

Condensed Interim Financial Statements of

DLV Resources Ltd.
(formerly DV Resources Ltd.)

Three and nine months ended August 31, 2018 and 2017
(Expressed in Canadian dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim financial statements of DLV Resources Ltd. (formerly DV Resources Ltd.) (the "Company") have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these condensed interim financial statements.

DLV Resources Ltd. (formerly DV Resources Ltd.)

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	August 31, 2018	November 30, 2017
Assets		
Current assets		
Cash	\$ 2,591,014	\$ 4,212
Amounts receivable	3,469	21,462
	2,594,483	25,674
Exploration and evaluation assets (Note 3)	25,113	25,113
Total assets	\$ 2,619,596	\$ 50,787
Liabilities		
Current liabilities		
Amounts payable	\$ 38,035	\$ 512,161
Total liabilities	38,035	512,161
Equity (deficiency)		
Share capital (Note 4)	20,683,484	17,524,725
Equity reserve (Note 4)	198,059	198,059
Deficit	(18,299,982)	(18,184,158)
Total equity (deficiency)	2,581,561	(461,374)
Total liabilities and equity	\$ 2,619,596	\$ 50,787

Nature of operations (Note 1)

Approved by the Board of Directors and authorized for issue on October 24, 2018:

"Geir Liland" Director

"Larry Copeland" Director

DLV Resources Ltd. (formerly DV Resources Ltd.)
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended August 31,		Nine months ended August 31,	
	2018	2017	2018	2017
Expenses				
Consulting and management	\$ 30,000	\$ 30,624	\$ 90,000	\$ 76,811
Office and administration	8,838	6,672	16,786	8,844
Professional fees	2,500	188,296	8,227	197,000
Regulatory and filing	8,820	13,871	811	20,062
	(50,158)	(239,463)	(115,824)	(302,717)
Loss and comprehensive loss for the period	\$ (50,158)	\$ (239,463)	\$ (115,824)	\$ (302,717)
Basic and diluted loss per share for the period	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	74,066,198	34,000,328	61,175,729	34,000,328

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

DLV Resources Ltd. (formerly DV Resources Ltd.)
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
(Unaudited)

	Share Capital		Reserves	Deficit	Total equity (deficiency)
	Shares issued	Amount			
At November 30, 2016	34,000,000	\$ 17,524,725	\$ 198,059	\$ (17,671,667)	\$ 51,117
Adjustment to true up outstanding shares	328	-	-	-	-
Loss and comprehensive loss for the period	-	-	-	(49,785)	(49,785)
At August 31, 2017	34,000,328	17,524,725	198,059	(17,721,452)	1,332
Loss and comprehensive loss for the period	-	-	-	(462,706)	(462,706)
At November 30, 2017	34,000,328	17,524,725	198,059	(18,184,158)	(461,374)
Private placement	40,000,000	3,200,000	-	-	3,200,000
Share issue costs	-	(56,641)	-	-	(56,641)
Exercise of warrants	140,000	15,400	-	-	15,400
Loss and comprehensive loss for the period	-	-	-	(115,824)	(115,824)
At August 31, 2018	74,140,328	\$ 20,683,484	\$ 198,059	\$ (18,299,982)	\$ 2,581,561

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

DLV Resources Ltd. (formerly DV Resources Ltd.)

Condensed Interim Statements of Cash Flows

(Expressed in Canadian dollars)

(Unaudited)

	Nine months ended August 31,	
	2018	2017
Operating activities		
Loss for the period	\$ (115,824)	\$ (302,717)
Changes in non-cash working capital items:		
Amounts receivable	17,993	(12,328)
Amounts payable	(474,126)	257,685
Cash used in operating activities	(571,957)	(57,360)
Financing activities		
Proceeds on shares issued, net of share issuance costs	3,143,359	-
Exercise of warrants	15,400	-
Cash provided by financing activities	3,158,759	-
Increase (decrease) in cash	2,586,802	(57,360)
Cash, beginning of period	4,212	61,895
Cash, end of period	\$ 2,591,014	\$ 4,535

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

DLV Resources Ltd. (formerly DV Resources Ltd.)

Notes to the Condensed Interim Financial Statements

August 31, 2018

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF OPERATIONS

The Company is listed on the TSX Venture Exchange ("TSX.V") under the symbol "DLV.H". The address of the Company's registered and records office is 25th Floor, 700 West Georgia Street, Vancouver, BC V7Y 1B3. In November 2017, the Company changed its name from DV Resources Ltd. to DLV Resources Ltd.

The Company has not generated significant revenues from operations. As at August 31, 2018, the Company had working capital of \$2,556,448. The Company recorded a loss of \$115,824 for the nine months ended August 31, 2018, and had an accumulated deficit of \$18,299,982 as at August 31, 2018. The Company does not currently have a recurring source of revenue. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company.

2. BASIS OF PRESENTATION

(a) *Statement of compliance*

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretation Committee. These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and except as described below, they follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, they should be read in conjunction with the Company's most recent annual financial statements.

Changes to significant accounting policies are described below. The changes in accounting policies are also expected to be reflected in the Company's financial statements as at and for the year ending November 30, 2018.

(b) *Significant accounting policies*

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The Company recently early adopted IFRS 9 starting March 1, 2018. IFRS 9 is the new standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018. The Company has determined that there is no material impact of adoption of IFRS 9 on its financial statements and no prior period amounts were restated.

3. EXPLORATION AND EVALUATION ASSETS

British Columbia Property

The Company owns a mineral property located in the Skeena Mining Division in North Western British Columbia.

As at August 31, 2018, the carrying value of this property was \$25,113, consisting of deferred exploration and evaluation costs.

DLV Resources Ltd. (formerly DV Resources Ltd.)

Notes to the Condensed Interim Financial Statements

August 31, 2018

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4. EQUITY

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and fully paid

During the nine months ended August 31, 2018, the Company issued 40,000,000 units at a price of \$0.08 per unit for gross proceeds of \$3,200,000. Each unit consists of one common share of the Company and one warrant, with each warrant being exercisable into one common share of the Company at a price of \$0.11 until February 26, 2019 (Note 4(c)). The Company incurred share issue costs of \$56,641 during the nine months ended August 31, 2018.

During the nine months ended August 31, 2018, 140,000 common shares were issued pursuant to the exercise of warrants for proceeds of \$15,400.

There were no common shares issued during the nine months ended August 31, 2017.

(c) Warrants

Following is a summary of changes in warrants outstanding:

	Warrants outstanding	Weighted average exercise price
Balance, November 30, 2016 and 2017	-	\$ -
Issued	40,000,000	0.11
Exercised	(140,000)	0.11
Balance, August 31, 2018	39,860,000	\$ 0.11

The following table summarizes information about the warrants outstanding and exercisable at August 31, 2018:

Outstanding and exercisable	Exercise price	Expiry date
39,860,000	\$ 0.11	February 26, 2019

5. RELATED PARTY TRANSACTIONS

During the nine months ended August 31, 2018, the Company paid or accrued \$nil (2017: \$7,663) to related parties as follows:

- \$nil in management consulting fees (2017: \$3,709) to a company controlled by the Company's former CFO.
- \$nil in legal fees (2017: \$3,954) to a law firm where a former Company director and officer is a partner.

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August 31, 2018

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6. FINANCIAL INSTRUMENTS

Financial Risk Management and Fair Value Measurement

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, and amounts payable. Cash, amounts receivable and amounts payable are held at carrying value which approximates fair value due to the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company is exposed to credit risk on cash and amounts receivable. The Company reduces its credit risk on cash by maintaining its bank account with a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of its cash.

Liquidity Risk

The Company's cash is invested in bank accounts which are available on demand. The liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through careful management of its financial obligations in relation to its cash position. Using budgeting processes, the Company manages its liquidity requirements based on expected cash flow to ensure there are adequate funds to meet the short term obligations during the period.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign currency and price risk.

a) *Interest Rate Risk*

The Company is nominally exposed to interest rate risk. The Company's cash earns interest at variable rates. The Company's future earned interest is exposed to short-term rate fluctuations. Interest rate exposure is considered to be insignificant.

b) *Foreign Currency Risk*

The Company is not exposed to currency risk as all transactions are denominated in Canadian dollars.

c) *Price Risk*

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

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7. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, business opportunity and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or return capital to its shareholders. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. There was no change in the Company's management of capital policies during the nine months ended August 31, 2018.