

DOUBLEVIEW CAPITAL CORP.
(An Exploration Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

FOR THE SIX MONTHS ENDED AUGUST 31, 2017

(Unaudited – prepared by management)

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). WE HEREBY GIVE NOTICE that our condensed interim financial statements for the six month period ended August 31, 2017 which follow this notice have not been reviewed by an auditor.

DOUBLEVIEW CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITIONS
AS AT

	August 31, 2017	February 28, 2017
ASSETS		
Current		
Cash	\$ 7,430	\$ 146,743
Prepaid expenses and deposits	38,150	138,150
Amounts receivable (Note 3)	17,663	57,979
Total current assets	<u>63,243</u>	<u>342,872</u>
Non-current		
Exploration and evaluation assets (Note 8)	4,688,414	4,827,500
Reclamation bond	54,500	54,500
Office Equipment (Note 4)	4,908	5,718
Total non-current assets	<u>4,747,822</u>	<u>4,887,718</u>
Total assets	<u>\$ 4,811,065</u>	<u>\$ 5,230,590</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 148,959	\$ 284,579
Flow through share liability	12,500	12,500
Convertible notes (Note 9)	626,305	-
Total current liabilities	<u>787,764</u>	<u>297,079</u>
Non-current		
Convertible notes (Note 9)	-	658,089
Total liabilities	<u>787,764</u>	<u>955,168</u>
EQUITY		
Share Capital (Note 6)	7,173,247	7,173,247
Reserves	1,224,230	1,224,230
Deficit	(4,374,176)	(4,122,055)
Total liabilities and equity	<u>\$ 4,811,065</u>	<u>\$ 5,230,590</u>

Going concern (Note 2)
Subsequent events (Note 12)

Approved and authorized by the Board on October 30, 2017:

<u>“Farshad Shirvani”</u> Farshad Shirvani	Director	<u>“Andrew Rees”</u> Andrew Rees	Director
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The accompanying notes are an integral part of these condensed interim financial statements.

DOUBLEVIEW CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
For the period ended August 31, 2017

	Three Months ended August 31,		Six Months ended August 31,	
	2017	2016	2017	2016
Expenses				
Amortization	\$405	\$223	\$810	\$446
Consulting fees	5,900	6,000	5,900	6,000
Interest (Note 9)	7,285	-	14,986	-
Investor relations	-	19,783	102,000	43,499
Management Fees (Note 7)	30,000	15,000	60,000	30,000
Office and administrative	19,492	1,433	27,605	10,201
Professional fees	35,052	8,625	55,877	34,754
Property investigation costs	-	1,940	-	5,200
Rent (Note 7)	4,500	4,500	9,000	9,000
Salaries and wages	-	10,764	-	18,992
Stock based compensation	-	-	-	44,754
Transfer agent & filing fees	7,213	4,495	8,840	6,165
	109,847	72,763	285,018	209,011
Other items				
Unrealized (gain) loss on foreign exchange	(44,034)	-	(32,897)	-
Net loss for the period	\$ 65,813	\$ 72,763	\$ 252,121	\$ 209,011
Basic and diluted loss per common share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Basic and diluted weighted average number of common shares outstanding	80,944,256	67,546,536	80,944,256	67,477,800

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

DOUBLEVIEW CAPITAL CORP.**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

For the six-month periods ended August 31, 2017

	Share Capital		Obligation	Reserves	Deficit	Total
	No. of Shares	Amount	to issue shares			
Balance February 29, 2016	67,477,800	\$6,280,757	\$2,000	\$1,108,513	\$ (3,326,795)	\$4,064,475
Share subscriptions received	-	-	3,150	-	-	3,150
Stock based compensation	-	-	-	44,754	-	44,754
Loss for the period	-	-	-	-	(209,011)	(209,011)
Balance August 31, 2016	67,477,800	\$6,280,757	\$5,150	\$1,153,267	\$ (3,535,806)	\$3,903,368
Shares issued for private placements	13,466,456	1,077,316	(3,150)	-	-	1,074,166
Flow-through share premium	-	(65,500)	-	-	-	(65,500)
Share issuance costs	-	(96,830)	-	-	-	(96,830)
Finders warrants	-	(22,496)	-	22,496	-	-
Warrants issued for finance fees	-	-	-	40,383	-	40,383
Settlement of obligation to issue shares	-	-	(2,000)	-	-	(2,000)
Stock based compensation	-	-	-	8,084	-	8,084
Loss for the period	-	-	-	-	(586,249)	(586,249)
Balance February 28, 2017	80,944,256	\$7,173,247	\$0	\$1,224,230	\$ (4,122,055)	\$4,275,422
Loss for the period	-	-	-	-	(252,121)	(252,121)
Balance August 31, 2017	80,944,256	\$7,173,247	\$0	\$1,224,230	\$ (4,374,176)	\$4,023,301

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

DOUBLEVIEW CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the six-month period ended August 31, 2017

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (252,121)	\$ (209,011)
Items not affecting Cash		
Amortization	810	446
Interest accrued on notes	14,986	-
Stock based compensation	-	44,754
Unrealized loss on foreign exchange	(32,897)	-
Changes in non-cash working capital items:		
Prepaid expenses	100,000	(300)
Accounts receivable	40,316	(12,202)
Accounts payable and accrued liabilities	(135,620)	(6,724)
Net cash used in operating activities	<u>(264,526)</u>	<u>(183,037)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share subscriptions received	-	3,150
Net cash from financing activities	<u>-</u>	<u>3,150</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest payments made	(13,873)	-
Purchase of office equipment	-	(2,847)
Expenditure on exploration and evaluation assets, net of tax credits	139,086	(58,669)
Net cash used for investing activities	<u>125,213</u>	<u>(61,516)</u>
Net increase (decrease) in cash during the period	(139,313)	(241,403)
Cash, beginning of period	146,743	373,407
Cash, end of period	\$7,430	\$132,004

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

DOUBLEVIEW CAPITAL CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended August 31, 2017

1. CORPORATE INFORMATION

Doubleview Capital Corp. (the "Company") was incorporated under the *Business Corporations Act* on January 18, 2008 pursuant to the Business Corporation Act of British Columbia. The Company is engaged in the exploration and development of mineral properties in North America and has not yet determined whether its properties contain ore reserves that are economically recoverable. The Company trades on the TSX Venture Exchange ("TSX-V").

The head office and principal address of the Company is 880-409 Granville Street, Vancouver, British Columbia, Canada V6C 1T2. The Company's registered address and records office is Suite 704-595 Howe Street, Vancouver, British Columbia, V6C 2T5.

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed interim financial statements for the six months ended August 31, 2017, have been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed interim consolidated financial information should be read in conjunction with the annual financial statements for the year ended February 28, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company's annual financial statements for the year ended February 28, 2017.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on October 30, 2017.

b) Basis of Measurement

These condensed interim financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

DOUBLEVIEW CAPITAL CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six month period ended August 31, 2017

2. BASIS OF PREPARATION (cont'd...)

c) Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a net loss of \$252,121 during the six months ended August 31, 2017 and, as of that date the Company's deficit was \$4,374,176. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

3. AMOUNTS RECEIVABLE

The Company's amounts receivable consists of the following:

	August 31, 2017	February 28, 2017
GST receivable	\$ 14,798	\$ 55,114
Due from related parties (Note 8)	2,865	2,865
Total	\$ 17,663	\$ 57,979

4. EQUIPMENT

Equipment is comprised of the following:

	August 31, 2017	February 28, 2017
Cost	\$ 7,282	\$ 7,282
- Accumulated depreciation	(2,374)	(1,564)
Total	\$ 4,908	\$ 5,718

Amortization of \$810 (2016 - \$446) was charged during the six month period ended August 31, 2017.

DOUBLEVIEW CAPITAL CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended August 31, 2017

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consist of the following:

	August 31, 2017	February 28, 2017
Accounts payable	\$ 107,419	\$ 85,078
Due to related parties (Note 7)	41,540	179,001
Accrued liabilities	-	20,500
Total	\$ 148,959	\$ 284,579

6 SHARE CAPITAL

- a) The authorized share capital of the Company consists of an unlimited number of common shares without par value and unlimited preferred shares without par value.

- b) Issued and outstanding common shares:

2017

Between October and December 2016, the Company issued 6,550,000 flow-through units and 6,635,206 non-flow-through units at a price of \$0.08 per unit for total proceeds of \$1,054,816. On issuance, the Company bifurcated the flow-through shares into i) a flow-through share premium of \$65,500 that investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital of \$458,500. To January 31, 2017, the Company expended \$424,000 in eligible exploration expenditures and, accordingly, the flow-through liability was reduced to \$12,500. Each flow-through unit comprises of one common share and one-half share purchase warrant and each non-flow-through unit comprises of one common share and one full share purchase warrant. Each full warrant is exercisable to purchase one additional common share at \$0.15 per common share for a period of 2 years. The Company issued 281,250 shares with a fair value of \$22,500 and paid \$96,830 in finders' fees and share issuance costs. The Company also issued 564,750 finders' warrants, exercisable into one common share at a price of \$0.15 per share for a period of 2 years. The Company allocated a fair value of \$22,496 to the finders' warrants.

The Company also issued 450,000 warrants as a finance fee, at a fair value of \$40,383, for convertible notes (Note 10). The warrants are exercisable into one common share at a price of \$0.15 for a period of 2.5 years.

- c) Share-based payment reserve

The share based payment reserve represents the fair value of stock options or compensation warrants until such time that the share-base instruments are exercised, at which time the corresponding amount is transferred to share capital.

DOUBLEVIEW CAPITAL CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended August 31, 2017

6 SHARE CAPITAL (cont'd...)

d) Stock options

The Company has an incentive stock option plan that conforms to the requirements of the TSX-V. Options to purchase common shares have been granted to directors, officers, employees and consultants of the Company at exercise prices determined by the market value of the common shares on the date of the grant. The options vest immediately on the date of the grant or otherwise at the discretion of the Board.

The Company's stock options outstanding and exercisable are as follows:

	Six months ended August 31, 2017	Weighted average exercise price (\$)	Year ended February 28, 2017	Weighted average exercise price (\$)
Beginning of the period	6,855,000	0.12	6,405,000	0.15
Granted	-	-	700,000	0.10
Expired	-	-	(250,000)	0.10
End of the period	6,855,000	0.12	6,855,000	0.12

Options to acquire common shares at August 31, 2017 are as follows:

Number Outstanding	Exercise Price	Expiry Date
1,035,000	\$ 0.11	May 21, 2018
1,165,000	\$ 0.10	October 21, 2018
200,000	\$ 0.10*	February 19, 2019
1,535,000	\$ 0.10*	May 20, 2019
550,000	\$ 0.16	February 20, 2020
1,200,000	\$ 0.17	April 27, 2020
470,000	\$ 0.10	August 13, 2020
700,000	\$ 0.10	April 29, 2021
6,855,000		

*The Company re-priced 1,735,000 outstanding stock options from an exercise price of \$0.25 (in respect of 200,000 options) and \$0.20 (in respect of 1,535,000 options) to \$0.10, resulting in a further \$8,084 in stock-based compensation.

The outstanding stock options have a weighted average remaining contractual life of 1.97 years (2016 – 3.20 years).

DOUBLEVIEW CAPITAL CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended August 31, 2017

6 SHARE CAPITAL (cont'd...)

d) Stock options (cont'd...)

On April 29, 2016, the Company granted 700,000 incentive stock options to directors, officers, employees and consultants of the Company which have an exercise price of \$0.10 per common share and expire April 29, 2021. The granting of these incentive stock options resulted in stock-based compensation expense, calculated using the Black-Scholes Option Pricing Model, of \$44,754 which was recorded as stock based compensation expense. The assumptions used for the Black-Scholes Option Pricing Model valuation of stock options issued during the year ended February 28, 2017 were: a risk-free interest rate: 0.50%, an expected life 5 years, an annualized volatility of 160%, and a dividend yield of 0%.

e) Warrants

The Company's warrants outstanding are as follows:

	Six months ended August 31, 2017	Weighted average exercise price (\$)	Year ended February 28, 2017	Weighted average exercise price (\$)
Beginning of the year	18,327,873	0.17	10,278,444	0.17
Issued	-	-	10,924,956	0.14
Exercised	-	-	-	-
Expired	(2,854,583)	0.20	(2,875,527)	0.20
End of the year	15,473,290	0.15	18,327,873	0.15

Warrants to acquire common shares at August 31, 2017 are as follows:

Number outstanding	Exercise price	Expiry date
1,623,334	\$ 0.15	September 16, 2018
1,925,000	\$ 0.15	October 17, 2018
6,635,206	\$ 0.15	October 31, 2018
3,275,000	\$ 0.15	October 31, 2018
477,250	\$ 0.15	October 31, 2018
87,500	\$ 0.15	December 30, 2018
450,000	\$ 0.15	August 1, 2019
1,000,000	\$ 0.10	September 4, 2020
15,473,290		

The outstanding warrants have a weighted average remaining contractual life of 1.31 years (2016 – 1.81 years).

DOUBLVIEW CAPITAL CORP**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**For the six-month period ended August 31, 2017

7. RELATED PARTY TRANSACTIONS

Details of the transactions between the Company and other related parties are disclosed below:

- a) Incurred director's fees of \$60,000 (2016 - \$30,000) to the CEO, President and director of the Company;
- b) Incurred rent of \$9,000 (2016 - \$9,000) to a company controlled by the CEO, President and director of the Company;

At August 31, 2017, recorded in accounts payable and accrued liabilities is \$15,830 (February 28, 2017 - \$179,001) due to a company controlled by the CEO, President and director of the Company.

At August 31, 2017, recorded in amounts receivable is \$2,865 (February 28, 2017 - \$2,865) due from companies controlled by the officers and directors of the Company.

8. EXPLORATION AND EVALUATION ASSETS**Mount Milligan North Property**

On February 22, 2011, and effective upon TSX-V approval on July 22, 2011, the Company entered into an option agreement with 0895277 B.C. Ltd. ("0895277"), whereby the Company was granted an option to acquire a 100% interest in certain claims comprising the Mount Milligan North Property located in northwest Prince George, British Columbia.

During the year ended February 29, 2016, the Company agreed to amend the option agreement with 0895277 whereby the Company would earn a 100% option in the Mount Milligan North Property in consideration for the issuance of 1,000,000 share purchase warrants, exercisable at \$0.10 per common share until September 4, 2020. The Company recorded a fair value of \$111,752 to the warrants using the Black-Scholes Option Pricing Model, which had been recorded as an acquisition cost. The assumptions used for the Black-Scholes Option Pricing Model valuation for the warrant issue were: a risk-free interest rate of 1.00%, an expected life of 5 years, an annualized volatility of 158%, and a dividend yield of 0%. The Company then exercised its option and earned a 100% option in the Mount Milligan North Property.

During the year ended February 29, 2016, the Company determined the Mount Milligan North Property to be impaired and recorded an impairment charge of \$486,071.

DOUBLVIEW CAPITAL CORP**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**For the six-month period ended August 31, 2017

8 . EXPLORATION AND EVALUATION ASSETS (cont'd...)**Hat Property**

On August 29, 2011, and effective September 9, 2011 upon TSX-V approval, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the Hat Property located in the Sheslay District of north-western British Columbia. The Hat Property is subject to a 2% Net Smelter Royalty ("NSR"). The Company may repurchase 1% of the NSR on or before September 9, 2017 upon payment of \$1,500,000.

During the year ended February 29, 2016, the Company issued 300,000 common shares with a fair value of \$31,500 under the terms of the option agreement and also issued 125,000 common shares with a fair value of \$16,250 as consideration for extending the due date of the final cash payment under the Hat Property agreement.

During the year ended February 28, 2017, the Company earned a 100% interest in the Hat Property.

As at August 31, 2017, the Company has posted reclamation bonds totalling \$54,500 (February 28, 2017 - \$54,500) with the Ministry of Energy and Mines for indemnification of site restoration of the Hat Property.

Red Spring Property

On September 8, 2013, and effective September 23, 2013 upon TSX-V approval. The Company entered into an option agreement with a director of the Company whereby the Company was granted an option to acquire a 90% interest in certain claims comprising the Red Springs property, located in the Omineca district of British Columbia. In order to exercise the option, the Company was required to:

- a) Pay an aggregate \$127,000 as follows:
 - i) \$7,000 on or before August 8, 2014;
 - ii) \$15,000 on or before August 8, 2015;
 - iii) \$25,000 on or before August 8, 2016;
 - iv) \$35,000 on or before August 8, 2017; and
 - v) \$45,000 on or before August 8, 2018.

- b) Issue an aggregate 800,000 common shares of the Company as follows:
 - i) 50,000 common shares on TSX-V approval (issued at a fair value for \$3,000);
 - ii) 100,000 on or before August 8, 2014 (issued at a fair value of \$15,000);
 - iii) 150,000 on or before August 8, 2015;
 - iv) 200,000 on or before August 8, 2016; and
 - v) 300,000 on or before August 8, 2017.

- c) Incur aggregate exploration expenditures of \$650,000 as follows:
 - i) \$100,000 on or before August 8, 2014;
 - ii) \$100,000 on or before August 8, 2015;
 - iii) \$100,000 on or before August 8, 2016;
 - iv) \$100,000 on or before August 8, 2017; and
 - v) \$650,000 on or before August 8, 2018.

DOUBLVIEW CAPITAL CORP

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended August 31, 2017

8. EXPLORATION AND EVALUATION ASSETS

Mount Milligan North Property

On February 22, 2011, and effective upon TSX-V approval on July 22, 2011, the Company entered into an option agreement with 0895277 B.C. Ltd. ("0895277"), whereby the Company was granted an option to acquire a 100% interest in certain claims comprising the Mount Milligan North Property located in northwest Prince George, British Columbia. In order to exercise the option, the Company is required to:

- a) Pay \$50,000 to 0895277 on the closing of the QT (paid);
- b) Issue the following securities to 0895277:
 - i) 1,200,000 common shares of the Company on closing of the QT (issued at a fair value of \$180,000); and
 - ii) Warrants to purchase 1,000,000 common shares of the Company by July 22, 2013. The warrants will be exercisable at the price of \$0.15 per share until two years from the date of issuance.
- c) Incur a total of \$300,000 of exploration expenditures on the Mount Milligan North Property as follows:

In addition, 0895277 will retain a 2% net smelter return royalty (the "Royalty") on the Mount Milligan North Property. The Company may purchase 1% of the Royalty by paying 0895277 a total of \$1,000,000.

Metropolitan Property

On August 22, 2011, the Company entered into purchase agreement with Decoors Mining Corp. ("Decoors") to acquire a 100% interest in certain claims comprising the Metropolitan Property in the Kootenay District of south-eastern British Columbia.

Under the terms of the purchase agreement, the Company issued 333,330 common shares, at a fair value of \$33,333 and paid \$25,000 to Decoors. The Company paid \$20,000 on February 25, 2014 for the balance owed to Decoors. Decoors will also retain a 2.5% Royalty on the Metropolitan Property.

DOUBLVIEW CAPITAL CORP
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six-month period ended August 31, 2017

8. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Summary of exploration and evaluation assets:

	Mount Milligan North Property		Hat Property	Red Spring property		Total
Balance as at February 28, 2016	\$	1	\$ 270,750	\$	18,000	288,751
Acquisition costs incurred:						
For cash	-		100,000	-		100,000
Impairment of property	-		-	(14,220)		(14,220)
Balance as at February 28, 2017 and August 31, 2017	\$	1	\$ 370,750	\$	3,780	\$ 374,531
	Mount Milligan North Property		Hat Property	Red Spring Property		Total
Balance as at February 28, 2016	\$	-	\$ 3,766,191	\$	1,200	\$ 3,767,391
Exploration costs incurred						
Surveys, mapping, sampling and other	-		224,774	6,720		231,494
Drilling	-		222,465	-		222,465
Geological consulting	-		234,526	15,858		250,384
Impairment of property	-		-	(18,765)		(18,765)
Balance as at February 28, 2017	\$	-	\$ 4,447,956	\$	5,013	\$ 4,452,969
Exploration costs incurred						
Surveys, mapping, sampling and other	-		11,567			11,567
BCMETC	-		(150,653)			(150,653)
Balance as at August 31, 2017	\$	-	\$ 4,308,870	\$	5,013	\$ 4,313,883
Total at February 28, 2017	\$	1	\$ 4,818,706	\$	8,793	\$ 4,827,500
Total at August 31, 2017	\$	1	\$ 4,679,620	\$	8,793	\$ 4,688,414

DOUBLVIEW CAPITAL CORP**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six month period ended August 31, 2016

9. CONVERTIBLE NOTES

On February 1, 2017, the Company issued convertible notes (the "Notes") totalling \$588,330 (USD \$450,000).

The Notes bear interest at an annual rate of 5%, compounded, calculated quarterly and payable on maturity, are unsecured and repayable by August 1, 2018. At any time before the maturity date, the Notes are convertible at the option of the holder into fully paid and non-assessable shares (the "Conversion Shares") of the Company, subject to certain conditions, at a conversion price of \$0.10 (USD \$0.078) (the "Conversion Price"). Upon conversion, the Company will also issue share purchase warrants equal to 75% of the Conversion Shares. Each warrant is exercisable at a price of \$0.15 per share for a period of 30 months from the date of issuance.

The Company has the right to settle the Notes at any time by paying an amount equal to 110% of the principal, interest and any other amounts owing in connection with the Notes. The Company may, at its election, pay any accrued and unpaid interest through the issuance of common shares of the Company at a discounted market price, as defined by the rules of the TSX-V as the market price less a maximum discount based on a minimum closing price of \$0.05. The Company also has the right to force conversion of the Notes after 4 months from the issue date, provided that for the preceding 10 trading days the volume weighted average price for common shares was more than 150% of the Conversion Price. The Company also has the right to accelerate the expiration date of the aforementioned warrants on 15 days written notice after 4 months from the issue date, provided that for the preceding 10 trading days the volume weighted average price for common shares is equal to greater than \$0.30 and the Company has not forced conversion.

The Notes are denominated in a currency other than the Company's functional currency. Therefore, the option to convert into shares and warrants is an embedded derivative as the criteria to be classified as equity is not met. The Company has elected to account for the entire Note at fair value through profit or loss rather than separating the embedded derivative from the host contract. The Company estimated the fair value of the Note on issuance at the transaction price. At February 28, 2017, because the Company's share price was more than the Conversion Price, the fair value was determined based on the value of the principal of the loan outstanding, plus accrued interest and the 10% additional payment the Company would be required to settle the outstanding obligation for cash. The fair value of the Note was also adjusted to reflect the impact of foreign exchange.

At the date of issuance, the Company paid finance fees of \$47,860. The Company also issued 450,000 warrants which were accounted for at a fair value of \$40,383 using the Black-Scholes Option Pricing Model with the following assumptions: a risk-free interest rate of 0.77%, an expected life of 2.50 years, an annualized volatility of 133%, and a dividend yield of 0%. These costs have been expensed.

	August 31, 2017	February 28, 2017
Balance, beginning of period	\$ 658,089	\$ -
Proceeds from Notes	-	588,330
Finance fee – additional payment	-	58,833
Interest accrued	14,986	2,265
Interest paid	(13,873)	2,265
Change in fair value	(32,897)	8,661
Balance, end of period	\$ 626,305	\$ 658,089

Subsequent Events Note 12.

DOUBLEVIEW CAPITAL ORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended August 31, 2017

10. FINANCIAL INSTRUMENTS AND RISK

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) 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 (unobservable inputs).

As at August 31, 2017, the Company's financial instruments are comprised of cash, receivables, accounts payable and Notes. The carrying value of receivables and accounts payable approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash and receivables.

The Company's cash are held through a Canadian chartered bank, which are high-credit quality financial institutions. Receivables are primarily due from the Government of Canada and credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2017, the Company had a cash balance of \$7,430 to settle current liabilities of \$787,764. The Company will require additional financing to be able to meet its financial obligations. All of the Company's financial liabilities have contractual maturities of 30 days or less are due on demand and are subject to normal trade terms. Liquidity risk is assessed as high.

DOUBLEVIEW CAPITAL ORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended August 31, 2017

10. FINANCIAL INSTRUMENTS AND RISK (cont'd...)**Market risk**

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances and interest-bearing debt at fixed rates. Interest rate risk is considered to be low.

(b) Foreign currency rate risk

While the Company is domiciled in Canada and its capital is raised in Canadian dollars. However, the Company has debt denominated in USD (Note 10). Accordingly, the Company is exposed to foreign exchange risk.

Sensitivity analysis

The carrying value of cash, receivables and accounts payable approximate their fair values due to the relatively short periods to maturities of these financial instruments.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

11. CAPITAL MANAGEMENT

The Company manages its cash and common shares as capital. The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the on-going business objectives including, but not limited to pursuing the exploration of its exploration and evaluation assets, funding of future growth opportunities, and pursuit of new acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company manages its capital structure by issuing new shares, adjusting capital spending or disposing of assets. In addition, management of the Company's capital structure is facilitated through its financial and operational forecasting processes. The forecast of the Company's future cash flows is based on estimates of commodity prices, forecast capital and operating expenditures, and other investing and financing activities. The forecast is regularly updated based on new commodity prices and other changes, which the Company views as critical in the current environment.

The Company is not subject to any externally imposed capital requirements and there have not been any changes to capital management from the prior year.

DOUBLEVIEW CAPITAL ORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended August 31, 2017

12. SUBSEQUENT EVENT

Subsequent to August 31, 2017, the Company completed a private placement financing of 11,600,000 units (the "Units") at a price of \$0.05 per Unit for gross proceeds of \$580,000. Each Unit is comprised of one common share of the Company and one common share purchase warrant (a "Warrant"), with each Warrant entitling the holder to purchase one additional common share at \$0.05 per share for a period of five years from the date of issue. The proceeds from the private placement are used to settle outstanding indebtedness.