

DEAL CAPITAL LTD.
FINANCIAL STATEMENTS
For the six months ended January 31, 2007
(Unaudited)

DEAL CAPITAL LTD.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51 – 102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

DEAL CAPITAL LTD.

Balance Sheets

	January 31, 2007	July 31, 2006
	(Unaudited)	(Audited)
Assets		
Current Assets:		
Cash	\$ 331,789	\$ 100,000
Amounts receivable	1,434	84
	<u>\$ 333,223</u>	<u>\$ 100,084</u>
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	\$ 11,603	\$ 1,954
Shareholders' Equity:		
Share capital (Note 3b)	\$ 325,340	\$ 100,000
Contributed surplus (Note 3d)	56,584	-
Deficit	(60,304)	(1,870)
	<u>321,620</u>	<u>98,130</u>
	<u>\$ 333,223</u>	<u>\$ 100,084</u>

Nature of operations and going concern (Note 1)

Approved by the Board of Directors:

"Winnie Wong" Director
Winnie Wong

"Mark T. Brown" Director
Mark T. Brown

DEAL CAPITAL LTD.

Statements of Operations and Deficit

	Three months ended January 31, 2007 (Unaudited)	Six months ended January 31, 2007 (Unaudited)	From incorporation on June 29, 2006 to July 31, 2006 (Audited)
Expenses:			
Professional fees	\$ 5,084	\$ 5,084	\$ 1,870
Office	1,057	1,057	-
Bank charges and interest	15	192	-
Transfer agent	1,492	1,663	-
Filing fees	3,542	12,831	-
Stock based compensation	37,607	37,607	-
Net loss for the period	(48,797)	(58,434)	(1,870)
(Deficit) – beginning of period	(11,507)	(1,870)	-
(Deficit) – end of period	\$ (60,304)	\$ (60,304)	\$ (1,870)
Loss per share – basic and diluted	\$ (0.03)	\$ (0.03)	\$ (0.00)
Weighted average number of common shares outstanding	2,358,696	1,679,348	1,000,000

DEAL CAPITAL LTD.

Statements of Cash Flows

	Three months ended January 31, 2007	Six months ended January 31, 2007	From incorporation on June 29, 2006 to July 31, 2006
	(Unaudited)	(Unaudited)	(Audited)
Cash Provided by (Used For):			
Operating Activity			
Net loss for the period	\$ (48,797)	(58,434)	\$ (1,870)
Stock based compensation	37,607	37,607	-
Change in non-cash working capital items:			
(Increase) in amounts receivable	(723)	(1,350)	(84)
Decrease in prepaid expenses	391	-	-
Increase in accounts payable	9,649	9,649	1,954
Net cash used in operating activities	(1,873)	(12,528)	-
Investing Activity			
Decrease in deferred financing costs	8,750	-	-
Financing Activity			
Proceeds from issuance of share capital	300,000	300,000	100,000
Share issue cost	(55,683)	(55,683)	-
Net cash used in financing activities	244,317	244,317	100,000
Net cash provided during the period	251,194	231,789	100,000
Cash – beginning of period	80,595	100,000	-
Cash – end of period	\$ 331,789	331,789	\$ 100,000

DEAL CAPITAL LTD.

Notes to Financial Statements

For the six months ended January 31, 2007

(Unaudited, prepared by Management)

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated on June 29, 2006 under the British Columbia Business Corporations Act. As of December 14, 2006, the Company's common shares completed its initial public offering and began trading on the TSX Venture Exchange (the "Exchange") under the symbol "DCP.P" as a Capital Pool Company ("CPC") (Note 4).

As a CPC, the principal business of the Company is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval and acceptance for filing by the Exchange. Until the completion of such a Qualifying Transaction ("QT"), as defined under Exchange Listing Policy 2.4, the Company will not carry on any business other than the identification and evaluation of assets or businesses in this connection. The Company does not have business operations or assets other than cash, and had no written or oral agreements for the acquisition of an asset or business as of January 31, 2007. Subsequently, the Company signed two letters of intent (Note 5) and the shares of the Company were halted on February 13, 2007.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company is recently incorporated, has no source of operating revenues and its capacity to operate as a going concern in the near-term will likely depend on its ability to continue raising equity financing and to ultimately complete a QT. In addition, the Exchange may suspend from trading or de-list the common shares of the Company where it has failed to complete a QT within 24 months of its date of listing.

2. SIGNIFICANT ACCOUNTING POLICIES

Interim financial statements

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting policies and methods of their application as the annual financial statements. These interim financial statements do not include in all respects the annual disclosure requirements of generally accepted accounting principles and should be read in conjunction with the most recent annual statements.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

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Notes to Financial Statements

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2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

Stock based compensation plan

The Company has a stock option plan as described in Note 3(c) and accounts for all stock-based compensation arrangements entered into on or after June 29, 2006 using the fair value method, under which compensation expense is recorded based on the estimated fair value of the options as determined by Black Scholes Option Pricing model at the date of grant.

3. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value

b) Issued:

	Number of Shares	Value
Seed Shares *	1,000,000	\$ 100,000
Balance as at October 31, 2006	1,000,000	100,000
Initial public offering ("IPO") (Note 4)	1,500,000	300,000
Share issue cost – IPO (Note 4)		(74,660)
Balance as of January 31, 2007	2,500,000	\$ 325,340

*These 1,000,000 shares were placed in escrow upon the successful application of the Company as a Capital Pool Company. The release of these shares from escrow is on a time basis, as to 10% upon the completion of a QT and an additional 15% every six months thereafter over a period of three years.

c) Stock Options:

The Company has established a stock option plan for its directors, officers, and technical consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company. On December 14, 2006, the Company granted a total of 250,000 common shares to the directors with the closing of its IPO, which options are exercisable at \$0.20 per share (Note 4). These options are non-transferable and will expire on the fifth anniversary of their date of issue if unexercised.

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3. SHARE CAPITAL - CONTINUED

c) Stock Options - Continued:

The Company also granted 150,000 agent's options on December 14, 2006 upon the closing of its IPO which options are exercisable at \$0.20 per share for a period of 24 months (Note 4).

Options outstanding at January 31, 2007 and July 31, 2006 were as follows:

Balance, July 31, 2006	-
Granted – Directors and officers	250,000
Granted - Agent	150,000
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Balance, January 31, 2007	400,000

The options granted were ascribed a fair value of \$56,584, based on a risk free interest rate of 4.01%, an expected life of two to five years, an expected volatility of 21.29% and a dividend yield rate of nil.

d) Contributed Surplus:

The following table summarizes the continuity of the Company's contributed surplus:

Balance, July 31, 2006	\$ -
Fair value of stock options granted - Directors and officers	37,607
Fair value of stock options granted - Agent	18,977
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Balance, January 31, 2007	\$ 56,584

4. INITIAL PUBLIC OFFERING

The Company filed its final prospectus with the British Columbia and Alberta Securities Commissions on October 27, 2006, in order to offer to the public in British Columbia and Alberta a minimum of 1,500,000 common shares at a price of \$0.20 per share for total gross proceeds of \$300,000. The final MRRS decision document was issued on October 30, 2006. On December 12, 2006, the Company closed its IPO and the common shares of the Company began trading on the Exchange on December 14, 2006.

Leede Financial Markets Inc., the agent for the Company's IPO, was paid a corporate finance fee of \$7,500 and a commission of \$30,000 in cash and was issued 150,000 agent's options with an exercise price of \$0.20 per share, expiring on December 14, 2008, with a fair value of \$18,977. Another \$18,183 was paid for other expenses related to the IPO.

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5. QUALIFYING TRANSACTION

The Company signed a Letter of Intent on February 13, 2007 with Sonora Gold Corporation, a TSX Venture Exchange company (TSXV: SGG.V), to acquire 100% of its two Mexican subsidiaries, First Silver Reserve, S.A. de C.V. ("First Silver") and Recursos Escondidos, S.A. de C.V. ("Recursos Escondidos"). In addition, the Company also signed a Letter of Intent on February 13, 2007 with Sonora Copper LLC, a privately owned U.S. company, to acquire 100% of its Mexican subsidiary Compania Minera Chuqui S.A. de C.V. ("Chuqui"). Together, these companies control the Santa Gertrudis Gold Project ("SG Project") in Northern Mexico. These acquisitions will constitute the Company's Qualifying Transaction ("QT"). Both Sonora Gold Corporation and Sonora Copper LLC are arm's length to the Company.

Subsequent to January 31, 2007, the Company paid a non-refundable deposit of \$25,000 to Sonora Gold Corporation for the acquisition of its 100% interest in First Silver and Recursos Escondidos, and will pay US\$650,000 and issue 1,500,000 common shares of the Company, subject to an escrow agreement, upon closing of the QT. Three more payments of US\$500,000 will be paid in cash or common shares, at the option of the Company, on the first, second and third anniversary dates. If the closing of the transaction goes beyond April 30, 2007, the Company will pay Sonora Gold Corporation US\$10,000 to extend the closing date to May 31, 2007.

For the acquisition of the 100% interest in Chuqui, the Company will issue 3,750,000 common shares, subject to an escrow agreement, to Sonora Copper LLC upon closing of the QT. Chuqui holds several claims outright, and also has an agreement with certain local Mexican contractors ("Lopez-Limon") to acquire its share of the SG Project. The agreement with Lopez-Limon calls for payments of US\$300,000, US\$500,000 and US\$1 million in each of the next three years,. The Company will assume Sonora Copper LLC's future payments to Lopez-Limon and will acquire its interest upon completing the payments.

The Company will also reserve 2 million common shares for future issuance to Sonora Copper LLC as a contingent payment upon the completion of an NI 43-101 compliant geological resource report where the delineated resource is greater than 2.7 million gold equivalent ounces, subject to various conditions. The first 1 million of these common shares will be issued upon the expansion of the measured and indicated gold equivalent resource to 1.7 million ounces.

The common shares of the Company to be issued to Sonora Gold Corporation and Sonora Copper LLC will be subject to escrow and/or hold periods in accordance with the policies of the TSX Venture Exchange and applicable securities laws.

A finder's fee will be paid in accordance with the Exchange's finder's fee guidelines. This fee will be paid in common shares of the Company, to an arm's length party, for the acquisition of First Silver and Recursos Escondidos. These shares will be issued over the same time period as the acquisition payments, subject to various conditions.

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5. QUALIFYING TRANSACTION - CONTINUED

In conjunction with the QT, an equity financing of 10 million Subscription Receipts at \$0.50 per unit to raise \$5 million will be completed. The Subscription Receipts offering will close as soon as the funds are raised. The four-month hold period on these Receipts will commence on the date the financing is closed which is expected to be before the QT closes. The Subscription Receipts will each convert into a unit (a "Unit") upon closing of the acquisitions. Each Unit will consist of one common share and one half of a non-transferable common share purchase warrant. Each warrant will allow the holder to purchase one additional share for a period of 24 months at \$1.00.

In addition, the Company has agreed to issue up to a maximum of 400,000 additional Units for funds raised by Sonora Copper LLC prior to closing on the same terms as the financing.

6. RELATED PARTY TRANSACTION

During the six months ended January 31, 2007, the Company paid a total of \$500 (2006 - \$Nil) for rent to a private company controlled by a director and Chief Financial Officer of the Company.