

DAURA CAPITAL CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2019 AND
THE PERIOD FROM INCORPORATION ON MARCH 29, 2018 TO DECEMBER 31, 2018

GENERAL

This management's discussion and analysis of the financial position and results of operations is as at April 29, 2020 and should be read in conjunction with the financial statements of Daura Capital Corp. (the "Company" or "Daura") for the year ended December 31, 2019 and the period from incorporation on March 29, 2018 to December 31, 2018 and the related notes thereto. Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in the following management's discussion and analysis ("MD&A") are in Canadian dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR at www.sedar.com.

FORWARD LOOKING INFORMATION

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Reservoir's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicate herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities regulations.

COMPANY OVERVIEW

The Company was incorporated under the Business Corporations Act of British Columbia on March 29, 2018. The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Company's principal business is to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction ("Qualifying Transaction") in accordance with Policy 2.4 of the Exchange. The Company's common shares are listed on the TSX-V under the symbol "DUR". The Company's head office is located at 704 - 595 Howe Street, Vancouver, British Columbia, Canada.

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.

HIGHLIGHTS

During the year ended December 31, 2019 the Company:

- completed its initial public offering ("IPO") and issued 2,000,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$200,000; and
- entered into a letter of intent (the "LOI") with Estrella Gold S.A.C. ("Estrella"), whereby the Company shall have the exclusive right to acquire a 100% interest in Estrella (the "Interest") by way of a share exchange with existing shareholders of Estrella.

RESULTS OF OPERATIONS

Three months ended December 31, 2019

The Company recorded a loss of \$47,593 for the three months ended December 31, 2019 compared to \$19,888 for the comparative period. The increase was attributable to increased corporate activities related to investing in Estrella.

Year ended December 31, 2019

The Company recorded a loss of \$166,065 for the year ended December 31, 2019 compared to \$23,348 for the comparative period. The increase was attributable to increased corporate activities related to the Company's IPO, granting of stock options and the Proposed Transaction with Estrella.

ANNUAL FINANCIAL INFORMATION

	For the year ended December 31 2019	For the period from incorporation on March 29, 2018 to December 31 2018
Financial Results		
General and administrative expenses	\$ 166,301	\$ 22,682
Loss for the year	(166,065)	(23,348)
Loss per share - basic and diluted	(0.29)	-
Financial Position		
Working capital	94,850	106,653
Total assets	161,528	127,924
Share capital	261,377	130,001
Deficit	(189,413)	(23,348)

QUARTERLY FINANCIAL INFORMATION

The following table provides selected financial information for the eight quarters up to December 31, 2019 and should be read in conjunction with the Company's financial statements for the year ended December 31, 2019 and the period from incorporation on March 29, 2018 to December 31, 2018.

Quarter ended	December 31 2019	September 30 2019	June 30 2019	March 31 2019
Revenue	\$ -	\$ -	\$ -	-
Share-based payments	-	41,853	-	-
Loss and comprehensive loss	\$ (47,593)	\$ (66,758)	\$ (28,754)	\$ (22,960)
Quarter ended	December 31 2018	September 30 2018	June 30 2018	March 31 2018
Revenue	\$ -	\$ -	\$ -	-
Share-based payments	-	-	-	-
Loss and comprehensive loss	\$ (19,888)	\$ (980)	\$ (2,480)	-

⁽¹⁾ The Company was incorporated on March 29, 2018

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2019, the Company had working capital of \$94,850 (2018 - \$106,653), which primarily comprised cash of \$46,548, prepaid expenses of \$5,691, loan receivable of \$76,007 and accounts payable and accrued liabilities of \$33,396. The Company had no long-term debt.

During the year ended December 31, 2019, cash decreased by \$70,376. The Company received proceeds from its IPO that were mainly invested in Estrella and part of cash were used in operating activities.

Operating activities

During the year ended December 31, 2019, net cash used in operating activities amounted to \$107,785 which included a decrease in prepaid expenses of \$5,309 and increase of accounts payable and accrued liabilities of \$12,125.

Investing activities

During the year ended December 31, 2019, net cash used in investing activities was \$108,282, which were the initial non-refundable advance of US \$25,000 to Estrella and \$75,000 advanced to Estrella as a secured loan.

Financing activities

During the year ended December 31, 2019, net cash provided by financing activities was \$145,691, which were the gross proceeds from the IPO of \$200,000, less share issue costs paid.

FINANCIAL INSTRUMENTS, RISKS AND CAPITAL MANAGEMENT

The Company does not utilize complex financial instruments in hedging metal price, foreign exchange or interest exposure. Any hedging activity requires approval of the Company's Board of Directors. The Company will not hold or issue derivative instruments for speculation or trading purposes.

Please refer to the financial statements for the year ended December 31, 2019 on <http://www.sedar.com>.

RELATED PARTY TRANSACTIONS

		Salary or fees	Share-based payments	Total
For the year ended December 31, 2019				
Management	\$	-	\$ 16,741	\$ 16,741
Directors		-	25,112	\$ 25,112
	\$	-	\$ 41,853	\$ 41,853

As at December 31, 2019, the Company had \$4,985 (2018 - \$4,985) due to management related to expense reimbursements, which have been included in accounts payable and accrued liabilities.

EVENT AFTER REPORTING DATE

Subsequent to December 31, 2019, 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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CHANGES IN ACCOUNTING POLICIES

Please refer to the financial statements for the year ended December 31, 2019 on <http://www.sedar.com>.

RISKS AND UNCERTAINTIES

The Company has successfully completed its IPO. Subsequent to the completion of its IPO, the Company is not permitted to carry on any other business other than the identification and evaluation of assets or business to complete a Qualifying Transaction.

There can be no assurance the Company will successfully identify an assets or businesses to complete a Qualifying Transaction or have the necessary financial resources to complete a Qualifying Transaction. There can be no assurance that the Company will be able to successfully obtain the necessary financing in the future on terms acceptable to the Company or at all.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the year ended December 31, 2019 and the period from incorporation on March 29, 2018 to December 31, 2018 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 5,388,001 common shares issued and outstanding. There were also 460,000 stock options and 200,000 agent's options outstanding with expiry dates from September 17, 2021 to September 17, 2024.