

DAURA CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)

NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

DAURA CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	September 30 2020	December 31 2019
ASSETS		
Current assets		
Cash (Note 5)	\$ 138,668	\$ 46,548
Prepaid expenses	-	5,691
Loan receivable (Note 3)	81,637	76,007
Total current assets	220,305	128,246
Non-current assets		
Deferred acquisition costs (Note 3)	60,585	33,282
Total non-current assets	60,585	33,282
TOTAL ASSETS	\$ 280,890	\$ 161,528
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 90,920	\$ 33,396
Total liabilities	90,920	33,396
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	336,156	261,377
Subscription received in advance (Note 5)	121,200	-
Reserves	56,168	56,168
Deficit	(323,554)	(189,413)
Total shareholders' equity	189,970	128,132
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 280,890	\$ 161,528

Nature and continuance of operations (Note 1)

These condensed interim financial statements were authorized for issuance by the Board of Directors on October 30, 2020.

Approved by the Board of Directors

"Mark D. Sumner" Director

"Christina Cepeliauskas" Director

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

DAURA CAPITAL CORP.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
General and administrative expenses				
Consulting fees	\$ 28,562	\$ -	\$ 43,174	\$ -
Office and administrative expenses	18,341	4,780	55,117	13,907
Investor relations	-	275	960	275
Professional fees	6,053	9,134	22,490	47,221
Share-based payments (Note 5)	-	41,853	-	41,853
Transfer agent and filing fees	646	10,716	16,792	15,216
Loss from operations	(53,602)	(66,758)	(138,533)	(118,472)
Interest income	1,890	-	5,630	-
Foreign exchange loss	(260)	-	(1,238)	-
Net loss and comprehensive loss	\$ (51,972)	\$ (66,758)	\$ (134,141)	\$ (118,472)
Loss per share - basic and diluted	\$ (0.02)	\$ (0.24)	\$ (0.05)	\$ (1.24)
Weighted average number of shares outstanding - basic and diluted	2,788,000	282,609	2,641,328	95,238

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

DAURA CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (134,141)	\$ (118,472)
Items not affecting cash:		
Share-based payments	-	41,853
Interest income	(5,630)	-
Net change in non-cash working capital items		
Prepaid expenses	5,691	9,614
Accounts payable and accrued liabilities	40,256	41,564
Net cash used in operating activities	(93,824)	(25,441)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deferred acquisition costs	(10,035)	-
Net cash used in investing activities	(10,035)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued	78,800	200,000
Subscriptions received in advance	121,200	-
Share issue costs	(4,021)	(54,309)
Net cash provided by financing activities	195,979	145,691
Change in cash	92,120	120,250
Cash, beginning of period	46,548	116,924
Cash, end of period	\$ 138,668	\$ 237,174

Supplemental disclosure with respect to cash flows (Note 7)

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

DAURA CAPITAL CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in Canadian Dollars)

	Number of shares	Share capital	Subscription received in advance	Share-based payments reserve	Deficit	Total shareholders' equity
Balance as at December 31, 2018	2,600,001	130,001 \$	- \$	- \$	(23,348) \$	106,653
IPO shares issued	2,000,000	200,000	-	-	-	200,000
Shares issue costs	-	(68,624)	-	-	-	(68,624)
Share-based payments	-	-	-	56,168	-	56,168
Loss for the period	-	-	-	-	(118,472)	(118,472)
Balance as at September 30, 2019	4,600,001	261,377 \$	- \$	56,168 \$	(141,820) \$	175,725

	Number of shares	Share capital	Subscription received in advance	Share-based payments reserve	Deficit	Total shareholders' equity
Balance as at December 31, 2019	4,600,001 \$	261,377 \$	- \$	56,168 \$	(189,413) \$	128,132
Private placement	788,000	78,800	-	-	-	78,800
Share issue costs	-	(4,021)	-	-	-	(4,021)
Subscription received	-	-	121,200	-	-	121,200
Loss for the period	-	-	-	-	(134,141)	(134,141)
Balance as at September 30, 2020	5,388,001 \$	336,156 \$	121,200 \$	56,168 \$	(323,554) \$	189,970

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

DAURA CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

1. NATURE AND CONTINUANCE OF OPERATIONS

Daura Capital Corp. (the "Company") has completed an Initial Public Offering ("IPO") and it has been classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "Exchange" or "TSX-V") Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view of completing a Qualifying Transaction under the policies of the TSX-V. The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on March 29, 2018. The Company's common shares are listed on the TSX-V under the symbol "DUR". The Company's head office, registered, and records office address is 704 - 595 Howe Street, Vancouver, British Columbia, Canada.

The Company has an accumulated deficit of \$323,554 (December 31, 2019 - \$189,413) as at September 30, 2020. The Company's continuing operations are dependent upon its ability to identify and evaluate assets or businesses potential for acquisition or participation by completing a Qualifying Transaction, as defined in Exchange Policy 2.4, 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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. Therefore, there is uncertainty that may cast doubt on the Company's ability to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and measurement

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), applicable to preparation of interim financial statements including International Accounting Standard 34 Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments, which have been measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements, except as described below, and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2019.

DAURA CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

3. LOAN RECEIVABLE AND DEFERRED ACQUISITION COSTS

In October 2019, the Company entered into a letter of intent ("LOI") with the shareholders of Estrella Gold S.A.C. ("Estrella") to acquire all issued and outstanding common shares of Estrella for 3,000,000 common shares of the Company. The transaction contemplated in the LOI is subject to completion of due diligence, a concurrent financing between \$500,000 and \$2,000,000, approval of the TSX-V, and other conditions contained in the LOI. In connection with the acquisition, the Company has advanced \$75,000 as a refundable deposit in the form of a secured loan, subject to an interest rate of 10% per annum. As at September 30, 2020, the Company has accrued interest of \$6,637 (December 31, 2019 - \$1,007). In addition, the Company advanced US\$25,000 or \$33,282 during 2019 as a non-refundable deposit upon the execution of the LOI and has incurred other expenditures of \$27,303 relating to the contemplated transaction with Estrella, which have been recorded as deferred acquisition costs.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30 2020	December 31 2019
Accounts payable	\$ 60,920	\$ 18,396
Accrued liabilities	30,000	15,000
	\$ 90,920	\$ 33,396

5. SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares and preferred shares without par value. As at September 30, 2020 and December 31, 2019, 2,600,001 common shares of the Company were held in escrow, 10% of which are to 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.

Issued share capital

During the nine months ended September 30, 2020, the Company completed a non-brokered private placement for total proceeds of \$78,800, whereby 788,000 common shares of the Company were issued at a price of \$0.10 per share. The Company received subscriptions of \$121,200 in advance, which has been recorded as cash and expected to be part of the next private placement.

Stock options

There were no changes to the number of stock options outstanding for the nine months ended September 30, 2020.

As at September 30, 2020, the weighted average remaining life of the outstanding stock options was 3.97 (December 31, 2019 - 4.72) years. The Company's outstanding stock options as at September 30, 2020 are as follows:

Expiry date	Exercise price	Outstanding	Exercisable
September 17, 2024	\$ 0.10	460,000	460,000

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5. SHARE CAPITAL (cont'd...)

Share purchase warrants and agent's options

There were no changes to the number of share purchase warrants and agent's options outstanding for the nine months ended September 30, 2020.

As at September 30, 2020 the weighted average remaining life of the outstanding share purchase warrants and agent's options was 0.96 (December 31, 2019 - 1.72) years. The Company's outstanding share purchase warrants and agent's options as at September 30, 2020 are as follows:

Expiry date	Exercise price	Outstanding
September 17, 2021	\$ 0.10	200,000

Share-based payments and share-based payment reserve

During the nine months ended September 30, 2019, the Company granted 460,000 stock options to the management and directors of the Company, where each option is exercisable at \$0.10 per common share for five years. These stock options were valued at \$41,853 using the Black-Scholes option pricing model with following inputs: an exercise price of \$0.10; a risk-free interest rate of 1.47%; an expected life of 5 years; and an expected volatility of 150%.

6. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

For the nine months ended September 30, 2020 and 2019, there was no compensation to management personnel.

For the nine months ended September 30, 2020, the Company paid or accrued \$45,000 (2019 - \$9,000) to Seabord Services Corp. ("Seabord"). Seabord provides the following services: A Chief Financial Officer ("CFO"), a Corporate Secretary, accounting and administration staff, and office space to the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

As at September 30, 2020, the Company had \$4,985 (December 31, 2019 - \$4,985) due to an officer of the Company related to expense reimbursements and \$36,750 (December 31, 2019 - \$9,975) to Seabord which have been included in accounts payable and accrued liabilities.

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the nine months ended September 30, 2019, the Company issued 200,000 agent's options, valued at \$14,315, in connection to its IPO (Note 5).

As at September 30, 2020, \$17,268 (December 31, 2019 - \$Nil) of deferred acquisition costs were included in accounts payable and accrued liabilities.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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8. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	September 30 2020	December 31 2019
Financial assets - Amortized cost:		
Cash	\$ 17,468	\$ 46,548
Restricted cash	121,200	-
	\$ 138,668	\$ 46,548
Financial liabilities - Amortized cost:		
Accounts payable and accrued liabilities	\$ 90,920	\$ 33,396
	\$ 90,920	\$ 33,396

Fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The carrying value of cash, restricted 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. As at September 30, 2020, the Company had a working capital of \$129,385 (December 31, 2019 - \$94,850). 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.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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8. FINANCIAL INSTRUMENTS (cont'd...)

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.

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. All the Company's financial liabilities are expected to be settled within one year.