

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](http://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.