DURO METALS INC.

Condensed Interim Financial Statements

For the three months ended July 31, 2020 and 2019

Expressed in Canadian Dollars

(Unaudited)

To the shareholders of Duro Metals Inc:

The condensed interim financial statements of Duro Metals Inc. (the “Company”) for the three months ended July 31, 2020 and 2019 have been compiled by management.

No audit or review of this information has been performed by the Company’s auditors.

DURO METALS INC.
Interim Statements of Financial Position
Expressed in Canadian Dollars

As at		July 31 2020 (unaudited)		April 30 2020
ASSETS				
Current				
Cash	**$**	**291,616**	$	332,922
Goods and services tax receivable		**2,995**		1,492
	$	**294,611**		334,414
LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**29,129**	$	55,134
EQUITY				
Share capital (note 3)		**394,302**		394,302
Option and warrant reserve		**70,200**		70,200
Deficit		**(199,020)**		(185,222)
		265,482		279,280
	$	**294,611**		334,414

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on September 29, 2020

Director (signed by) *"Sean Mager"*

Director (signed by) *"John Williamson"*

The accompanying notes form an integral part of these financial statements

DURO METALS INC.
Condensed Interim Statements of Loss and Comprehensive Loss (*unaudited*)
Expressed in Canadian Dollars

For the three months ended		**July 31 2020**		**July 31 2019**
Expenses				
Office and administration	**$**	**3,698**	$	105
Professional fees		**427**		11,061
Regulatory and filing fees		**10,950**		12,473
		(15,075)		(23,639)
OTHER				
Interest income		**1,277**		533
Comprehensive loss for the period	**$**	**(13,798)**		(23,106)
Basic and diluted loss per common share	**$**	**(0.00)**	$	(0.01)
Basic and diluted weighted average number of common shares outstanding		**6,300,000**		3,300,000

The accompanying notes form an integral part of these financial statements

Expressed in Canadian Dollars

	Share capital	Option and warrant reserve	Deficit	Total equity
Balance at April 30, 2019	**$ 165,000**	**$ -**	**$ (10,743)**	**$ 154,257**
Net loss	-	-	(23,106)	(23,106)
Balance at July 31, 2019	**$ 165,000**	**$ -**	**$ (33,849)**	**$ 135,151**
Shares issued for cash	300,000	-	-	300,000
Share issuance costs	(57,198)	-	-	(57,198)
Share issuance costs – non-cash	(13,500)	13,500	-	-
Options issued	-	56,700	-	56,700
Net loss	-	-	(151,373)	(151,373)
Balance at April 30, 2020	**$ 394,302**	**$ 70,200**	**$ (185,222)**	**$ 279,280**
Net loss	-	-	(13,798)	(13,798)
Balance at July 31, 2020	**$ 394,302**	**$ 70,200**	**$ (199,020)**	**$ 265,482**

The accompanying notes form an integral part of these financial statements

Expressed in Canadian Dollars

For the three months ended		**July 31 2020**		**July 31 2019**
Cash provided by (used in):				
Operating activities				
Net loss	**$**	**(13,798)**	$	(23,106)
Changes in non-cash working capital:				
Goods and services tax receivable		**(1,503)**		-
Prepayments and receivables		**-**		264
Accounts payable and accrued liabilities		**(26,005)**		11,596
Cash used in operating activities		**(41,306)**		(11,246)
Net increase (decrease) in cash		**(41,306)**		(11,246)
Cash, beginning of period		**332,922**		141,588
Cash, end of period	**$**	**291,616**	$	130,342

During the three months ended July 31, 2020, the Company received interest totaling $1,277 (2019 - $533) related to operating activities.

The accompanying notes form an integral part of these financial statements

1. Nature of operations and going concern

Duro Metals Inc. ("Duro" or the "Company") was incorporated under the Business Corporations Act (Alberta) on July 18, 2018. The Company's head office is at 250 Southridge NW, Suite 300, Edmonton, Alberta, T6H 4M9. On December 12, 2019, the common shares of the Company were listed on the TSX Venture Exchange ("TSXV") as a Capital Pool Company ("CPC") under the trading symbol "DURO.P".

The principal business of the Company will be the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholders' approval, if required, and acceptance by regulatory authorities. The Company plans to focus on evaluating, acquiring, and exploring mineral properties with significant potential for advancement. The Company's continuing operation as intended are dependent upon its ability to identify, evaluate and negotiate a QT. The QT will be subject to the approval of the Exchange and in case of a non-arm's length transaction, of the majority of the Company's minority shareholders. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval. Where a QT has been identified, additional funding may be required in order to complete the transaction; there is no assurance that the Company will be successful in obtaining any additional funding. If the Company does not complete a QT within two years from the date the Company's common shares are listed for trading on the Exchange, the Exchange may suspend or de-list the Company's common shares from trading.

These condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern. The proposed business of the Company and the completion of a QT involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment within the requisite time period. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern.

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

2. Basis of presentation

These condensed interim financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The principal accounting policies applied in the preparation of these condensed interim financial statements, including, International Accounting Standards ("IAS") 34 interim financial reporting, are set as below. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2020, which have been prepared with IFRS.

These financial statements were authorized for issue by the Board of Directors of the Company on September 29, 2020.

These condensed interim financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and presentation currency of the Company.

The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended April 30, 2020, unless otherwise stated.

3. Share capital

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

A summary of changes in common share capital in the period is as follows:

	Number of shares	Amount
Balance at July 31 and April 30, 2020	**6,300,000**	**$ 399,702**

Escrowed Common Shares.

Upon closing of the IPO, the 3,300,000 common shares of the Company outstanding at April 30, 2019 will be subject to a CPC Escrow Agreement. Under the CPC 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 that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of the date of these financial statements, 2,970,000 common shares remained in escrow.

b) Warrants

A summary of the warrants outstanding and exercisable is as follows:

		July 31, 2020			April 30, 2020
Exercise Price	Number of warrants	Remaining contractual life (years)	Exercise Price	Number of warrants	Remaining contractual life (years)
$ 0.10	**270,000**	**1.3**	**$ 0.10**	**270,000**	**1.6**

Expressed in Canadian Dollars

c) Stock options

The Company's has a stock option plan (the "Plan") for directors, officers, employees, and consultants. The Plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company.

A summary of stock options outstanding and exercisable is as follows:

		July 31, 2020			April 30, 2020
Exercise Price	**Number of options**	**Remaining contractual life (years)**	**Exercise Price**	**Number of options**	**Remaining contractual life (years)**
$ 0.125	**630,000**	**4.6**	**$ 0.125**	**630,000**	**4.9**

4. Financial instruments and risk management

Fair value of financial instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:
- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

The Company's cash and cash equivalents are classified as Level 1, whereas accounts receivable and prepayments, and accounts payable and accrued liabilities are classified as Level 2. As at July 31, 2020, the Company believes that the carrying values of cash, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

Expressed in Canadian Dollars

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at July 31, 2020, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	July 31 2020	April 30 2020
Financial asset at amortized cost		
Cash	**$ 352,082**	$ 141,588
	$ 352,082	$ 141,588

Financial liabilities included in the statement of financial position are as follows:

	July 31 2020	April 30 2020
Non-derivative financial liabilities		
Accounts payable and accrued liabilities	**$ 17,214**	$ 6,000
	$ 17,214	$ 6,000

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

5. Related party transactions

The Company did not incur any related party transaction during the period.