

Condensed Interim Financial Statements of

DLV Resources Ltd.

Three and Six Months Ended May 31, 2020 and 2019
(Expressed in Canadian dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim financial statements of DLV 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.

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	May 31, 2020	November 30, 2019
Assets		
Current assets		
Cash	\$ 2,342,517	\$ 2,422,927
Amounts receivable	2,700	2,769
Total assets	\$ 2,345,217	\$ 2,425,696
Liabilities		
Current liabilities		
Amounts payable	\$ 41,778	\$ 41,383
Total liabilities	41,778	41,383
Equity		
Share capital (Note 4)	20,705,484	20,705,484
Reserves	198,059	198,059
Deficit	(18,600,104)	(18,519,230)
Total equity	2,303,439	2,384,313
Total liabilities and equity	\$ 2,345,217	\$ 2,425,696

Nature of operations (Note 1)

Approved by the Board of Directors and authorized for issue on July 27, 2020:

"Geir Liland" Director

"Larry Copeland" Director

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

DLV Resources Ltd.

Condensed Interim Statements of Loss and Comprehensive Loss

For the Three and Six Months Ended May 31, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended		Six months ended	
		May 31,		May 31,
	2020	2019	2020	2019
Expenses				
Consulting and management	\$ 30,000	\$ 30,000	\$ 60,000	\$ 60,000
Office and administration	14,068	13,835	27,882	25,149
Professional fees	1,650	2,304	3,400	9,172
Regulatory and filing	3,307	6,521	6,692	7,006
	(49,025)	(52,660)	(97,974)	(101,327)
Interest income	4,866	12,991	17,100	25,774
Loss and comprehensive loss	\$ (44,159)	\$ (39,669)	\$ (80,874)	\$ (75,553)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	74,340,328	74,340,328	74,340,328	74,243,625

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

DLV Resources Ltd.

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited)

	Share Capital		Reserves	Deficit	Total equity
	Shares issued	Amount			
At November 30, 2018	74,140,328	\$ 20,683,484	\$ 198,059	\$ (18,366,223)	\$ 2,515,320
Exercise of warrants	200,000	22,000	-	-	22,000
Loss and comprehensive loss	-	-	-	(75,553)	(75,553)
At May 31, 2019	74,340,328	20,705,484	198,059	(18,441,776)	2,461,767
Loss and comprehensive loss	-	-	-	(77,454)	(77,454)
At November 30, 2019	74,340,328	20,705,484	198,059	(18,519,230)	2,384,313
Loss and comprehensive loss	-	-	-	(80,874)	(80,874)
At May 31, 2020	74,340,328	\$ 20,705,484	\$ 198,059	\$ (18,600,104)	\$ 2,303,439

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

DLV Resources Ltd.

Condensed Interim Statements of Cash Flows

For the Six Months ended May 31, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

	2020	2019
Operating activities		
Loss	\$ (80,874)	\$ (75,553)
Changes in non-cash working capital items:		
Amounts receivable	69	(617)
Amounts payable	395	3,290
	(80,410)	(72,880)
Financing activities		
Exercise of warrants	-	22,000
	-	22,000
Change in cash	(80,410)	(50,880)
Cash, beginning	2,422,927	2,552,577
Cash, end	\$ 2,342,517	\$ 2,501,697

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

DLV Resources Ltd.

Notes to the Condensed Interim Financial Statements

May 31, 2020 and 2019

(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.

The Company has not generated significant revenues from operations. As at May 31, 2020, the Company had working capital of \$2,303,439. The Company recorded a loss of \$80,874 for the six months ended May 31, 2020, and had an accumulated deficit of \$18,600,104 at May 31, 2020. 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

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 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.

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 May 31, 2020, the carrying value of this property was \$nil.

4. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and fully paid

Six months ended May 31, 2020

There were no common shares issued during the six months ended May 31, 2020.

Six months ended May 31, 2019

During the six months ended May 31, 2019, 200,000 common shares were issued pursuant to the exercise of warrants for proceeds of \$22,000.

DLV Resources Ltd.

Notes to the Condensed Interim Financial Statements

May 31, 2020 and 2019

(Expressed in Canadian dollars)

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4. SHARE CAPITAL (continued)

(c) Warrants

Following is a summary of changes in warrants outstanding:

	Warrants outstanding	Weighted average exercise price
Balance, November 30, 2018	39,860,000	\$ 0.11
Exercised	(200,000)	0.11
Expired	(39,660,000)	0.11
Balance, May 31, 2019, November 30, 2019, and May 31, 2020	-	\$ -

5. RELATED PARTY TRANSACTIONS

As at May 31, 2020, \$954 (November 30, 2019: \$954) was included in amounts payable in the statements of financial position and due to a law firm where a former Company director and officer is a partner.

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, and are held at amortized cost which approximates fair value due to the short-term nature of these financial instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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.

DLV Resources Ltd.

Notes to the Condensed Interim Financial Statements

May 31, 2020 and 2019

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6. FINANCIAL INSTRUMENTS (Continued)

Financial Instrument Risk Exposure (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

i) *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.

ii) *Foreign Currency Risk*

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

iii) *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.

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 periods presented.