

**DOUBLEVIEW CAPITAL CORP.**  
**(An Exploration Company)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited - Expressed in Canadian dollars)**

**FOR THE SIX MONTHS ENDED AUGUST 31, 2018**

These Financial Statements have been prepared in accordance with International Financial Reporting Standards. WE HEREBY GIVE NOTICE that our condensed interim financial statements for the six-month period ended August 31, 2018 which follow this notice have not been reviewed by an auditor

**DOUBLEVIEW CAPITAL CORP.**

## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

AS AT

	August 31, 2018	February 28, 2018 (Audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 341,822	\$ 564,712
Prepaid expenses and deposits	135,650	137,651
Amounts receivable (Note 3)	35,278	26,405
Total current assets	<u>512,750</u>	<u>728,768</u>
<b>Non-current</b>		
Exploration and evaluation assets (Note 8)	4,794,702	4,688,414
Reclamation bond	74,500	54,500
Office Equipment (Note 4)	3,288	4,098
Total non-current assets	<u>4,872,490</u>	<u>4,747,012</u>
<b>Total assets</b>	<u>\$ 5,385,240</u>	<u>\$ 5,475,780</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 281,087	\$ 240,229
Flow through share liability	137,700	137,700
Total current liabilities	<u>418,787</u>	<u>377,929</u>
<b>EQUITY</b>		
Share Capital (Note 6)	8,409,395	8,357,395
Reserves (Note 6)	1,474,110	1,227,755
Deficit	(4,917,052)	(4,487,299)
<b>Total liabilities and equity</b>	<u>\$ 5,385,240</u>	<u>\$ 5,475,780</u>

Going concern (Note 1)

Commitments (Note 8, and 13)

Subsequent event (Note 14)

Approved and authorized by the Board on October 30, 2018:

\_\_\_\_\_  
"Farshad Shirvani" Director  
Farshad Shirvani

\_\_\_\_\_  
"Andrew Rees" Director  
Andrew Rees

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

**DOUBLEVIEW CAPITAL CORP.**

## CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31,

	Three Months ended August 31,		Six Months ended August 31,	
	2018	2017	2018	2017
<b>Expenses</b>				
Amortization (Note 5)	\$ 405	\$ 405	\$ 810	\$ 810
Consulting fees (Note 8)	14,300	5,900	14,300	5,900
Director's fees (Note 7)	30,000	30,000	60,000	60,000
Interest (Note 9)	-	7,285	-	14,986
Investor relations	17,167	-	42,280	102,000
Office and administrative	4,549	19,492	5,017	27,605
Professional fees	23,601	35,052	24,987	55,877
Rent (Note 7)	4,500	4,500	9,000	9,000
Stock based compensation (Note 6)	-	-	246,355	-
Transfer agent & filing fees	17,773	7,213	27,004	8,840
	112,295	109,847	429,753	285,018
<b>Other items</b>				
Unrealized (gain) loss on foreign exchange	-	(44,034)	-	(32,897)
<b>Net loss for the period</b>	<b>\$ 112,295</b>	<b>\$ 65,813</b>	<b>\$ 429,753</b>	<b>\$ 252,121</b>
<b>Loss per common share - basic and diluted</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>104,835,813</b>	<b>80,944,256</b>	<b>104,733,368</b>	<b>80,944,256</b>

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

**DOUBLEVIEW CAPITAL CORP.**

## CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31,

	Share Capital				
	No. of Shares	Amount	Reserves	Deficit	Total
<b>Balance February 28, 2017</b>	<b>80,944,256</b>	<b>\$7,173,247</b>	<b>\$1,224,230</b>	<b>\$ (4,122,055)</b>	<b>\$4,275,422</b>
Loss for the period	-	-	-	(252,121)	(252,121)
<b>Balance August 31, 2017</b>	<b>80,944,256</b>	<b>\$7,173,247</b>	<b>\$1,224,230</b>	<b>\$ (4,374,176)</b>	<b>\$4,023,301</b>
Shares issued for private placements	23,686,666	1,330,400	-	-	1,330,400
Flow-through share premium	-	(125,200)	-	-	(125,200)
Share issuance costs	-	(17,527)	-	-	(17,527)
Finders warrants	-	(3,525)	3,525	-	-
Loss for the period	-	-	-	(113,123)	(113,123)
<b>Balance February 28, 2018</b>	<b>104,630,922</b>	<b>8,357,395</b>	<b>1,227,755</b>	<b>(4,487,299)</b>	<b>5,097,851</b>
Shares issued for property	650,000	52,000	-	-	52,000
Stock based compensation (Note 6)	-	-	246,355	-	246,355
Loss for the period	-	-	-	(429,753)	(429,753)
<b>Balance August 31, 2018</b>	<b>105,280,922</b>	<b>\$8,409,395</b>	<b>\$1,474,110</b>	<b>\$ (4,917,052)</b>	<b>\$4,966,453</b>

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

**DOUBLEVIEW CAPITAL CORP.**

## CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31,

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (429,753)	\$ (252,121)
Items not affecting Cash		
Amortization	810	810
Interest	-	14,986
Stock based compensation	246,355	-
Unrealized loss on foreign exchange	-	(32,897)
Changes in non-cash working capital items:		
Prepaid expenses	2,001	100,000
Accounts receivable	(8,873)	40,316
Accounts payable and accrued liabilities	40,858	(135,620)
Net cash used in operating activities	<u>(148,602)</u>	<u>(264,526)</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Increase in reclamation bonds	(20,000)	-
Interest payments	-	(13,873)
Expenditure on exploration and evaluation assets, net of tax credits	(54,288)	139,086
Net cash used for investing activities	<u>(74,288)</u>	<u>125,213</u>
<b>Net increase (decrease) in cash during the period</b>	(222,890)	(139,313)
<b>Cash, beginning of period</b>	<u>564,712</u>	<u>146,743</u>
<b>Cash, end of period</b>	<u>\$341,822</u>	<u>\$7,430</u>
<b>Supplemental cash flow information</b>		
Shares issued for exploration and evaluation assets	<u>\$ 52,000</u>	<u>\$ -</u>

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

**DOUBLEVIEW CAPITAL CORP.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)****FOR THE SIX MONTHS ENDED AUGUST 31, 2018**

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**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.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated any revenues to date and has incurred ongoing losses.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration and evaluation assets 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 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. These uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in its exploration and evaluation assets or completing a financing, are being evaluated with the goal of funding ongoing activities and obtaining additional working capital.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

**2. BASIS OF PREPARATION**

## a) Statement of Compliance

These condensed interim financial statements for the nine months ended November 30, 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, 2018, 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, 2018.

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, 2018.

**DOUBLEVIEW CAPITAL CORP.**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31, 2018

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

## 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.

**3. ACCOUNTS RECEIVABLE**

The Company's accounts receivable consists of the following:

	August 31, 2018	February 28, 2018
GST receivable	\$ 32,413	\$ 23,540
Due from related parties (Note 7)	2,865	2,865
Total	\$ 35,278	\$ 26,405

**4. EQUIPMENT**

Equipment is comprised of the following:

	August 31, 2018	February 28, 2018
Cost	\$ 7,282	\$ 7,282
Accumulated amortization	(3,994)	(3,184)
Total	\$ 3,288	\$ 4,098

Amortization of \$810 (2017 - \$810) was charged during the six months ended August 31, 2018.

**DOUBLEVIEW CAPITAL CORP.**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31, 2018

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

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

	August 31, 2018	February 28, 2018
Accounts payable	\$ 200,824	\$ 210,235
Due to related parties (Note 7)	80,263	14,994
Accrued liabilities	-	15,000
Total	\$ 281,087	\$ 240,229

**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:

**2018**

In October and November 2017, the Company issued 21,600,000 non-flow through units comprising of one common share and one full share purchase warrant for total proceeds of \$1,080,000. 11,600,000 warrants are exercisable to purchase one additional common share at \$0.05 per common share for a period of 5 years and 10,000,000 warrants are exercisable to purchase one additional common share at \$0.08 per common share for a period of 3.5 years.

In December 2017, the Company issued 2,086,666 flow-through units at a price of \$0.12 per unit for total proceeds of \$250,400. On issuance, the Company bifurcated the flow-through shares into i) a flow-through share premium of \$125,200 that investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital of \$125,200. Each unit comprises of one common share and one share purchase warrant exercisable to purchase one additional common share at \$0.10 per common share in the first year and \$0.12 in the second year. The Company paid \$17,527 in finders' fees and share issuance cost and also issued 146,066 finders' warrants, exercisable into one common share at a price of \$0.10 per common share in the first year and \$0.12 in the second year. The Company allocated a fair value of \$3,525 to the finders' warrants.

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.

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31, 2018

**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:

	Period ended August 31, 2018	Weighted average exercise price (\$)	Year ended February 28, 2018	Weighted average exercise price (\$)
Beginning of the year	6,855,000	0.12	6,855,000	0.12
Granted	2,850,000	0.10	-	-
Expired	(1,035,000)	0.11	-	-
End of the year	8,670,000	0.12	6,855,000	0.12

Options to acquire common shares at August 31, 2018 are as follows:

Number Outstanding	Exercise Price	Expiry Date
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
2,850,000	\$ 0.10	April 12, 2023
8,670,000		

The outstanding stock options have a weighted average remaining contractual life of 2.62 years (February 28, 2018 – 1.47 years).

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31, 2018

**6. SHARE CAPITAL (cont'd...)**

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

On April 12, 2018, the Company granted 2,850,000 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 12, 2023. The granting of these incentive stock options resulted in stock-based compensation expense, calculated using the Black-Scholes Option Pricing Model, of \$246,355 which was recorded as stock based compensation expense. The assumptions used for the Black-Scholes Option Pricing Model valuation of stock options issued were: a risk-free interest rate: 1.50%, an expected life 5 years, an annualized volatility of 151%, and a dividend yield of 0%.

## e) Warrants

The Company's warrants outstanding are as follows:

	Period ended August 31, 2018	Weighted average exercise price (\$)	Year ended February 28, 2018	Weighted average exercise price (\$)
Beginning of the period	39,306,022	0.10	18,327,873	0.15
Issued	-	-	23,832,732	0.07
Expired	-	-	(2,854,583)	0.20
End of the period	39,306,022	0.10	39,306,022	0.10

Warrants to acquire common shares at August 31, 2018 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
10,000,000	\$ 0.08	May 17, 2021
11,600,000	\$ 0.05	October 10, 2022
2,232,732	\$ 0.10	December 29, 2019
39,306,022		

The outstanding warrants have a weighted average remaining contractual life of 2.09 years (February 28, 2018 – 2.60 years).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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FOR THE SIX MONTHS ENDED AUGUST 31, 2018

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**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 (2017 - \$60,000) to the CEO, President and director of the Company;
- b) Incurred rent of \$9,000 (2017 - \$9,000) to a company controlled by the CEO, President and director of the Company.

At August 31, 2018, recorded in accounts payable and accrued liabilities is \$80,263 (February 28, 2018 - \$36,711) due to a company controlled by the CEO, President and director of the Company.

At August 31, 2018, recorded in accounts payable and accrued liabilities is \$Nil (February 28, 2018 - \$4,200) to a company controlled by the CFO of the Company.

At August 31, 2018, recorded in amounts receivable is \$2,865 (February 28, 2018 - \$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.

The Company owns a 100% interest in the Mount Milligan North Property.

During the year ended February 29, 2016, the Company impaired the Mount Milligan North Property to \$1.

**DOUBLEVIEW CAPITAL CORP.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

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**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 through cash payment of \$100,000.

As at August 31, 2018, the Company has posted reclamation bonds totalling \$54,500 (February 28, 2018 - \$54,500) with the Ministry of Energy and Mines for indemnification of site restoration of the Hat Property.

On June 19, 2018, the Company entered into a definitive Option Agreement with Hudbay Minerals Inc (“Hudbay”). Under the terms of the Option Agreement, Hudbay will be the operator and has the right to earn up to a 65% interest in the Hat Property on the following terms:

Hudbay may earn an initial 51% interest in the Hat Property (the “First Option”): by incurring a total of \$25,000,000 in exploration expenditures as follows:

- (i) \$2,000,000 in exploration expenditures by the first anniversary date,
- (ii) an additional \$5,000,000 in exploration expenditures by the second anniversary date,
- (iii) an additional \$7,000,000 in exploration expenditures by the third anniversary date, and
- (iv) an additional \$11,000,000 in exploration expenditures by the fourth anniversary date.

- Hudbay must also deliver a resource estimate by the fourth anniversary date to exercise the First Option.

Hudbay may earn an additional 4% interest (cumulative 55% interest) in the Hat Property (the “Second Option”) by:

- incurring a total of \$15,000,000 in exploration expenditures by the seventh anniversary date;
- completing pre-feasibility study by the seventh anniversary date; and
- paying \$1,000,000 in cash to the Company by the seventh anniversary date.

Hudbay may earn an additional 10% interest (cumulative 65% interest) in the Hat Property by completing a feasibility study by the tenth anniversary date (the “Third Option”). Under the terms of the Option Agreement, Hudbay may, on a one-time basis, elect to defer one year of exploration expenditures to a later date without extending the length of the agreement or the timeline for earning an interest in the Hat Property.

Upon exercise of the First Option, the Second Option or the Third Option, Hudbay may elect to form a joint venture with the Company in respect of the Hat Property. If Hudbay elects not to proceed with the Second Option, The Company has the right to purchase a 2% interest from Hudbay for \$500,000, which would result in the Company holding a 51% interest in the project and becoming the operator.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

**(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)**

**FOR THE SIX MONTHS ENDED AUGUST 31, 2018**

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

**Red Springs 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.

On June 27, 2018, the Company entered into an amended agreement with a director of the Company with regards to the Red Springs property in which all previous cash payments and exploration expenditure commitments were waived and replaced with a single cash payment of \$132,000 on or before August 8, 2020.

On August 2, 2018, the Company issued the remaining 650,000 common shares owing at a fair value of \$52,000.

**DOUBLEVIEW CAPITAL CORP.**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31, 2018

**8. EXPLORATION AND EVALUATION ASSETS (cont'd...)****Summary of exploration and evaluation assets:**

Acquisition costs	Mount Milligan North Property		Hat Property	Red Springs property		Total
<b>Balance as at February 28, 2017 and 2018</b>	<b>\$</b>	<b>1</b>	<b>\$ 370,750</b>	<b>\$</b>	<b>3,780</b>	<b>374,531</b>
Acquisition costs incurred:						
For shares	-		-		52,000	52,000
<b>Balance as at August 31, 2018</b>	<b>\$</b>	<b>1</b>	<b>\$ 370,750</b>	<b>\$</b>	<b>55,780</b>	<b>\$ 426,531</b>
Exploration costs	Mount Milligan North Property		Hat Property	Red Springs Property		Total
<b>Balance as at February 28, 2017</b>	-		<b>4,447,956</b>		<b>5,013</b>	<b>4,452,969</b>
Exploration costs incurred:						
Surveys, mapping, sampling and other	-		11,567		-	11,567
BC METC	-		(150,653)		-	(150,653)
<b>Balance as at February 28, 2018</b>	<b>\$</b>	<b>-</b>	<b>\$ 4,308,870</b>	<b>\$</b>	<b>5,013</b>	<b>\$ 4,313,883</b>
Exploration costs incurred:						
Surveys, mapping, sampling and other		13,915	6,700		33,673	54,288
<b>Balance as at August 31, 2018</b>	<b>\$</b>	<b>13,915</b>	<b>\$ 4,315,570</b>	<b>\$</b>	<b>38,686</b>	<b>\$ 4,368,171</b>
<b>Total at February 28, 2018</b>	<b>\$</b>	<b>1</b>	<b>\$ 4,679,620</b>	<b>\$</b>	<b>8,793</b>	<b>\$ 4,688,414</b>
<b>Total at August 31, 2018</b>	<b>\$</b>	<b>13,916</b>	<b>\$ 4,686,320</b>	<b>\$</b>	<b>94,466</b>	<b>\$ 4,794,702</b>

**DOUBLEVIEW CAPITAL CORP.**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31, 2018

**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. A finance fee for an additional payment of \$58,833 was also expensed during the year ended February 28, 2017.

	2018	2017
Balance, beginning of year	\$ 658,089	\$ -
Proceeds from Notes	-	588,330
Finance fee – additional payment	-	58,833
Interest accrued	16,357	2,265
Interest paid	(12,481)	-
Loan Repayment	(557,505)	-
Foreign exchange	(104,460)	-
Change in fair value	-	8,661
Balance, end of year	\$ -	\$ 658,089

In September 2017, the Company paid \$557,505 (US\$454,624) to settle the outstanding Notes and accrued interest.

**DOUBLEVIEW CAPITAL CORP.**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31, 2018

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**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, 2018, the Company's financial instruments are comprised of cash, amounts receivable, accounts payable and due to related parties. The carrying value of amounts receivable, accounts payable and due to related parties 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 amounts receivables.

The Company's cash are held with 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, 2018 the Company had a cash balance of \$341,822 (February 28, 2018 - \$564,712) to settle current liabilities of \$418,77 (February 28, 2018 – \$377,929). Company has enough funds to cover the current financial liabilities. All 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 CORP.**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31, 2018

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**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, the Company is not exposed to any significant foreign exchange risk.

**Sensitivity analysis**

The carrying value of cash, amounts receivable, accounts payable and due to related parties 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 CORP.**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(UNAUDITED – PREPARED BY MANAGEMENT, EXPRESSED IN CANADIAN DOLLARS)

FOR THE SIX MONTHS ENDED AUGUST 31, 2018

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**12. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment, being the exploration and development of exploration and evaluation assets in Canada.

**13 COMMITMENTS**

- a) Effective July 1, 2011, the Company approved an office facility service agreement, whereby the Company is required to pay \$1,500 per month for rent to a company controlled by the CEO, President, and director of the Company.
- b) Effective April 1, 2013, the Company approved an employment agreement, whereby the Company is required to pay \$120,000 per annum to the CEO, President, and director of the Company. Pursuant to the agreement, the Company is required to pay a severance equal to two years of salary (\$240,000).

**14 SUBSEQUENT EVENT**

Subsequent to August 31, 2018, the Company granted to directors, officers, employees and consultants stock options to acquire 2,000,000 common shares of the Company at an exercise price of \$0.12 per share expiring on September 5, 2023.