

DAURA CAPITAL CORP.

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

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of Daura Capital Corp. for the three months ended March 31, 2023 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 LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Three months ended March 31 2023	Three months ended March 31 2022
General and administrative expenses		
Office and administrative expenses	\$ 2,680	\$ 2,026
Professional fees	4,000	-
Transfer agent and filing fees	6,978	7,205
Loss from operations	(13,658)	(9,231)
Interest income	-	5,479
Recovery of past expenses	18,853	-
Foreign exchange loss and other	(95)	(96)
Net income (loss) and comprehensive income (loss)	\$ 5,100	\$ (3,848)
Earnings (loss) per share - basic and diluted	\$ 0.00	\$ (0.01)
Weighted average number of shares outstanding - basic and diluted	7,054,668	7,054,668

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)

	Three months ended March 31 2023	Three months ended March 31 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 5,100	\$ (3,848)
Items not affecting cash:		
Interest income	-	(5,479)
Net change in non-cash working capital items:		
Accounts payable and accrued liabilities	2,468	6,821
Net cash provided by (used in) operating activities	7,568	(2,506)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deferred acquisition costs	-	(12,682)
Net cash used in investing activities	-	(12,682)
CASH FLOWS FROM FINANCING ACTIVITIES		
Return of subscriptions received in advance	(211,366)	-
Net cash used in financing activities	(211,366)	-
Change in cash	(203,798)	(15,188)
Cash, beginning of period	211,403	357,182
Cash, end of period	\$ 7,605	\$ 341,994

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 (DEFICIENCY)

(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, 2021	7,054,668	\$ 569,121	\$ 312,566	\$ 56,168	\$ (443,254)	494,601
Loss for the period	-	-	-	-	(3,848)	(3,848)
Balance as at March 31, 2022	7,054,668	\$ 569,121	\$ 312,566	\$ 56,168	\$ (447,102)	490,753

	Number of shares	Share capital	Subscription received in advance	Share-based payments reserve	Deficit	Total shareholders' equity (deficiency)
Balance as at December 31, 2022	7,054,668	\$ 569,121	\$ 211,366	\$ 56,168	(1,035,331)	(198,676)
Return of subscription received in advance income for the period	-	-	(211,366)	-	-	(211,366)
	-	-	-	-	5,100	5,100
Balance as at March 31, 2023	7,054,668	\$ 569,121	\$ -	\$ 56,168	(1,030,231)	(404,942)

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 THREE MONTHS ENDED MARCH 31, 2023 AND 2022

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 an income during the period of \$5,100 (2022 - loss of \$3,848) and has an accumulated deficit of \$1,030,231 (December 31, 2022 - \$1,035,331) as at March 31, 2023. 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. 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 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, 2022.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31 2023	December 31 2022
Accounts payable	\$ 199,647	\$ 201,179
Accrued liabilities	86,700	82,700
Other payable	25,000	25,000
	<u>\$ 311,347</u>	<u>\$ 308,879</u>

In September 2022, a related party advanced \$25,000 to the Company, which is non-interest bearing and has been included in the accounts payable as at the reporting date.

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 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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4. SHARE CAPITAL

Authorized share capital consists of an unlimited number of common shares and preferred shares without par value. As at December 31, 2022 and 2021, 2,766,668 common shares of the Company were held in escrow, 25% of which are to be released upon issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 25% every six months thereafter, over eighteen months following the Initial Release.

Issued share capital

There were no changes in share capital during the three months ended March 31, 2023 and 2022.

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.

There were no changes to the number of stock options outstanding for the three months ended March 31, 2023. As at March 31, 2023, the weighted average remaining life of the outstanding stock options was 1.47 (December 31, 2022 - 1.72) years. The Company's outstanding stock options as at March 31, 2023 are as follows:

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

5. NOTE PAYABLE

In April 2022, the Company entered into a loan agreement for proceeds of \$101,200, which had been previously recorded as share subscriptions received in advance. The loan is non-interest bearing and is due and payable on or before June 30, 2023. Should the Company complete its contemplated Qualifying Transaction and concurrent financing on or before June 30, 2023, the loan shall be converted into 506,000 units having the same terms as those issued in connection with the proposed concurrent financing.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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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 three months ended March 31, 2023 and 2022, there was no compensation to management personnel. Seabord Services Corp. ("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 March 31, 2022, the Company had \$29,985 (December 31, 2022 - \$29,985) due to an officer of the Company related to an advance and expense reimbursements, and \$63,000 (December 31, 2022 - \$63,000) due to Seabord which have been included in accounts payable and accrued liabilities.

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

As at March 31, 2022, \$67,999 of deferred acquisition costs were included in accounts payable and accrued liabilities.

8. FINANCIAL INSTRUMENTS

Capital risk management

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at March 31, 2022, the Company had a working capital deficiency of \$404,942 (December 31, 2022 - \$198,676). 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 Company is not subject to any externally imposed requirements other than the expenditure restrictions applicable under the Exchange Policy 2.4, which will apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, Qualifying Transaction, assurance and audit fees, and escrow agent and transfer agent fees.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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9. FINANCIAL INSTRUMENTS (cont'd...)

The Company classified its financial instruments as follows:

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, accounts payable and accrued liabilities, and note payable approximated their fair value because of the short-term nature of these instruments.

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.

10. EVENT AFTER REPORTING DATE

Subsequent to March 31, 2023, the Company received an additional non-interest-bearing advance \$10,000 from a related party.