

*A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces of British Columbia and Alberta and with the TSX Venture Exchange Inc. (the “**Exchange**”) but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.*

This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

Initial Public Offering

MARCH 29, 2019

DAURA CAPITAL CORP.
(a Capital Pool Company)

\$200,000

2,000,000 Common Shares

Price: \$0.10 per Common Share

Daura Capital Corp. (the “**Corporation**”) offers through its agent, Leede Jones Gable Inc. (the “**Agent**”), 2,000,000 common shares of the Corporation (the “**Common Shares**”) to the public at a price of \$0.10 per Common Share. The purpose of this offering (the “**Offering**”) is to provide the Corporation with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction, as hereinafter defined. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange (the “**Exchange**”) and in the case of a Non Arm’s Length Qualifying Transaction, must also receive Majority of the Minority Approval, as hereafter defined, in accordance with Exchange Policy 2.4 (the “**CPC Policy**”). The Corporation is a Capital Pool Company (“**CPC**”). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. See “*Business of the Corporation*” and “*Use of Proceeds*”.

	Price to Public	Agent’s Commission ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾
Per Common Share	\$0.10	\$0.01	\$0.09
Offering ⁽³⁾	\$200,000	\$20,000	\$180,000

Notes:

- (1) Leede Jones Gable Inc. will act as Agent under the Offering. The Agent will receive a total commission (the “**Agent’s Commission**”) equal to 10% of the gross proceeds of this Offering, payable in cash. The Agent will also be granted a non-transferable option (the “**Agent’s Option**”) to acquire up to 10% of the aggregated number of Common Shares issued under this Offering at an exercise price of \$0.10 per Common Share, exercisable for a period ending 24 months from the Listing Date (as defined herein). This prospectus qualifies the grant of the Agent’s Option. The Corporation will reimburse the Agent for all reasonable expenses incurred in connection with this Offering, including legal fees plus taxes and disbursements towards which a retainer of \$6,000 has been paid. The Corporation will pay the Agent a corporate finance fee of \$10,000 plus GST of which \$5,250 was paid upon engagement of the Agent, and the balance of which will be paid upon the Closing (as defined herein). See “*Plan of Distribution*”.
- (2) Before deducting the costs of this issue estimated at \$75,000 which includes legal and audit fees and other expenses of the Corporation, the Agent’s expenses and legal fees, and the listing fee payable to the Exchange and filing fees payable to the Commissions but excluding the Agent’s Commission. See “*Use of Proceeds*”.
- (3) The latest date that the distribution is to remain open as may be permitted by securities legislation is 90 days after the date of issuance of a receipt for the final prospectus by the Executive Director of the British Columbia Securities Commission (the “**Securities Regulatory Authority**”) or, if an amendment to the final prospectus has been filed and a receipt has been issued for such amendment,

within 90 days of the issuance of a receipt for an amendment to the final prospectus, and in any event, not later than 180 days after the date of the receipt of the preliminary prospectus.

This Offering is made on a “commercially reasonable efforts” basis by the Agent and is subject to a minimum subscription of 2,000,000 Common Shares for total gross proceeds to the Corporation of \$200,000. The Offering price of the Common Shares was determined by negotiation between the Corporation and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement (as defined herein). The Offering is not underwritten and if the minimum subscription is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agent. See “*Plan of Distribution*”.

Under the Agency Agreement, the Agent will be granted the Agent’s Option to purchase up to 10% of the aggregate number of Common Shares issued under this Offering at a price of \$0.10 per Common Share. The Agent’s Option will be exercisable for a period of 24 months from the Listing Date (as hereafter defined). The Agent’s Option is qualified under this prospectus for distribution.

Other than the initial distribution of the Common Shares under this prospectus and the grant of the Agent’s Option, and the grant of the Directors and Officer Options, trading in all securities of the Corporation is prohibited during the period between the date a receipt for this preliminary prospectus is issued by the securities regulatory authorities and the time the Common Shares are listed for trading except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

The Corporation has applied to list its Common Shares on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

As at the date of this prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. market place or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the Plus Markets operating by the Plus Market Group plc.

Investment in the Common Shares offered by this Prospectus is highly speculative due to the nature of the Corporation’s business and its present stage of development. This offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See “*Risk Factors*”.

There is no market through which the Common Shares offered by this prospectus may be sold and purchasers may not be able to dispose of them on a timely basis. Upon completion of this Offering, purchasers will suffer an immediate dilution (based on the gross proceeds from this and prior issues without deduction of selling and related expenses) per Common Share of \$0.028 or 28%.

The Corporation was only recently incorporated and does not currently own any assets other than cash. The business objective of the Corporation is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction approved by the Exchange and in the case of a Non Arm’s Length Qualifying Transaction, as hereinafter defined, the Majority of the Minority Approval, as hereinafter defined; however, there can be no assurance that the Corporation will successfully complete a Qualifying Transaction. **Although the Corporation has commenced the process of identifying potential acquisitions, the Corporation has yet to enter into any negotiations with respect to such potential acquisitions and may determine that current markets, terms of acquisition, or pricing conditions make such potential acquisitions uneconomic.** The Corporation has not entered into an Agreement in Principle, as hereinafter defined. The Corporation may find that even if the terms of a potential acquisition are economic, the Corporation may not be able to finance such acquisition and additional funds may be required to meet such obligations. Since the Corporation has not placed any geographical restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, investors should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce

against such persons or the Corporation, judgments obtained in Canadian courts predicated upon the civil liability provisions of application securities laws of Canada. Where the investment or acquisition is financed by the issuance of shares from the Corporation's treasury, control of the Corporation may change and shareholders may suffer further dilution of their investment.

The Corporation will be in competition with other corporations with greater resources. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Exchange may suspend from trading or delist the Common Shares where the Corporation has failed to complete a Qualifying Transaction within 24 months of the Listing Date (as hereafter defined). The applicable securities regulatory authority may issue a cease trade order against the Corporation's securities if the Common Shares of the Corporation are suspended or delisted from trading on the Exchange. In addition, delisting of the Common Shares will result in the cancellation of all of the Common Shares of the Corporation owned by insiders issued prior to this Offering.

Investors must rely on the expertise of the Corporation's promoters, directors and officers for any possible return on their investment. The Corporation's promoters, directors, officers and control persons, and their associates and affiliates, as a group, beneficially own or control, directly or indirectly 2,000,001 Common Shares, which represents 76.9% of the issued and outstanding Common Shares before giving effect to this Offering and approximately 43.5% the issued and outstanding Common Shares after giving effect to this Offering, assuming that no Common Shares are purchased by these persons under this Offering. The directors and officers of the Corporation will only devote part of their time to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. See "*Dilution*", "*Business of the Corporation*", "*Directors, Officers and Promoters*", "*Use of Proceeds*" and "*Risk Factors*".

No Person is authorized by the Corporation to provide any information or to make any representation other than those contained in this prospectus in connection with the issue and sale of the securities pursuant to this prospectus.

Pursuant to the CPC Policy, no purchaser of the Common Shares is permitted to directly or indirectly purchase more than 2%, being 40,000 Common Shares, of the total Common Shares offered under this prospectus. In addition, the maximum number of Common Shares that may directly or indirectly be purchased by that purchaser, together with any Associates or Affiliates of that purchaser, is 4%, being 80,000 Common Shares, of the total number of Common Shares offered under this prospectus. Upon completion of the Offering, the Corporation must have a minimum of 200 shareholders with each shareholder beneficially owning at least 1,000 Common Shares free of resale restrictions, exclusive of any Common Shares held by Non Arm Length Parties to the Corporation.

Common Shares are offered, subject to prior sale, if, as, and when issued and in accordance with the terms and conditions of the Agency Agreement and subject to the approval of certain legal matters by Northwest Law Group, Vancouver, British Columbia, on behalf of the Corporation, and by Salley Bowes Harwardt LC, Vancouver, B. C. on behalf of the Agent.

The Corporation is not a related or connected issuer to the Agent (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*). See "*Relationship between the Corporation and the Agent*".

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Common Shares will be issued and deposited in electronic form with CDS Clearing and Depository Services Inc. ("CDS") or its nominee. A purchaser of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

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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:

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

A company is “controlled” by a Person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) 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.

“Agency Agreement” means the agency agreement dated ♦, 2019 between the Corporation and the Agent.

“Agent” means Leede Jones Gable Inc.

“Agent’s Option” means the non-transferable option to be granted by the Corporation to the Agent and its sub-agents, if any, entitling the Agent to acquire up to 10% of the aggregate number of Common Shares issued under the Offering at an exercise price of \$0.10 per Common Share, expiring 24 months from the Listing Date.

“Aggregate Pro Group” means all Persons who are members of any Pro Group whether or not the Member is involved in the contractual relationship with the Issuer to provide financing, sponsorship and other advisory services.

“Agreement in Principle” means any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree which:

- (a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;
- (b) identifies the parties to the Qualifying Transaction;
- (c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and
- (d) identifies the conditions to any further formal agreements to complete the transaction, and

in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable

control of the Non Arm's Length Parties to the CPC or the Non Arm's Length Parties to the Qualifying Transaction.

“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.

“Closing” means completion of the Offering.

“Common Shares” means the common shares in the capital of the Corporation.

“Company” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“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.

“Corporation” means Daura Capital Corp., a corporation incorporated under the laws of the Province of British Columbia.

“CPC” means a corporation:

- (a) 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
- (b) in regard to which the Final Exchange Bulletin has not yet been issued.

“Director and Officers' Options” means the 460,000 stock options granted under the Corporation's incentive stock option plan.

“Escrow Agreement” means the escrow agreement dated ♦, 2019 among the Corporation, Computershare Investor Services Inc. as the escrow agent, and certain shareholders of the Corporation.

“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.

“Initial Listing Requirements” means the minimum financial, distribution and other standards that must be met by applicants seeking a listing on a particular tier of the Exchange.

“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.

“Issuer” means a company and its subsidiaries which have any of its securities listed for trading on the Exchange and, as the context requires, any applicant company seeking a listing of its securities on the Exchange.

“Listing Date” the date on which the Common Shares are listed for trading on the Exchange.

“Majority of the Minority Approval” means the approval of a Non Arm’s Length Qualifying Transaction by the majority of the votes cast by shareholders, other than:

- (a) Non Arm’s Length Parties to the CPC;
- (b) Non Arm’s Length Parties to the Qualifying Transaction; and
- (c) in the case of a Related Party Transaction:
 - (i) if the CPC holds its own shares, the CPC, and
 - (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction,

at a properly constituted meeting of the common shareholders of the CPC.

“Member” means a Person who has executed the Members’ Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange Requirements.

“Members’ Agreement” means the members’ agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a Member of the Exchange under the Exchange agreements.

“NEX” means the market on which former Exchange and Toronto Stock Exchange issuers that do not meet Exchange Tier Maintenance Requirements for Tier 2 may continue to trade.

“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.

“Person” means a company or individual.

“Preferred Shares” means the preferred shares in the capital of the Corporation.

“Principal” means

- (a) a Person or company who acted as a promoter of the issuer within two years or their respective Associates or Affiliates, before the initial public offering (“**IPO**”) prospectus or Exchange Bulletin confirming final acceptance of a transaction (“**Final Exchange Bulletin**”);
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final Exchange Bulletin;
- (c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final Exchange Bulletin for non IPO transactions;
- (d) a 10% holder – a person or company that
 - (i) holds securities carrying more than 10% of the voting rights attached to the issuer’s outstanding securities immediately before and immediately after the issuer’s IPO or immediately after the Final Exchange Bulletin for non IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder’s securities and the total securities outstanding.

A company, trust, partnership or other entity more than 50% held by one or more principals will be treated as a principal. (In calculating this percentage, include securities of the entity that may be issued to the principals under outstanding convertible securities in both the principals’ securities of the entity and the total securities of the entity outstanding.) Any securities of the issuer that this entity holds will be subject to escrow requirements.

A principal’s spouse and their relatives that live at the same address as the principal will also be treated as principals and any securities of the issuer they hold will be subject to escrow requirements.

“Pro Group” means:

- (a) Subject to subparagraphs (b), (c) and (d) "Pro Group" shall include, either individually or as a group:

- (i) the Member;
 - (ii) employees of the Member;
 - (iii) partners, officers and directors of the Member;
 - (iv) Affiliates of the Member; and
 - (v) Associates of any parties referred to in subparagraphs (i) through (iv).
- (b) The Exchange may, in its discretion, include a Person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is not acting at arm's length to the Member;
- (c) The Exchange may, in its discretion, exclude a Person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the Person is acting at arm's length of the Member;
- (d) The Exchange may deem a Person who would otherwise be included in the Pro Group pursuant to subparagraph (a) to be excluded from the Pro Group where the Exchange determines that:
 - (i) the Person is an affiliate or associate of the Member acting at arm's length of the Member;
 - (ii) the associate or affiliate has a separate corporate and reporting structure;
 - (iii) there are sufficient controls on information flowing between the Member and the associate or affiliate; and
 - (iv) the Member maintains a list of such excluded Persons.

“Promoter” has the meaning specified in section 1(1) of the *Securities Act* (British Columbia).

“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.

“SEDAR” means System for Electronic Document Analysis and Retrieval.

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

“Sponsorship Acknowledgment Form” means the form prepared in accordance with Form 2G.

“Target Company” means a Company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

“Vendors” means one or all of the beneficial owners, of the Significant Assets (other than a Target Company).

“Voting Shares” means a security of an issuer that:

- (a) is not a debt security; and
- (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

The Corporation:	Daura Capital Corp.
Business of Corporation:	The Corporation is a CPC. The principal business of the Corporation will be identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash. See “ <i>Business of the Corporation</i> ”.
Offering:	The Company is offering 2,000,000 Common Shares at a price of \$0.10 per Common Share. The total gross proceeds of the Offering will be \$200,000. In addition the Corporation will grant the Agent an option to acquire up to 10% of the aggregate number of Common Shares sold under the Offering at a price of \$0.10 per Common Share for a period of twenty four months following the Listing Date, which option is qualified for distribution under this prospectus. See “ <i>Plan of Distribution</i> ” and “ <i>Options to Purchase Securities</i> ”.
Directors and Management:	Mark D. Sumner Chief Executive Officer and Director William To Ping Tsang Chief Financial Officer Nicholas Mark Lindsay Director Christina Cepeliauskas Director Duncan Quinn-Smith Director See “ <i>Directors, Officers and Promoters</i> ”.
Use of Proceeds:	The proceeds to the Corporation will be \$200,000. The net proceeds of this Offering along with the proceeds from the prior sale of shares will be used to provide the Corporation with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required. Until Completion of the Qualifying Transaction and except as other provided in the CPC Policy, a maximum of the lesser of 30% of the gross proceeds realized or \$210,000 may be used for purposes other than evaluating business or assets. See “ <i>Use of Proceeds</i> ”, “ <i>Business of the Corporation – Method of Financing</i> ” and “ <i>Risk Factors</i> ”. 2,600,001 of the currently issued and outstanding Common Shares of the Corporation have been deposited in escrow pursuant to the terms of an Escrow Agreement, as hereafter defined, and will be released from escrow in stages over a period of up to three years after the date of the Final Exchange Bulletin.
Risk Factors:	Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation’s business and its present stage of development. The Corporation was only

recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not general earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Corporation and can afford to risk the loss of their entire investment. The directors and officers of the Corporation will only devote part of their time and attention to the affairs of the Corporation and there are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of \$0.028 or 28% per Common Share. There can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, if ever, the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Corporation has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the CPC will be able to identify or complete a suitable Qualifying Transaction.

The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon civil liability provisions application to securities laws in Canada. See "*Business of the Corporation*", "*Dilution*" and "*Risk Factors*".

THE CORPORATION

The Corporation was incorporated on March 29, 2018 in accordance with the *Business Corporations Act* (British Columbia) under the name Daura Capital Corp. The Corporation is a CPC as defined by the CPC Policy.

The head office of the Corporation is located at Suite 501, 543 Granville Street, Vancouver, British Columbia, V6C 1X8. The registered office of the Corporation is located at Suite 704, 595 Howe Street, Vancouver, British Columbia, V6C 2T5. The Corporation does not have any subsidiaries.

BUSINESS OF THE CORPORATION

Preliminary Expenses

As of the date of this prospectus, the Corporation has incurred preliminary expenses, including auditing and legal fees in the amount of approximately \$9,948. Certain of the Offering proceeds will be utilized to satisfy the obligations of the Corporation related to the Offering, including the expenses of its auditor and legal fees, the fees of the Exchange, the Agent's commission, fees and expenses and the fees of the securities regulatory authorities. See "*Use of Proceeds*".

Proposed Operations until Completion of Qualifying Transaction

To date, the Corporation has not conducted operations of any kind. The Corporation is a CPC pursuant to the policies of the Exchange. The Corporation proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Corporation has not commenced commercial operations. The Corporation currently intends to pursue a Qualifying Transaction in the mining sector, but there is no assurance that this will, in fact, be the business sector of a proposed Qualifying Transaction or of the Corporation following Completion of the Qualifying Transaction.

Until Completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under the headings "*Use of Proceeds - Private Placements for Cash*", and "*Use of Proceeds - Restrictions on Use of Proceeds*", the funds raised pursuant to this Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing a Qualifying Transaction, the Corporation has not yet entered into an Agreement in Principle.

Method of Financing

The Corporation may use cash, bank financing, the issuance of treasury shares, private or public debt or equity financing or a combination of these for the purpose of financing its proposed Qualifying Transaction. **A Qualifying Transaction financed by the issuance of treasury shares could result in a change in control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.**

Criteria for a Qualifying Transaction

All potential acquisitions will be screened initially by management of the Corporation to determine their economic viability. Approval of acquisitions will be made by the Board of Directors. The Board of Directors

will examine proposed acquisitions having regard to sound business fundamentals, utilizing the expertise and experience of the directors. The Board of Directors of the Corporation must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Corporation and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Filings and Shareholder Approval of Non-Arm's Length Qualifying Transaction

Upon the Corporation reaching an Agreement in Principle, the Corporation must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Corporation's Common Shares until the filing requirements of the Exchange have been satisfied as set forth under "*Trading Halts, Suspensions and Delisting*". Within 75 days after issuance of such news release, the Corporation shall be required to submit for review to the Exchange either an information circular that complies with applicable corporate and securities laws or a filing statement that complies with Exchange requirements. An information circular must be submitted where there is a Non Arm's Length Qualifying Transaction. A filing statement must be submitted where the Qualifying Transaction is not a Non Arm's Length Qualifying Transaction. The information circular or filing statement, as applicable, must contain prospectus level disclosure of the Target Company and the Corporation, assuming Completion of the Qualifying Transaction, and be prepared in accordance with the CPC Policy and Form 3B1/Form 3B2. Upon acceptance by the Exchange, the Corporation must then either:

- (a) file the filing statement on SEDAR at least seven business days prior to closing of the Qualifying Transaction, and issue a news release which discloses the scheduled closing date for the Qualifying Transaction as well as the fact that the filing statement is available on SEDAR, or
- (b) mail the information circular and related proxy material to its shareholders in order to obtain the Majority of the Minority Approval of the Qualifying Transaction or other requisite approval, at a meeting of shareholders.

Unless waived by the Exchange, the Corporation will also be required to retain a Sponsor, who must be a member of the Exchange, and who will be required to submit to the Exchange a Sponsor Report prepared in accordance with the Policies of the Exchange. The Corporation will no longer be considered to be a CPC upon the Exchange having issued the Final Exchange Bulletin. The Exchange will generally not issue the Final Exchange Bulletin until the Exchange has received:

- (i) in the case of a Non Arm's Length Qualifying Transaction, confirmation of Majority of Minority Approval of the Qualifying Transaction;
- (ii) confirmation of closing of the Qualifying Transaction; and
- (iii) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy and the restrictions in the CPC Policy precluding the Corporation from completing a reverse take-over for a period of one year from the Completion of the Qualifying Transaction.

Initial Listing Requirements

The Resulting Issuer must satisfy the Exchange's initial listing requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable Policies of the Exchange.

Trading Halts, Suspension and Delisting

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of an Agreement in Principle until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, personal information forms or, if applicable, declarations, for all individuals who may be directors, senior officers, promoters, or insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange.

Even if all filing requirements have been satisfied and preliminary background checks completed, the Exchange may continue or reinstate a halt in trading of the Common Shares for public policy reasons including:

- (a) the unacceptable nature of the business of the Resulting Issuer, or
- (b) the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, completion of the Qualifying Transaction, are so significant or numerous as to make it appear to the Exchange that the halt should be reinstated or continued.

A trading halt may also be imposed by the Exchange where the Corporation fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Agreement in Principle or if the CPC fails to file post-meeting or final documents as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

The Exchange may suspend from trading or delist the Common Shares of the Corporation where the Exchange has not issued a Final Exchange Bulletin to the CPC within 24 months of the date of listing. In the event that the Common Shares of the Corporation are delisted by the Exchange, within 90 days from the date of such delisting, the Corporation shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non-Arm's Length Parties to the Corporation, determine to deal with the issuer or its remaining assets in some other manner. See *"Filings and Shareholder Approval of Non-Arm's Length Qualifying Transaction"*.

Refusal of Qualifying Transaction

The Exchange, in its sole discretion, may not accept a Qualifying Transaction where:

- (a) the Resulting Issuer fails to satisfy the applicable initial listing requirements of the Exchange;
- (b) the aggregate number of securities of the Resulting Issuer owned, directly or indirectly, by:
 - (i) a Member firm of the Exchange;
 - (ii) registrants, unregistered corporate finance professionals, employee shareholders and partners of such Member firm; and
 - (iii) Associates of any such person,collectively, would exceed 20% of the issued and outstanding securities of the Resulting Issuer;
- (c) the Resulting Issuer will be a financial institution, finance company, finance issuer or mutual fund, as defined in the securities legislation;

- (d) the majority of the directors and senior officers of the Resulting Issuer are not residents of Canada or the United States or are individuals who have not demonstrated positive association as directors or officers with public companies that are subject to a regulatory regime comparable to the companies listed on a Canadian exchange; or
- (e) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Proceeds and Principal Purposes

The gross proceeds to be received by the Corporation from the sale of the Common Shares distributed under this prospectus will be \$200,000. Prior to the date of this prospectus, the Company issued 2,600,000 Common Shares at a price of \$0.05 per Common Share for a total of \$130,000 and 1 Common Share at a price of \$1.00 per Common Share for a total of \$1.00. The combined total cash proceeds raised is therefore \$130,001. As of the date of the prospectus, the Corporation incurred expenses and costs totaling \$5,440 with respect to the organization of the Corporation and issuance of the Common Shares. The expenses and costs of this Offering expected to be incurred will be \$75,000, which includes legal and audit fees and other expenses of the Corporation, the Agent's expenses and legal fees, and the listing fee payable to the Exchange and filing fees payable to the Commissions but excluding the Agent's Commission. The Corporation estimates that \$249,561 will be available to it upon completion of the Offering.

The following indicates the principal use to which the Corporation proposes to use the total funds available to it upon completion of the Offering:

	Offering
Cash proceeds raised prior to this Offering ⁽¹⁾	\$130,001
Expenses and costs relating to raising the cash proceeds	\$(5,440)
Cash proceeds to be raised pursuant to this Offering ⁽²⁾	\$200,000
Expenses and costs relating to the Offering (including listing fees, Agent's commission, legal fees, audit fees and expenses).	\$(75,000)
Estimated funds available (on completion of the Offering)	\$249,561
Use of Proceeds:	
Funds available for identifying and evaluating assets or business prospects ⁽³⁾	\$199,561
Estimated general and administrative expenses until Completion of a Qualifying Transaction ⁽⁴⁾	\$50,000
Total Net Proceeds	\$249,561

Notes:

- (1) See "Prior Sales".
- (2) In the event the Agent exercises the Agent's Option and all of the Directors and Officers exercise the Director and Officers' Options there will be available to the Corporation a maximum of an additional \$66,000, which will be added to the working capital of the Corporation. There is no assurance that any of these options will be exercised.
- (3) In the event that the Corporation enters into an Agreement in Principle prior to spending the entire net proceeds, on identifying and

evaluating assets or businesses, the remaining funds may be used to finance or partially finance the acquisition of Significant Assets or for working capital after Completion of the Qualifying Transaction.

- (4) See “*Restrictions on Use of Proceeds*”. This amount assumes that it takes the Corporation the full 24 months to identify and complete a Qualifying Transaction.

Until required for the Corporation’s purposes, the proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada or any Province or Territory of Canada or the Government of the United States of America, in certificates of deposit or interest-bearing accounts of Canadian chartered banks, trust companies or credit unions.

The proceeds from this Offering and any prior sale of Common Shares, after deducting the expenses associated with this Offering, will only be sufficient to identify and evaluate a finite number of assets and businesses, and additional funds may be required to finance any acquisition to which the Corporation may commit.

Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in “*Restrictions on Use of Proceeds*”, “*Private Placements for Cash*,” and “*Prohibited Payments to Non Arm’s Length Parties*”, the gross proceeds realized from the sale of all securities issued by the Corporation will be used by the Corporation only to identify and evaluate businesses or assets and obtain shareholder approval for a proposed Qualifying Transaction.

The proceeds may be used for expenses incurred for the preparation of:

- (i) valuations or appraisals;
- (ii) business plans;
- (iii) feasibility studies and technical assessments;
- (iv) sponsorship reports;
- (v) engineering or geological reports;
- (vi) financial statements, including audited financial statements;
- (vii) fees for legal and accounting services; and
- (viii) Agents’ fees, costs and commissions,

relating to the identification and evaluation of assets or businesses and in the case of a Non Arm’s Length Qualifying Transaction, the obtaining of shareholder approval for the Corporation’s proposed Qualifying Transaction.

In addition, with the prior acceptance of the Exchange, up to an aggregate of \$225,000 may be advanced as a refundable deposit or secured loan by the Corporation to a Vendor or Target Company, as the case may be, for a proposed arm’s length Qualifying Transaction that has been publicly announced at least 15 days prior to the date of such advance, due diligence with respect to the Qualifying Transaction is well underway and either a Sponsor has been engaged or sponsorship has been waived. A maximum aggregate amount of \$25,000 may also be advanced as a non-refundable deposit, unsecured deposit or advance to a Vendor or Target Company, as the case may be, to preserve assets without the prior acceptance of the Exchange.

Restrictions on Use of Proceeds

Until Completion of a Qualifying Transaction, not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation or \$210,000, will be used for purposes other than those described above. For greater certainty, expenditures which are not included as “Permitted Uses of Funds”, listed above, include:

- (a) listing and filing fees (including SEDAR fees);
- (b) other costs for the issuance of securities, (including legal, accounting and audit expenses) relating to the preparation and filing of this prospectus; and
- (c) administrative and general expenses of the Corporation, including:
 - (i) office supplies, office rent and related utilities;
 - (ii) printing costs (including the printing of this prospectus and share certificates);
 - (iii) equipment leases; and
 - (iv) fees for legal advice and audit expenses, other than those described above under “*Permitted Use of Funds*”.

No proceeds will be used to acquire or lease a vehicle.

Private Placements for Cash

After the Closing of the Offering and until the Completion of the Qualifying Transaction, the Corporation will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Corporation where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$5,000,000. The only securities issuable pursuant to such a private placement will be Common Shares. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non Arm’s Length Parties to the Corporation and to Principals of the Resulting Issuer will be subject to escrow.

Prohibited Payments to Non Arm’s Length Parties

Except as described under “*Options to Purchase Securities*” and “*Restrictions on Use of Proceeds*”, the Corporation has not made, and until the Completion of the Qualifying Transaction will not make, any payment of any kind, directly or indirectly, to a Non Arm’s Length Party to the Corporation or a Non Arm’s Length Party to the Qualifying Transaction, or to a person engaged in investor relations activities, by any means, including:

- (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors' fees, finders' fees, loans, advances and bonuses, and
- (b) deposits and similar payments.

Further, no such payment will be made on or after the Completion of a Qualifying Transaction if such payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Notwithstanding the above, the Corporation may reimburse a Non Arm’s Length Party to the Corporation for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Corporation or in the case of a law firm, no member of the

firm, owns greater than 10% of the outstanding Common Shares of the Corporation), and the Corporation may also reimburse a Non Arm's Length Party to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation described in "*Permitted Use of Funds*".

The foregoing restrictions on the use of proceeds and prohibitions on payments to Non Arm's Length Parties and persons engaged in investor relations activities continue to apply until the Completion of the Qualifying Transaction.

PLAN OF DISTRIBUTION

Agent and Agent's Compensation

Pursuant to the Agency Agreement, the Corporation has appointed the Agent as its agent to offer for sale on a "commercially reasonable efforts" basis to the public a minimum of 2,000,000 Common Shares as provided in this prospectus, at a price of \$0.10 per Common Share, in the provinces of British Columbia and Alberta, subject to the terms and conditions in the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds from the sale of the Common Shares. In addition, the Corporation will pay the Agent a corporate finance fee of \$10,000 plus GST, of which half (\$5,250) has been paid, with the balance payable upon the Closing, and will pay the Agent's legal fees and expenses, with respect to which \$6,000 has been advanced as a retainer.

The Corporation has also agreed to grant to the Agent the Agent's Option to purchase 10% of the aggregate issued Common Shares under this Offering, at a price of \$0.10 per Common Share, which may extend for a period of 24 months from the Listing Date. This prospectus also qualifies the grant of the Agent's Option. The Agent intends to sell to the public any Common Shares received by it upon the exercise of its option. Not more than 50% of the Common Shares received on the exercise of the Agent's Option may be sold by the Agent prior to the Completion of the Qualifying Transaction. The remaining 50% may be sold after the Completion of the Qualifying Transaction. The Agent has agreed to use its "commercially reasonable efforts" to secure subscriptions for the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the.

Commercially Reasonable Efforts Offering and Minimum Distribution

The total Offering is for 2,000,000 Common Shares for total gross proceeds of \$200,000. Under the CPC Policy, no purchaser of the Common Shares is permitted to purchase more than 2%, being 40,000 Common Shares of the total Common Shares in the Offering. In addition, the maximum number of Common Shares permitted to be purchased by that purchaser together with any Associates of Affiliates of that purchaser is 4%, being 80,000 Common Shares of the total number of Common Shares under the Offering. The funds received from the Offering will be deposited with the Agent, and will not be released until a minimum of \$200,000 has been deposited. The total subscription must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Determination of Price

The price of the Common Shares has been determined through negotiation between the Corporation and the Agent.

Listing Application

The Corporation has applied to list its Common Shares on the Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the Exchange.

As of the date of this prospectus, the Corporation does not have any of its securities list or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS Markets operated by the Plus Market Group plc.

Subscription by and Restrictions on the Agent

All subscriptions by any member of the Aggregate Pro Group are subject to the applicable client priority rules and the general rule of the CPC Policy that no purchaser can: (i) directly or indirectly purchase more than 2% of the total Common Shares offered under this Offering; and (ii) together with any Associates or Affiliates purchase more than 4% of the total Common Shares offered under this Offering. Any Common Shares issued to any member of the Aggregate Pro Group prior to the date of this prospectus will be held in escrow pursuant to the CPC Policy.

Until Completion of the Qualifying Transaction, the aggregate number of Common Shares permitted to be owned directly or indirectly by the members of the Pro Group is 20% of the issued and outstanding Common Shares of the Corporation exclusive of Common Shares reserved for issuance at a future date. The Exchange will require that any securities issued to the Pro Group in connection with or in contemplation of the Qualifying Transaction will be required to be subject to a four month Exchange hold period and the securities certificate(s) legended accordingly, as prescribed by Exchange Policy 3.2 “*Filing Requirements and Continuous Disclosure*”.

The Agent has advised the Corporation that to the best of its knowledge and belief, no directors, officers, employees or contractors of the Agent or any Associate or Affiliate of the foregoing have subscribed for any Common Shares of the Corporation.

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent’s Option and the grant of the Director and Officers’ Options, no securities of the Corporation will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the Securities Regulatory Authority and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF THE SECURITIES

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value and an unlimited number of Preferred Shares without nominal or par value. As at the date hereof, there are 2,600,001 Common Shares and no Preferred Shares issued and outstanding as fully paid and non-assessable. In addition, 2,000,000 Common Shares are reserved for issuance under this prospectus, 200,000 Common Shares are reserved for issuance pursuant to the exercise of the Agent’s Option and 460,000 Common Shares are reserved for issue pursuant to the exercise of the Director and Officers’ Options. See “*Plan of Distribution*” and “*Options to Purchase Securities*”.

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board of Directors, to one vote per Common Share at meetings of the shareholders of the Corporation and, upon liquidation, to share

equally in such assets of the Corporation as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of this Offering will be fully paid and non-assessable.

CAPITALIZATION

Designation of Security	Amount Authorized	Amount outstanding as of the most recent balance sheet contained in this prospectus ⁽¹⁾	Amount outstanding as at the date hereof ⁽¹⁾	Amount to be outstanding after giving effect to the Offering ⁽²⁾
Common Shares	Unlimited	\$130,001 (2,600,001 shares)	\$130,001 (2,600,001 shares)	\$300,001 (4,600,001 shares)
Preferred Shares	Unlimited	None	None	None
Director and Officers' Options	460,000	None	\$46,000 (460,000 shares)	\$46,000 (460,000 shares)
Agent's Option	200,000	None	None	\$20,000 ⁽³⁾ (200,000 shares)

Notes:

- (1) As at the date hereof, the Corporation had not commenced commercial operations.
- (2) Based on gross proceeds of the Offering and before deducting the Agent's commission, fees and expenses and other expenses and costs of the Offering. For an estimate of these expenses see "Use of Proceeds – Proceeds and Principal Purposes".
- (3) The Corporation has reserved a maximum of 200,000 Common Shares at \$0.10 per Common Share pursuant to the Agent's Option. See "Plan of Distribution" and "Options to Purchase Securities".

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The Corporation has adopted an incentive stock option plan (the "Option Plan") which provides that the board of directors of the Corporation 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 Corporation, 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 the 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. Options may be exercised the greater of 12 months after Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, 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 options granted under the Option 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 options prior to Completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued. See "Escrowed Securities".

Options Granted

Subject to regulatory approvals, immediately after closing of this Offering, the Board of Directors of the Corporation intends to grant the following Director and Officers' Options:

Optionee	No. of Common Shares Under Option	Exercise Price per Common Share	Expiry Date
Mark D. Sumner	92,000	\$0.10	5 years from the Listing Date

William To Ping Tsang	92,000	\$0.10	5 years from the Listing Date
Nicholas Mark Lindsay	92,000	\$0.10	5 years from the Listing Date
Christina Cepeliauskas	92,000	\$0.10	5 years from the Listing Date
Duncan Quinn-Smith	92,000	\$0.10	5 years from the Listing Date
	<u>460,000</u>		

PRIOR SALES

Since the date of incorporation of the Corporation, 2,600,001 Common Shares have been issued as follows:

Date	Number of Shares	Issue Price per Share	Aggregate Issue Price	Consideration Received
March 29, 2018	1	\$1.00	\$1.00	Cash
December 5, 2018	2,600,000 ⁽¹⁾	\$0.05	\$130,000	Cash

Note:

(1) All of these shares were issued to Insiders and are escrowed. See “Escrowed Securities”

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All 2,600,001 Common Shares issued at a price below \$0.10 per Common Share, all Common Shares that may be acquired by Non Arm’s Length Parties of the Corporation either prior to the Offering, under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with Computershare Investor Services Inc. under the Escrow Agreement dated ♦, 2019 (the “**Escrow Agreement**”).

All Common Shares acquired on exercise of the Director and Officers’ Options and other stock options granted prior to the Completion of a Qualifying Transaction, must also be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

In addition, all Common Shares of the Corporation acquired in the secondary market prior to the Completion of a Qualifying Transaction by any person or company who becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Corporation held by Principals of the Resulting Issuer will also be escrowed.

The following table sets out, as at the date hereof, the number of Common Shares of the Corporation, which are held in escrow.

Name and Municipality of Residence of Shareholder	Number of Common Shares held in Escrow	Percentage of Shares Prior to Giving Effect to the Offering	Percentage of Shares After Giving Effect to the Offering
Nicholas Mark Lindsay Perth, Australia	100,000	3.84%	2.17%
Mark D. Sumner ⁽¹⁾ Oregon, USA	1,200,001	46.15%	26.09%

Duncan Quinn-Smith New York, USA	400,000	15.38%	8.70%
Jason Surratt Oregon, USA	600,000	23.08%	13.04%
William To Ping Tsang British Columbia, Canada	100,000	3.84%	2.17%
Christina Cepeliauskas British Columbia, Canada	200,000	7.69%	4.35%
TOTAL	2,600,001	100%	56.52%

Note:

- (1) Mark D. Sumner holds 1,200,000 common shares indirectly through Adelheid Holdings LLC., a company that Mr. Sumner has control over.

The Escrow Agreement provides that the Common Shares may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without prior consent of the Exchange. The Escrow Agreement provides that if the holder of the escrowed shares becomes bankrupt, the Common Shares may be transferred within escrow to the trustee in bankruptcy or to such other person as is legally entitled to the Common Shares. The Escrow Agreement further provides that upon the death of the holder of the escrowed shares, the Common Shares will be released from escrow and certificates for the Common Shares will be delivered to the legal representative of the deceased shareholder.

Where the Common Shares of the Corporation which are required to be held in escrow are held by a non-individual (a “**holding company**”), each holding company pursuant to the Escrow Agreement, has agreed, or will agree, not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

Under the Escrow Agreement, 10% of the escrowed Common 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 meets the Exchange's Tier 1 initial listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Common 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. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the Escrow Agreement each Non Arm’s Length Party to the Corporation who holds escrowed Common Shares acquired at a price below the Offering price under this prospectus has irrevocably authorized and directed Computershare Investor Services Inc. to immediately:

- (a) cancel all of those escrowed Common Shares upon the issuance by the Exchange of a bulletin delisting the Common Shares of the Corporation; or

- (b) if the Corporation lists on NEX, either:
 - (i) cancel all Seed Shares purchased by Non-Arm's Length Parties to the Corporation at a discount from the IPO price, in accordance with section 11.2(a) of the CPC Policy, or
 - (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non Arm's Length Parties to the Corporation so that the average cost of the remaining Seed Shares is at least equal to the IPO price.

Escrowed Securities On Qualifying Transaction

Generally, if at least 75% of the securities issued pursuant to the Qualifying Transaction are "Value Securities", then all the securities issued to Principals of the Resulting Issuer pursuant to the Qualifying Transaction will be deposited into escrow pursuant to a value security agreement (the "**Value Security Escrow Agreement**"). "Value Securities" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement. However, if at least 75% of the securities issued pursuant to the Qualifying Transaction are not Value Securities, all securities issued pursuant to the Qualifying Transaction will be deposited into a surplus security escrow agreement (a "**Surplus Security Escrow Agreement**").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of a Resulting Issuer that will be a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities, being releasable every 6 months until the date which is 36 months after the Final Exchange Bulletin. In the case of a Resulting Issuer that will be a Tier 2 issuer that is subject to a Surplus Security Escrow Agreement, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for a three year escrow release mechanism with: 5% of the escrowed securities releasable at the time of the Final Exchange bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that will be a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement provides for an 18 month escrow release mechanism with 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin, 20% on the date which is 6 months after the Final Exchange Bulletin, 30% on the date which is 12 months after the Final Exchange Bulletin and 40% on the date which is 18 months after the Final Exchange Bulletin.

Escrowed Securities on Private Placement

Securities issued pursuant to a private placement to Principals of the Corporation and the proposed Resulting Issuer will generally be exempt from escrow requirements where:

- (a) the private placement is announced at least five trading days after the news release announcing the Agreement in Principle and the pricing for the financing is at not less than the discounted market price, as determined in accordance with the Policies of the Exchange; or

- (b) the private placement is announced concurrently with the Agreement in Principle and
- (i) at least 75% of the proceeds from the private placement are not from Principals of the Corporation or the proposed Resulting Issuer,
 - (ii) if subscribers, other than Principals of the Corporation or the proposed Resulting Issuer, will obtain securities subject to hold periods, then in addition to any resale restrictions under applicable securities legislation, any securities issued to such Principals will be subject to a four month hold period, and
 - (iii) none of the proceeds of the private placement are allocated to pay compensation or to settle indebtedness owing to Principals of the Resulting Issuer.

PRINCIPAL SHAREHOLDERS

The following table lists those persons who own 10% or more of the issued and outstanding Common Shares of the Corporation as at the date hereof:

Name and Municipality of Residence	Type of Ownership	Number of Shares	Percentage of Shares Owned Before Offering	Percentage Owned After Offering ⁽¹⁾⁽²⁾
Mark D. Sumner ⁽³⁾ Oregon, USA	Direct & Indirect	1,200,001	46.15%	26.1%
Duncan Quinn-Smith New York, USA	Direct	400,000	15.38%	8.7%
Jason Surratt Oregon, USA	Direct	600,000	23.08%	13.0%

Notes:

- (1) Assuming that no Common Shares are purchased by these persons under the Offering.
- (2) Assuming no Common Shares are purchased by these persons under the Offering, and assuming exercise of the Agent's Option and the entire Director and Officers' Options on a fully diluted basis, Mr. Sumner will hold 24.6%, Mr. Quinn-Smith will hold 9.4%, and Mr. Surratt will hold 11.4% of the issued and outstanding Common Shares after the Offering, respectively.
- (3) Mark D. Sumner holds 1,200,000 common shares indirectly through Adelheid Holdings LLC., a company that Mr. Sumner has control over.

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation, Security Holding and Involvement with other Reporting Issuers

The following table sets out the names of the current directors, officers and promoters of the Corporation, the municipalities of residence, their current positions with the Corporation, their principal occupations during the past five years and the number of shares of the Corporation beneficially owned, directly or indirectly, or over which control is exercised.

Name, Municipality of Residence and Position	Principal Occupation for Past Five Years	Common Shares Held ⁽¹⁾	Percentage before Completion of Offering
Nicholas Mark Lindsay Director Perth, Australia	Chief Executive Officer of Manuka Resources from February 2017 to June 2018; and Managing Director of Kingsgate Chile NL from September 2009 to February 2017	100,000	3.84%

Mark D. Sumner ^{(2) (3)} CEO and Director Oregon, USA	Managing Director of Kiwanda Group LLC from November 2007 to present; Executive Chairman of Valor Resources Ltd. from December 2016 to November 2018	1,200,001	46.15%
Duncan Quinn-Smith ⁽²⁾ Director New York, USA	Founder and CEO of DQ, LLC	400,000	15.38%
William To Ping Tsang CFO British Columbia, Canada	Chief Financial Officer of Atico Mining Corporation from February 2016 to present; Corporate Controller for Atico Mining from March 2012 to February 2016; Chief Financial Officer of Metalla Royalty and Streaming Ltd. from May 2017 to present	100,000	3.84%
Christina Cepeliauskas ⁽²⁾ Director British Columbia, Canada	Chief Financial Officer of EMX Royalty Corporation from September 2008 to present; Chief Financial Officer of Reservoir Capital Corp. from May 2009 to present; Chief Financial Officer of Pan Global Resources Inc. from May 2009 to present	200,000	7.69%
Total Securities		2,000,001	76.9%

Notes:

- (1) These Common Shares are subject to escrow restrictions. See “Escrowed Securities”.
- (2) Are members of the Audit Committee.
- (3) Mark D. Sumner holds 1,200,000 common shares indirectly through Adelheid Holdings LLC., a company that Mr. Sumner has control over.

Mark D. Sumner (36), Chief Executive Officer and Director

Founder and managing director of Kiwanda Group LLC, 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 also on the board of BiFox Ltd., an unlisted Chilean phosphate rock development company. Mr. Sumner previously held the position of Executive Chairman for Valor Resources Ltd.

Nicholas Mark Lindsay (60), Director

Dr. Lindsay is an experienced mining executive with about 30 years experience in the exploration and development of projects in Australia and South America, specifically Chile and Peru. Dr. Lindsay is a Geologist by profession, specialized in applied mineralogy and geometallurgy, and has a BSC (Hons Geology) and MBA from the University of Otago, and a PhD from the University of the Witwatersrand; and is an experienced Director of ASX-listed junior exploration companies. Dr. Lindsay is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

William To Ping Tsang (34), Chief Financial Officer

Mr. Tsang is a Chartered Professional Accountant with a Bachelor of Commerce from the University of British Columbia with more than 10 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 Corporate Controller of Atico Mining Corporation for 4 years and now holds the position of Chief Financial Officer at Atico. Mr. Tsang also holds the position of Chief Financial Officer of Metalla Royalty & Streaming Ltd.

Duncan Quinn-Smith (46), 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.

Christina Cepeliauskas (55), Director

Christina Cepeliauskas is a CPA, CGA professional accountant with more than 20 years of financial accounting and treasury experience in the mineral exploration and mining industry. Ms. Cepeliauskas is currently the Chief Financial Officer of EMX Royalty Corporation, Reservoir Capital Corp. and Pan Global Resources Inc. Ms. Cepeliauskas also holds the volunteer position of Treasurer and Board member of Fraserside Community Services Society, an organization committed to helping people overcome challenges. Ms. Cepeliauskas has been a member of the Institute of Corporate Directors since May 2015.

Other Corporate Information

In addition to any other requirements of the Exchange, the Exchange expects management of the Corporation to meet a high standard. The directors and officers of the Corporation believe that, on a collective basis, management possesses the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset.

Upon completion of the Offering, the directors, officers, promoters and other members of management of the Corporation, as a group, will own, directly or indirectly, 2,000,001 Common Shares of the Corporation representing 43.5%, of the Common Shares then issued and outstanding (assuming no exercise of the Agent's Option, Director and Officers' Options and that no Common Shares are purchased by these persons under this Offering).

Pursuant to the provisions of the *Business Corporation Act* (British Columbia), the Corporation is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation's auditor. The audit committee of the Corporation currently consists of Mark D. Sumner, Christina Cepeliauskas and Duncan Quinn-Smith. Once the Corporation has obtained a receipt for its CPC prospectus from the securities regulatory authority, the Corporation will be subject to the requirements of Multilateral Instrument 52-110 *Audit Committees*.

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoter(s) of the Corporation 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
Nicholas Mark Lindsay	Lake Resources Ltd.	ASX	Director	July 2017 - Present
	Valor Resources Ltd.	ASX	Director	February 2018 – Present
	Castillo Copper Ltd.	ASX	Director	May 2013 – August 2015
	Paradigm Metals Ltd.	ASX	Director	November 2014 – June 2016
	Voyager Resources Ltd.	ASX	Director	June 2009 – October 2014
Mark D. Sumner	Valor Resources Ltd.	ASX	Executive Chairman	December 2016 – November 2018
Christina Cepeliauskas	Atico Mining Corporation	TSX Venture	CFO	June 2011 – February 2016
	EMX Royalty Corporation	NYSE American TSX Venture	CFO	September 2008 – Present
	Pan Global Resources Inc. (formerly Mosam Capital Corp.)	TSX Venture	CFO	May 2009 – Present
	Reservoir Capital Corp.	CSE	CFO	May 2009 – Present
	Revelo Resources Corp. (formerly Iron Creek Capital Corp.)	TSX Venture	Director	February 2013 - December 2014
William To Ping Tsang	Atico Mining Corporation	TSX Venture	CFO	February 2016 – Present
	Metalla Royalty & Streaming Ltd.	TSX Venture	CFO	May 2017 – Present
	Tabu Equity Investments Inc. (FKA TNX Maverick Resources Inc.)	None	Director	October 2016 – May 2017

Corporate Cease Trade Orders or Bankruptcies

Except as set forth below, no director, officer or promoter of the Corporation that, while such person was acting in that capacity: (i) 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 (ii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was 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 is the CFO of Reservoir Capital Corp. (“**Reservoir**”). 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 director, officer, Insider, Control Person or Promoter of the Corporation 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 director, officer, Insider, Control Person or Promoter of the Corporation, 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

There are no known conflicts of interest involving the directors.

There are potential conflicts of interest to which some of the directors, officers, insiders and promoters of the Corporation will be subject in connection with the operations of the Corporation. 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 search by the Corporation for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where some of the directors, officers, insiders and promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia).

EXECUTIVE COMPENSATION

Except as set out below or otherwise disclosed in this prospectus, prior to Completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly to indirectly, by the Corporation to a Non Arm's Length Party to the Corporation or a Non Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Corporation or any Resulting Issuer by any means, including:

- (a) remuneration, which includes but is not limited to:
 - (i) salaries;
 - (ii) consulting fees;
 - (iii) management contract fees or directors' fees;
 - (iv) finders fees;
 - (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

However, the Corporation may reimburse Non Arm's Length Parties for the Corporation's reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value ("**Permitted Reimbursement**"). No reimbursement may be made for any payment made to lease or buy a vehicle.

The directors and officers of the Corporation may also be granted stock options.

After Completion of the Qualifying Transaction, the Corporation may pay remuneration to its directors and officers. No remuneration is anticipated to be paid to directors in their capacity as directors in the foreseeable future. No payment other than the Permitted Reimbursements, will be made by the Corporation or by any party on behalf of the Corporation, after Completion of the Qualifying Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution of 28% or \$0.028 per Common Share on the basis of there being 4,600,001 Common Shares of the Corporation issued and outstanding following completion of the Offering. Dilution has been computed on the basis of total gross proceeds to be raised by this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or related expenses incurred by the Corporation.

<u>Item</u>	<u>After Offering</u>
Gross proceeds of prior Common Share issues	\$130,001
Gross proceeds of this Offering	<u>\$200,000</u>
Total gross proceeds after this Offering	<u>\$330,001</u>
Offering price per Common Share	\$0.10
Gross proceeds per Common Share after this Offering	\$0.072 ⁽¹⁾
Dilution per Common Share to subscriber	\$0.028
Percentage of dilution in relation to Offering price	28%

Notes:

- (1) Calculated based on \$330,001 of gross proceeds from all prior sales divided by 4,600,001 shares issued.

RISK FACTORS

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. The following is a list of risk factors that a prospective investor should consider before subscribing for the Common Shares.

- (a) the Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;
- (b) investment in the Common Shares offered by the prospectus is highly speculative given the proposed nature of the Corporation's business and its present stage of development;
- (c) the directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;
- (d) assuming completion of the Offering, an investor will suffer an immediate dilution to its investment of 28% or \$0.028 per Common Share;

- (e) there can be no assurance that an active and liquid market for the Corporation's Common Shares will develop and an investor may find it difficult to resell its Common Shares;
- (f) until Completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (g) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- (h) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;
- (i) Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval;
- (j) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the Common Shares;
- (k) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Corporation will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Corporation will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction;
- (l) trading in the Common Shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required;
- (m) the Exchange will generally suspend trading in the Corporation's Common Shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing;
- (n) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (o) in the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;
- (p) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation; and

- (q) subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.

As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Corporation and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares.

LEGAL PROCEEDINGS

The Corporation is not currently a party to any legal proceedings, nor is the Corporation currently contemplating any legal proceedings. Management of the Corporation is currently not aware of any legal proceedings contemplated against the Corporation.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Corporation is not a related or connected party (as such terms are defined in National Instrument 33 – 105 *Underwriting Conflicts*) to the Agent.

RELATIONSHIP BETWEEN CORPORATION AND PROFESSIONAL PERSONS

Certain legal matters relating to this Offering will be passed upon by Northwest Law Group, on behalf of the Corporation. No Person whose profession or business gives authority to a statement made by such Person and who is named to this prospectus has received or will receive a direct or indirect interest in the property of the Corporation or any Associate or Affiliate of the Corporation. As at the date hereof, the aforementioned Persons do not beneficially own, directly or indirectly, securities of the Corporation or its Associates and Affiliates. In addition, none of the aforementioned Persons nor any director, officer or employee of any of the aforementioned Persons, is or expected to be elected, appointed or employed as a director, senior officer or employee of the Corporation or of an Associate or Affiliate of the Corporation, or a Promoter of the Corporation or of an Associate or Affiliate of the Corporation.

AUDITOR

The auditor of the Corporation is Davidson & Company LLP, at Suite 1200, 609 Granville Street, Vancouver, British Columbia.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Common Shares is Computershare Investor Services Inc. at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia.

MATERIAL CONTRACTS

The following are the material contracts of the Corporation entered into since the date of its inception:

- (a) Registrar and Transfer Agent Agreement dated November 30, 2018 between the Corporation and Computershare Investor Services Inc.
- (b) Stock Option Plan dated January 30, 2019. See “*Options to Purchase Securities*”.
- (c) Escrow Agreement dated for reference as of ♦, 2019 among the Corporation, Computershare Investor Services Inc. and certain shareholders of the Corporation. See “*Escrowed Securities*”.
- (d) Agency Agreement to be entered between the Corporation, and the Agent. See “*Plan of Distribution*”.

Copies of the material contracts described above may be inspected at the registered office of the Corporation located at the offices of Northwest Law Group, solicitors of the Corporation, located at Suite 704, 595 Howe Street, Vancouver, British Columbia, during normal business hours during the period of the distribution of the Common Shares under this prospectus and for a period of 30 days thereafter.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts about the Common Shares being distributed that are not otherwise disclosed in this prospectus, or are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares being distributed.

ELIGIBILITY FOR INVESTMENT

In the opinion of Koffman Kalef LLP, tax counsel to the Corporation, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") in force as of the date hereof and all proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Common Shares issued pursuant to the Offering, if issued on the date hereof, will be qualified investments for a trust governed by a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a registered education savings plan ("**RESP**"), a deferred profit sharing plan, a registered disability savings plan ("**RDSP**") and a tax-free savings account ("**TFSA**") as each of those terms is defined in the Tax Act, provided that, on the date hereof, the Common Shares are unconditionally listed on a "designated stock exchange" within the meaning of Tax Act, which includes the Exchange, or the Corporation is a "public company" as defined in the Tax Act.

Notwithstanding that the Common Shares may be a qualified investment for a RRSP, RRIF, TFSA, RDSP, or RESP (each a "Registered Plan"), the annuitant of an RRSP or RRIF, the subscriber under an RESP or the holder of a TFSA or RDSP, as the case may be, (the "**Controlling Individual**") will be subject to a penalty tax in respect of the Common Shares held in the Registered Plan if the Common Shares are a "prohibited investment" (as defined in the Tax Act) for the particular Registered Plan. The Common Shares will be a "prohibited investment" for a Registered Plan if the Controlling Individual (i) does not deal at arm's length with the Corporation for purposes of the Tax Act, or (ii) has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Corporation. Generally, a Controlling Individual will not be considered to have a "significant interest" in the Corporation provided that the Controlling Individual, together with persons with whom the Controlling Individual does not deal at arm's length, does not own (and is deemed not to own pursuant to the Tax Act), directly or indirectly, 10% or more of the issued shares of any class of the Corporation or of any company related to the Corporation (for purposes of the Tax Act). In addition, the Common Shares will not be a "prohibited investment" if the Common Shares are "excluded property" as defined in the Tax Act for a Registered Plan. Purchasers of Common Shares should consult their own advisors to ensure the Common Shares would not be a prohibited investment in their particular circumstances.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provide purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS

The Corporation has included audited financial statements for the period from inception to December 31, 2018.

DAURA CAPITAL CORP.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MARCH 29, 2018 TO DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Daura Capital Corp.

Opinion

We have audited the accompanying financial statements of Daura Capital Corp. (the "Company"), which comprise the statement of financial position as at December 31, 2018, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the period from incorporation on March 29, 2018 to December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the period from incorporation on March 29, 2018 to December 31, 2018 in accordance with International Financial Reporting Standards ("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 \$23,348 during period from incorporation on March 29, 2018 to December 31, 2018 and, as of that date, the Company's total deficit was \$23,348. 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.

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.

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

Vancouver, Canada

Chartered Professional Accountants

DATE

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

		December 31, 2018
ASSETS		
Current assets		
Cash	\$	116,924
Prepaid expenses (Note 8)		11,000
TOTAL ASSETS	\$	127,924
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Account payables and accrued liabilities (Note 3)	\$	21,271
Total liabilities		21,271
SHAREHOLDERS' EQUITY		
Share capital (Note 4)		130,001
Deficit		(23,348)
Total shareholders' equity		106,653
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	127,924

Nature and continuance of operations (Note 1)
Proposed transaction (Note 8)

These financial statements were authorized for issuance by the Board of Directors on TBC, 2019.

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.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the period from incorporation on March 29, 2018 to December 31, 2018
General and administrative expenses	
Consulting fees	\$ 505
Office and administrative expenses	3,664
Professional fees	17,730
Transfer agent and filing fees	783
Loss from operations	(22,682)
Foreign exchange loss	(666)
Net loss and comprehensive loss	\$ (23,348)

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

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

	For the period from incorporation on March 29, 2018 to December 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	\$ (23,348)
Net change in non-cash working capital items	
Prepaid expenses	(11,000)
Accounts payable and accrued liabilities	21,271
Net cash used in operating activities	(13,077)
CASH FLOWS FROM FINANCING ACTIVITIES	
Shares issued	130,001
Net cash provided by financing activities	130,001
 Change in cash	 116,924
Cash, beginning of period	-
Cash, end of period	\$ 116,924

There were no significant non-cash investing or financing activities for the period from incorporation on March 29, 2018 to December 31, 2018.

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

DAURA CAPITAL CORP.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Number of shares	Share capital	Deficit	Total shareholders' equity
Balance as at incorporation on March 29, 2018	-	\$ -	\$ -	-
Incorporation share issued	1	1	-	1
Share issuances	2,600,000	130,000	-	130,000
Loss for the period	-	-	(23,348)	(23,348)
Balance as at December 31, 2018	2,600,001	\$ 130,001	\$ (23,348)	\$ 106,653

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

DAURA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MARCH 29, 2018 TO DECEMBER 31, 2018

1. NATURE AND CONTINUANCE OF OPERATIONS

Daura Capital Corp. (the "Company") is in the process of completing an Initial Public Offering ("IPO") to be classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange" or "TSX-V") Policy 2.4 (Note 8). The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. 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 head office, registered, and records office address is 704 - 595 Howe Street, Vancouver, British Columbia, Canada.

The Company has an accumulated deficit of \$23,348 as at December 31, 2018. The Company's continuing operations are dependent upon its ability to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction, as defined in Exchange Policy 2.4, within 24 months of listing on the TSX-V. 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 International Financial Reporting Standards ("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 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and measurement

The 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.

DAURA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MARCH 29, 2018 TO DECEMBER 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

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.

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 classified as an asset at fair value and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur; and
- b) accounts payable and accrued liabilities 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

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The Company's sole financial asset is cash and, accordingly, does not hold any financial assets measured at amortized cost.

DAURA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MARCH 29, 2018 TO DECEMBER 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Earnings (loss) per share

The Company presents basic earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to equity holders of the Company by the weighted average number of common shares issued and outstanding during the period. All of the escrow shares are considered contingently returnable until the Company completes a Qualifying Transaction and, accordingly, are not considered to be outstanding shares for the purposes of the loss per share calculation. Diluted earnings per share is calculated by adjusting the earnings 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 earnings 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 payment 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.

DAURA CAPITAL CORP.**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MARCH 29, 2018 TO DECEMBER 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**Income taxes (cont'd...)**

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.

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.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31
	2018
Accounts payables	\$ 10,271
Accrued liabilities	11,000
	\$ 21,271

DAURA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MARCH 29, 2018 TO DECEMBER 31, 2018

4. SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares and preferred shares without par value.

Issued share capital

During the period from incorporation on March 29, 2018 to December 31, 2018, the Company issued 2,600,001 common shares at a weighted average price of \$0.05 for proceeds of \$130,001. The common shares are held in escrow, 10% of which will be released upon issuance of the Final Exchange Bulletin (the "Initial Release"), and an additional 15% every six months thereafter over the three years following the Initial Release.

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.

5. 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. There were no such related party transactions during the period from incorporation on March 29, 2018 to December 31, 2018.

As at December 31, 2018, the Company had \$4,985 due to management related to expense reimbursements, which have been included in accounts payable and accrued liabilities.

DAURA CAPITAL CORP.**NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MARCH 29, 2018 TO DECEMBER 31, 2018

6. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	December 31 2018
Financial assets	
Fair value through profit or loss:	
Cash	\$ 116,924
Financial liabilities	
Amortized cost:	
Accounts payable and accrued liabilities	\$ 21,271

Fair value

Financial instruments recorded at fair value on the statement 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 and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Capital risk management

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. 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 proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the issuance of common shares may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4.

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 PERIOD FROM INCORPORATION ON MARCH 29, 2018 TO DECEMBER 31, 2018

6. 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 these sources are sufficient to cover the likely short-term cash requirements, but that further funding will be required to meet long-term requirements. All the Company's financial liabilities are settled within one year.

7. INCOME TAXES

	For the period from incorporation on March 29, 2018 to December 31, 2018
Income (loss) before income taxes	\$ (23,348)
Canadian federal and provincial income tax rates	27.00%
Expected income tax expense (recovery) at statutory income tax rate	(6,304)
Changes in unrecognized deferred tax assets	6,304
Total income tax expense	\$ -

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 2018
Deferred income tax assets (liabilities)	
Deferred tax assets:	
Non-capital losses	\$ 6,304
Unrecognized deferred tax assets	(6,304)
Net deferred income tax asset (liability)	\$ -

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

	December 31 2018	Expiry date range
Non-capital losses	\$ 23,348	2038

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

DAURA CAPITAL CORP.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON MARCH 29, 2018 TO DECEMBER 31, 2018

8. PROPOSED TRANSACTION

The Company is in the process of filing its prospectus to become a Capital Pool Company and for the Company's initial public offering (the "IPO"). The proposed IPO calls for the Company to issue up to a maximum of 2,000,000 common shares of the Company at \$0.10 per common share for gross proceeds of \$200,000. The purpose of the IPO is to provide the Company with funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction. The Company also intends to grant 460,000 stock options exercisable at \$0.10 per share for five years from the completion date of the proposed IPO to directors and officers of the Company.

In December 2018, the Company entered into a letter of engagement with Leede Jones Gable Inc. (the "Agent") to act as its agent in connection with the Company's IPO. Pursuant to the agreement, the Agent will receive a cash commission of 10% of the gross proceeds of the IPO, payable at the closing of the IPO. The Agent will be paid a corporate finance fee of \$10,000 (\$5,000 paid) and will be reimbursed by the Company for its expenses and legal fees, of which a retainer of \$6,000 has been paid. In addition, the Agent will be issued 200,000 share purchase warrants exercisable into one common share at a price of \$0.10 per common share for a term of 24 months from the date of listing of the common shares of the Company on the Exchange.

CERTIFICATE OF THE CORPORATION

Date: March 29, 2019

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia and Alberta and the regulations thereunder.

“Mark D. Sumner”

Mark D. Sumner
Chief Executive Officer and Director

“William To Ping Tsang”

William To Ping Tsang
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“Nicholas Mark Lindsay”

Nicholas Mark Lindsay
Director

“Christina Cepeliauskas”

Christina Cepeliauskas
Director

CERTIFICATE OF THE AGENT

Date: March 29, 2019

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia and Alberta and the regulations thereunder.

LEEDE JONES GABLE INC.

“Richard H. Carter”

Richard H. Carter
Senior Vice President, General Counsel & Corporate Secretary