net asset acquired	\$ 956,221

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. On the acquisition date, the potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized as it is not considered probable that sufficient future taxable income will allow the deferred tax assets to be recovered.

4. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The following are the pro forma assumptions and adjustments relating to the Transactions and concurrent financing:

- a) to record the completion of the concurrent financing (Note 3) consisting of the minimum number of 20,833,334 units at a price of \$0.06 per unit for gross proceeds of \$1,250,000;
- b) to reallocate residual value of the warrant component of the units issued estimated as \$312,500 using the share price of \$0.045;
- c) to eliminate share subscriptions of \$141,633 previously received related to the concurrent financing;
- d) to record cash share issue costs totaling \$87,500 and the value of the finders' warrants issued, which has been estimated at \$39,297 using the Black-Scholes option pricing model with the following assumptions: share price of \$0.045, exercise price of \$0.06, expected volatility of 150%, risk-free interest rate of 3.99%, and a term of 2 years;
- e) to record 3,103,066 shares issued to settle accounts payable of \$186,184 owed to related parties for services provided and amounts advanced to the Company;
- f) to record extension of note payable to June 30, 2026 in the amount of \$101,200;
- g) to reallocated prepaid expenses of \$10,500 paid associated with completion of the Transaction; and
- h) to record expected transaction costs of \$47,550 associated with legal, audit and completion of the Transaction and the associated Filing Statement.

DAURA GOLD CORP. (formerly Daura Capital Corp.)
NOTES TO THE PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
AS AT SEPTEMBER 30, 2024

5. PRO-FORMA SHAREHOLDERS' EQUITY

Shareholders' equity as at September 30, 2024 in the unaudited pro-forma consolidated statement of financial position is comprised of the following:

As at September 30, 2024	Number of common shares	Share capital	Reserves	Deficit	Total shareholders' equity
Authorized					
Unlimited number of common and preferred shares without par value					
Issued					
Daura common shares outstanding	7,054,668	\$ 569,121	\$ 56,168	\$ (1,098,216)	\$ (472,927)
Reversal of loan impairment and other	-	-	-	335,274	335,274
Loan assigned by an Estrella shareholder	-	-	-	305,947	305,947
Acquisition of Estrella	7,000,000	315,000	-	-	315,000
Daura private placement completed	20,833,334	937,500	312,500	-	1,250,000
Share issue costs - cash	-	(87,500)	-	-	(87,500)
Share issue costs - finders' warrants	-	(39,297)	39,297	-	-
Settlement of accounts payable	3,103,066	186,184	-	-	186,184
Estimated transaction costs	-	-	-	(58,050)	(58,050)
Pro forma	37,991,068	\$ 1,881,008	\$ 407,965	\$ (515,045)	\$ 1,773,928

6. INCOME TAXES

The pro-forma effective income tax rate that will be applicable to the operations of the Company is 27%.