

DAURA CAPITAL CORP.

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

#### NOTICE TO READER

The accompanying unaudited condensed interim financial statements of Daura Capital Corp. for the nine months ended September 30, 2021 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

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

	September 30 2021	December 31 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 420,368	\$ 196,257
GST recoverable	2,036	-
Loan receivable (Note 3)	248,330	-
<b>Total current assets</b>	<b>670,734</b>	<b>196,257</b>
<b>Non-current assets</b>		
Loan receivable (Note 3)	-	230,704
Deferred acquisition costs (Note 3)	131,319	89,451
<b>Total non-current assets</b>	<b>131,319</b>	<b>320,155</b>
<b>TOTAL ASSETS</b>	<b>\$ 802,053</b>	<b>\$ 516,412</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 236,276	\$ 159,412
<b>Total liabilities</b>	<b>236,276</b>	<b>159,412</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 5)	569,121	569,121
Subscription received in advance (Note 5)	372,566	101,200
Reserves	56,168	56,168
Deficit	(432,078)	(369,489)
<b>Total shareholders' equity</b>	<b>565,777</b>	<b>357,000</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 802,053</b>	<b>\$ 516,412</b>

Nature and continuance of operations (Note 1)

These condensed interim financial statements were authorized for issuance by the Board of Directors on November 29, 2021.

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, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
<b>General and administrative expenses</b>				
Consulting fees	\$ -	\$ 28,562	\$ 17,091	\$ 43,174
Office and administrative expenses	2,313	18,341	24,896	55,117
Investor relations	-	-	2,205	960
Professional fees	-	6,053	6,815	22,490
Transfer agent and filing fees	19,270	646	29,095	16,792
<b>Loss from operations</b>	(21,583)	(53,602)	(80,102)	(138,533)
Interest income	5,600	1,890	17,626	5,630
Interest and other expenses	-	-	(84)	-
Foreign exchange gain (loss)	-	(260)	(29)	(1,238)
<b>Net loss and comprehensive loss</b>	\$ (15,983)	\$ (51,972)	\$ (62,589)	\$ (134,141)
Loss per share - basic and diluted	\$ (0.00)	\$ (0.02)	\$ (0.01)	\$ (0.05)
Weighted average number of shares outstanding - basic and diluted	4,454,667	2,788,000	4,454,667	2,641,328

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, 2021	Nine months ended September 30, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (62,589)	\$ (134,141)
Items not affecting cash:		
Interest income	(17,626)	(5,630)
Net change in non-cash working capital items:		
GST recoverable	(2,036)	-
Prepaid expenses	-	5,691
Accounts payable and accrued liabilities	39,212	40,256
<b>Net cash used in operating activities</b>	<b>(43,039)</b>	<b>(93,824)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deferred acquisition costs	(4,216)	(10,035)
<b>Net cash used in investing activities</b>	<b>(4,216)</b>	<b>(10,035)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares issued	-	78,800
Subscriptions received in advance	271,366	121,200
Share issue costs	-	(4,021)
<b>Net cash provided by financing activities</b>	<b>271,366</b>	<b>195,979</b>
<b>Change in cash</b>	<b>224,111</b>	<b>92,120</b>
<b>Cash, beginning of period</b>	<b>196,257</b>	<b>46,548</b>
<b>Cash, end of period</b>	<b>\$ 420,368</b>	<b>\$ 138,668</b>

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
<b>Balance as at December 31, 2019</b>	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)
Subscriptions received	-	-	121,200	-	-	121,200
Loss for the period	-	-	-	-	(134,141)	(134,141)
<b>Balance as at September 30, 2020</b>	5,388,001	\$ 336,156	\$ 121,200	\$ 56,168	\$ (323,554)	189,970

	Number of shares	Share capital	Subscription received in advance	Share-based payments reserve	Deficit	Total shareholders' equity
<b>Balance as at December 31, 2020</b>	7,054,668	\$ 569,121	\$ 101,200	\$ 56,168	\$ (369,489)	357,000
Subscriptions received	-	-	271,366	-	-	271,366
Loss for the period	-	-	-	-	(62,589)	(62,589)
<b>Balance as at September 30, 2021</b>	7,054,668	\$ 569,121	\$ 372,566	\$ 56,168	\$ (432,078)	565,777

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, 2021 AND 2020

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#### 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 incurred a loss during the period of \$62,589 (2020 - \$134,141) and has an accumulated deficit of \$432,078 (December 31, 2020 - \$369,489) as at September 30, 2021. 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.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of preparation and measurement

The condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by 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 our 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, 2020.

#### 3. LOANS 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 was subject to completion of due diligence, a concurrent financing between \$500,000 and \$2,000,000 (revised subsequently), approval of the TSX-V, and other conditions contained in the LOI. In March 2021, the Company entered into a share exchange agreement with Estrella to acquire all issued and outstanding shares of Estrella for 3,000,000 common shares of the Company.

**DAURA CAPITAL CORP.**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

**3. LOANS RECEIVABLE AND DEFERRED ACQUISITION COSTS (cont'd...)**

In connection with the acquisition, the Company advanced a total of \$222,177 as a refundable deposit in the form of a secured loan, subject to an interest rate of 10% per annum. As at September 30, 2021, the Company has accrued interest of \$26,153 (December 31, 2020 - \$8,527) on the outstanding balance included in loans receivable. In addition, as at September 30, 2021 and December 31, 2020, the Company has advanced US\$25,000 or \$33,282 as a non-refundable deposit upon the execution of the LOI and has incurred other expenditures of \$98,037 (December 31, 2020 - \$56,169) cumulatively relating to the contemplated transaction with Estrella, which have been recorded as deferred acquisition costs.

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	September 30 2021	December 31 2020
Accounts payable	\$ 226,276	\$ 136,649
Accrued liabilities	10,000	22,763
	<u>\$ 236,276</u>	<u>\$ 159,412</u>

**5. SHARE CAPITAL**

Authorized share capital consists of an unlimited number of common shares and preferred shares without par value. As at September 30, 2021 and December 31, 2020, 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 nine months thereafter, over three years following the Initial Release.

**Issued share capital**

During the nine months ended September 30, 2021, the Company received subscriptions of \$271,366 in advance. No common shares were issued during this period.

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. In addition, the Company received subscriptions of \$121,200 in advance.

**Stock options**

There were no changes to the number of stock options outstanding for the nine months ended September 30, 2021. As at September 30, 2021, the weighted average remaining life of the outstanding stock options was 3.22 (December 31, 2020 - 3.72) years. The Company's outstanding stock options as at September 30, 2021 and December 31, 2020 are as follows:

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

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

**5. SHARE CAPITAL (cont'd...)****Share purchase warrants and agent's options**

The continuity of share purchase warrants and agent's options for the nine months ended September 30, 2021 is as follows:

	Outstanding	Weighted average exercise price
As at December 31, 2020	200,000	\$ 0.10
Expired/cancelled	(200,000)	0.10
As at September 30, 2021	-	\$ -

**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, 2021 and 2020, there was no compensation to management personnel.

For the nine months ended September 30, 2021, the Company paid or accrued \$15,000 (2020 - \$45,000) to Seabord Services Corp. ("Seabord"). Seabord provides the following services to the Company: A Chief Financial Officer ("CFO"), a Corporate Secretary, accounting and administration staff, office space, and any related work to the IPO and Qualifying Transaction of the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

As at September 30, 2021, the Company had \$4,985 (December 31, 2020 - \$4,985) due to an officer of the Company related to expense reimbursements, and \$63,000 (December 31, 2020 - \$47,250) due 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, 2021, \$37,652 (2020 - \$Nil) of deferred acquisition costs were included in accounts payable and accrued liabilities.

**8. FINANCIAL INSTRUMENTS**

The Company classified its financial instruments as follows:

	September 30 2021	December 31 2020
<b>Financial assets - Amortized cost:</b>		
Cash	\$ 420,368	\$ 196,257
Loan receivable	248,330	230,704
<b>Financial liabilities - Amortized cost:</b>		
Accounts payable and accrued liabilities	\$ 236,276	\$ 159,412

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

**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:

- 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. The fair values of the Company's loan receivable is approximated by its carrying values as its interest rate is comparable to current interest rates.

**Capital risk management**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at September 30, 2021, the Company had a working capital of \$434,458 (December 31, 2020 - \$36,845). 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.

**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 further funding will be required to meet long-term requirements. All the Company's financial liabilities are to be settled within one year.