

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

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.