

## **DAURA CAPITAL CORP. ANNOUNCES LETTER OF INTENT FOR PROPOSED QUALIFYING TRANSACTION**

Vancouver, British Columbia — (October 10, 2019) – Daura Capital Corp. (TSXV:DUR\_P) (the “**Company**” or “**Daura**”) is pleased to announce it has entered into a letter of intent (the “**LOI**”) with Estrella Gold S.A.C (“**Estrella**”), a privately held Peruvian gold company, pursuant to which Daura proposes to acquire a 100% interest in Estrella. Estrella holds a series of gold concessions in the Ancash Region of Northern Peru.

Daura is a "capital pool company" under the policies of the TSX Venture Exchange (the "**Exchange**"). It is intended that the acquisition of Estrella will constitute Daura’s "qualifying transaction" under the policies of the Exchange (the "**Qualifying Transaction**").

The Qualifying Transaction is not expected to be a Non-Arms Length Qualifying Transaction as defined under the policies of the Exchange, and approval from the shareholders of Daura is not expected to be required.

### **The Qualifying Transaction**

The LOI sets out certain non-binding understandings and binding agreements between Daura and Estrella, and constitutes an agreement in principal with respect to the Qualifying Transaction pursuant to the policies of the Exchange. Pursuant to the terms of the LOI, it is expected that Daura and Estrella will negotiate and enter into a definitive agreement incorporating the principal terms of the LOI.

Subject to any Exchange, regulatory, or other approvals that may be required, the completion of satisfactory due diligence by Daura and Estrella, the completion of the Daura Financing (as described below) and the satisfaction of other conditions contained in the LOI, it is currently anticipated that Daura will issue a total of 3,000,000 common shares (“**Daura Shares**”) to acquire Estrella. Daura has also agreed to advance up to \$100,000 to Estrella, of which \$25,000 was advanced upon signing of the LOI and will be non-refundable. Subject to Exchange approval, the remaining \$75,000 is expected to be advanced to Estrella as a refundable deposit in the form of a secured loan. The funds advanced to Estrella will be used to fund exploration work and to make an option payment on the Antonella Gold Project (as described below).

Estrella currently holds a 100% interest in 16 exploration concessions covering 11,200 hectares and an option to acquire a 100% interest in the Antonella Gold Project, a 900-hectare exploration concession. The Estrella Gold tenements, along with Antonella, are located in the Cordillera Negra of north-central Perú, 513 kilometers north-northwest of Lima and 113 kilometers east of the city of Casma. The Antonella option may be exercised by making an aggregate of US\$430,000 in cash payments over a 3-year period to the optionor.

Upon completion of the Qualifying Transaction, the resulting entity (the “**Resulting Issuer**”) will be engaged in the business of mineral exploration and development of the Estrella concessions and Antonella Gold Project. In addition, the Resulting Issuer may explore and develop such other properties and interests as may be subsequently acquired by the Resulting Issuer. Upon completion of the Qualifying Transaction, it is currently anticipated that Daura’s existing directors and officers will remain with the Resulting Issuer, and Dr. Ernesto Lima Osorio, the majority shareholder of Estrella is expected to join the board of directors of the Resulting Issuer.

*Dr. Ernesto Lima Osorio* (Director) 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, Argentina and Peru. Dr. Lima's notable engineering and construction experience in South America includes engineering and development of the San Grigorio 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.

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.

Background information for Daura's existing directors and officers may be found in the Company's prospectus dated July 26, 2019 and available on [www.sedar.com](http://www.sedar.com).

### **Proposed Financing**

Pursuant to the terms of the LOI, Daura anticipates completing an equity financing for minimum proceeds of \$500,000 and maximum proceeds of \$2,000,000 (the "**Daura Financing**") concurrent with the closing of the Qualifying Transaction. The Company may retain a broker or pay finder's fees to certain registrants or eligible persons exempt from registration on any portion of the Daura Financing. The net proceeds of the Daura Financing will be used: (a) to fund the business plan of the Resulting Issuer; (b) for Qualifying Transaction expenses; and (c) for general working capital purposes.

### **About Estrella Gold S.A.C.**

Estrella is a private company incorporated under the laws of Peru. Estrella is focused on the acquisition, exploration and development of precious metals properties in Peru. Estrella's head office is located in Lima, Peru.

### **Sponsorship of the Qualifying Transaction**

Sponsorship of a Qualifying Transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies. Daura is currently reviewing the Exchange's requirements for sponsorship to determine if it may seek a waiver of the sponsorship requirement.

### **Additional Information**

In accordance with the policies of the Exchange, the Daura Shares are currently halted from trading and will remain halted until further notice.

Daura and Estrella will provide further details in respect of the Qualifying Transaction, in due course once available, by way of press releases.

All information provided in this press release related to Estrella has been provided by management of Estrella and has not been independently verified by management of Daura.

If and when a definitive agreement between Daura and Estrella is executed, Daura will issue a subsequent press release in accordance with the policies of the Exchange containing details of the definitive agreement and additional terms of the Qualifying Transaction, including, but not limited to, information relating to Estrella's properties, sponsorship, summary financial information in respect of Daura and Estrella, and additional information with respect to the Daura Financing.

**Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.**

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*Information set forth in this news release contains forward-looking statements. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. Daura cautions that all forward-looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Daura's control. Such factors include, among other things: risks and uncertainties relating to Daura's ability to complete the proposed Qualifying Transaction; and other risks and uncertainties. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, Daura undertakes no obligation to publicly update or revise forward-looking information.*

*Completion of the transaction is subject to conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.*

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*respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.*

*The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.*

*A halt in trading shall remain in place until after the Qualifying Transaction is completed or such time that acceptable documentation is filed with the TSX Venture Exchange.*