

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited – Prepared by Management, Expressed in Canadian dollars)**

**FOR THE SIX MONTHS ENDED AUGUST 31, 2019**

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, 2019 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, 2019	February 28, 2019 (Audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 296,237	\$ 54,928
Amounts receivable (Note 3)	2,865	22,449
Total current assets	299,102	77,377
<b>Non-current</b>		
Exploration and evaluation assets (Note 8)	4,878,947	5,121,517
Reclamation bond	74,500	74,500
Office Equipment (Note 4)	1,668	2,478
Total non-current assets	4,955,115	5,198,495
<b>Total assets</b>	<b>\$ 5,254,217</b>	<b>\$ 5,275,872</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 203,550	\$ 204,399
Flow through share liability	35,317	35,317
Total current liabilities	238,867	239,716
<b>EQUITY</b>		
Share Capital (Note 6)	8,764,240	8,597,713
Reserves (Note 6)	1,913,058	1,810,163
Deficit	(5,661,948)	(5,371,720)
<b>Total liabilities and equity</b>	<b>\$ 5,254,217</b>	<b>\$ 5,275,872</b>

Going concern (Note 1)

Commitments (Note 8, 12)

Subsequent event (Note 13)

Approved and authorized by the Board on October 30, 2019:

\_\_\_\_\_  
"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,	
	2019	2018	2019	2018
<b>Expenses</b>				
Amortization (Note 4)	\$ 405	\$ 405	\$ 810	\$ 810
Consulting fees	8,100	14,300	12,600	14,300
Director's fees (Note 7)	30,000	30,000	60,000	60,000
Investor relations	530	17,167	1,359	42,280
Office and administrative	(343)	4,549	2,159	5,017
Professional fees	6,489	23,601	8,001	24,987
Rent (Note 7)	4,500	4,500	9,000	9,000
Stock based compensation (Note 6)	-	-	180,022	246,355
Transfer agent & filing fees	10,121	17,773	16,276	27,004
<b>Net loss for the period</b>	<b>\$ 59,802</b>	<b>\$ 112,295</b>	<b>\$ 290,227</b>	<b>\$ 429,753</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>108,070,922</b>	<b>104,835,813</b>	<b>107,936,248</b>	<b>104,733,368</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)

	Share Capital				
	No. of Shares	Amount	Reserves	Deficit	Total
<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>
Shares issued for property	1,320,000	80,250	-	-	80,250
Shares issued for stock options	610,000	108,068	(47,068)	-	61,000
Stock based compensation (Note 6)	-	-	383,121	-	383,121
Loss for the period	-	-	-	(454,668)	(454,668)
<b>Balance February 28, 2019</b>	<b>107,210,922</b>	<b>8,597,713</b>	<b>1,810,163</b>	<b>(5,371,720)</b>	<b>5,036,156</b>
Shares issued for stock options	860,000	166,527	(77,127)	-	89,400
Stock based compensation (Note 6)	-	-	180,022	-	180,022
Loss for the period	-	-	-	(290,227)	(290,227)
<b>Balance August 31, 2019</b>	<b>108,070,922</b>	<b>\$8,764,240</b>	<b>\$1,913,058</b>	<b>\$ (5,661,948)</b>	<b>\$5,015,351</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,

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (290,227)	\$ (429,753)
Items not affecting Cash		
Amortization	810	810
Interest	-	-
Stock based compensation	180,022	246,355
Foreign exchange on notes	-	-
Changes in non-cash working capital items:		
Prepaid expenses	-	2,001
Accounts receivable	19,584	(8,873)
Accounts payable and accrued liabilities	(849)	40,858
Net cash used in operating activities	<u>(90,660)</u>	<u>(148,602)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Share issuance, net	89,399	-
Net cash from financing activities	<u>89,399</u>	<u>-</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
(Increase) decrease in reclamation bonds	-	(20,000)
Expenditure on exploration and evaluation assets, net of recoveries	242,570	(54,288)
Net cash used for investing activities	<u>242,570</u>	<u>(74,288)</u>
<b>Net increase (decrease) in cash during the period</b>	241,309	(222,890)
<b>Cash, beginning of period</b>	<u>54,928</u>	<u>564,712</u>
<b>Cash, end of period</b>	<u>\$296,237</u>	<u>\$341,822</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, 2019**

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**1. CORPORATE INFORMATION AND GOING CONCERN**

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 condensed interim 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. As at August 31, 2019, the Company has cash of \$296,237 (February 28, 2019 - \$54,928) on hand and a working capital of \$60,235 (February 28, 2019 – working capital deficiency of \$162,339). For the six months ended August 31, 2019 and the year ended February 28, 2019, the Company incurred net losses of \$290,227 and \$884,421, respectively. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the going concern basis of accounting be inappropriate. These adjustments could be material.

**2. BASIS OF PREPARATION**

## a) Statement of Compliance

These condensed interim financial statements for the six months ended August 31, 2019, 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, 2019, 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, 2019.

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, 2019.

**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, 2019

**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. AMOUNTS RECEIVABLE**

The Company's amounts receivable consists of the following:

	August 31, 2019	February 28, 2019
GST receivable	\$ -	\$ 19,584
Due from related parties (Note 7)	2,865	2,865
Total	\$ 2,865	\$ 22,449

**4. EQUIPMENT**

Equipment is comprised of the following:

	August 31, 2019	February 28, 2019
Cost	\$ 7,282	\$ 7,282
Accumulated amortization	(5,614)	(4,804)
Total	\$ 1,668	\$ 2,478

Amortization of \$810 (2018 - \$810) was charged during the six months ended August 31, 2019.

**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, 2019

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

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

	August 31, 2019	February 28, 2019
Accounts payable	\$ 73,863	\$ 50,051
Due to related parties (Note 7)	129,687	139,348
Accrued liabilities	-	15,000
<b>Total</b>	<b>\$ 203,550</b>	<b>\$ 204,399</b>

**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:

In August 2018, the Company the Company issued 650,000 common shares at a fair market value of \$43,810 for the acquisition of the Red Springs Property. In January 2019, the Company issued an additional 1,320,000 common shares at a fair market value of \$88,440 for the acquisition of the Red Springs Property. In October 2018 and February 2019, the Company issued 610,000 common shares for the exercise of stock options generating gross proceeds of \$61,000.

The Company issued a further 860,000 common shares in March and May 2019 for the exercise of stock options generating gross proceeds of \$89,400.

c) Reserves

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

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		Year ended	
	August 31, 2019	Weighted average exercise price (\$)	February 28, 2019	Weighted average exercise price (\$)
Beginning of the year	10,310,000	0.11	6,855,000	0.12
Granted	2,360,000	0.11	6,650,000	0.11
Exercised	(860,000)	0.10	(610,000)	0.10
Expired	(1,310,000)	0.10	(2,585,000)	0.11
<b>End of the period</b>	<b>10,500,000</b>	<b>0.11</b>	<b>10,310,000</b>	<b>0.11</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, 2019

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

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

Options to acquire common shares at August 31, 2019 are as follows:

Number Outstanding	Exercise Price	Expiry Date
300,000	\$0.16	February 20, 2020
1,020,000	\$0.17	April 27, 2020
390,000	\$0.10	August 13, 2020
650,000	\$0.10	April 29, 2021
2,150,000	\$0.10	April 12, 2023
1,830,000	\$0.12	September 5, 2023
1,800,000	\$0.10	November 14, 2023
2,360,000	\$0.11	May 28, 2024
<u>10,500,000</u>		

The outstanding stock options have a weighted average remaining contractual life of 3.44 years (February 28, 2019 – 3.19 years).

During the six months ended August 31, 2019, the Company granted 2,360,000 options exercisable at \$0.11 per common share and expiring May 28, 2024. The granting of these incentive stock options resulted in stock-based compensation expense, calculated using the Black-Scholes Option Pricing Model, of \$180,022 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 were: a risk-free interest rate: 1.75%, an expected life 5 years, an annualized volatility of 130.65%, and a dividend yield of 0%.

The Company granted the following incentive stock options to directors, officers, employees and consultants of the Company during the year ended February 28, 2019:

- April 12, 2018, 2,850,000 options exercisable at \$0.10 per common share and expiring April 12, 2023;
- September 5, 2018, 2,000,000 options exercisable at \$0.12 per common share and expiring September 5, 2023; and
- November 14, 2018, 1,800,000 options exercisable at \$0.10 per common share and expiring November 14, 2023.

The granting of these incentive stock options resulted in stock-based compensation expense, calculated using the Black-Scholes Option Pricing Model, of \$629,476 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 were: a risk-free interest rate: 1.50%, an expected life 5 years, an annualized volatility of 151%, and a dividend yield of 0%.

**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, 2019

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

## e) Warrants

The Company's warrants outstanding are as follows:

	Period ended August 31, 2019	Weighted average exercise price (\$)	Year ended February 28, 2019	Weighted average exercise price (\$)
Beginning of the year	25,282,732	0.07	39,306,022	0.10
Issued	-	-	-	-
Expired	(450,000)	0.15	(14,023,290)	(0.15)
End of the period	24,832,732	0.07	25,282,732	0.07

Warrants to acquire common shares at August 31, 2019 are as follows:

Number outstanding	Exercise price	Expiry date
2,232,732	\$ 0.10	December 29, 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
24,832,732		

The outstanding warrants have a weighted average remaining contractual life of 2.21 years (February 28, 2019 – 2.68 years).

**7. RELATED PARTY TRANSACTIONS**

Details of the transactions between the Company and other related parties during the six months ended August 31, 2019 are disclosed below:

- Incurring director's fees of \$60,000 (2018 - \$60,000) to the CEO, President and director of the Company;
- Incurring rent of \$9,000 (2018 - \$9,000) to a company controlled by the CEO, President and director of the Company;

At August 31, 2019, recorded in accounts payable and accrued liabilities is \$120,648 (February 28, 2019 - \$126,198) due to a company controlled by the CEO, President and director of the Company.

At August 31, 2019, recorded in accounts payable and accrued liabilities is \$9,039 (February 28, 2019 - \$10,000) due to the CEO, President and director of the Company.

At August 31, 2019, recorded in accounts payable and accrued liabilities is \$Nil (February 28, 2019 - \$3,150) to a company controlled by the CFO of the Company.

At August 31, 2019, recorded in amounts receivable is \$2,865 (February 28, 2019 - \$2,865) due from companies controlled by the officers and directors of the Company.

**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, 2019

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**8. EXPLORATION AND EVALUATION ASSETS**

**Mount Milligan North Property**

The Company owns a 100% interest in the Mount Milligan North Property located in northwest Prince George, British Columbia.

During the year ended February 29, 2018, the Company capitalized \$13,915 to the Mount Milligan North Property.

**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, 2019, the Company has posted reclamation bonds totalling \$54,500 (February 28, 2019 - \$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.

**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, 2019

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

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.

On September 25, 2018, the definitive Option Agreement was amended to allow the Company to incur \$200,000 in expenditures on the Property on or before December 31, 2018.

On July 28, 2019, the Company announced that the Option Agreement between Hudbay and Doubleview was terminated. As a result, the Company plans to resume its own exploration on the Hat Copper-Gold Porphyry Property.

**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.

In August 2018 and January 2019, the Company issued 650,000 common shares at a fair value of \$43,810 and 1,320,000 shares at a fair value of \$88,440 for the acquisition of the property.

**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, 2019

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

Acquisition costs	Mount Milligan		Red Springs property	Total
	North Property	Hat Property		
<b>Balance as at February 28, 2018</b>	\$ 1	\$ 370,750	\$ 3,780	<b>374,531</b>
Acquisition costs incurred:				
For shares	-	-	132,250	132,250
<b>Balance as at February 28, 2019 and August 31, 2019</b>	<b>\$ 1</b>	<b>\$ 370,750</b>	<b>\$ 136,030</b>	<b>\$ 506,781</b>

  

Exploration costs	North	Hat Property	Red Springs	Total
	Property		Property	
<b>Balance as at February 28, 2018</b>	-	<b>4,308,870</b>	<b>5,013</b>	<b>4,313,883</b>
Exploration costs incurred				
Surveys, mapping, sampling and other	13,915	223,722	42,129	279,766
Other	-	21,087	-	21,087
<b>Balance as at February 28, 2019</b>	<b>\$ 13,915</b>	<b>\$ 4,553,679</b>	<b>\$ 47,142</b>	<b>\$ 4,614,736</b>
Exploration costs incurred				
Surveys, mapping, sampling and other	-	-	650	650
BC Mining Credit	-	(4,220)	-	(4,220)
Consulting fees charged to Hudbay	-	(239,000)	-	(239,000)
<b>Balance as at August 31, 2019</b>	<b>\$ 13,915</b>	<b>\$ 4,310,459</b>	<b>\$ 47,792</b>	<b>\$ 4,372,166</b>
<b>Total at February 28, 2019</b>	<b>\$ 13,916</b>	<b>\$ 4,924,429</b>	<b>\$ 183,172</b>	<b>\$ 5,121,517</b>
<b>Total at August 31, 2019</b>	<b>\$ 13,916</b>	<b>\$ 4,681,209</b>	<b>\$ 183,822</b>	<b>\$ 4,878,947</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, 2019

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**9. 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, 2019, 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 cash equivalents and amounts receivables.

The Company's cash and cash equivalents 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, 2019 the Company had a cash balance of \$296,237 (February 28, 2019 - \$54,928) to settle current liabilities of \$238,867 (February 28, 2019 – \$239,716). Company does not have enough funds to cover the current financial liabilities and will be required to obtain additional financing. 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, 2019

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**9. 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 accrued liabilities 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.

**10. 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.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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**11. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment, being the exploration and development of exploration and evaluation assets in Canada. All of its long term assets are located in Canada.

**12. 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).

**13. SUBSEQUENT EVENT**

On September 20, 2019, the Company completed a private placement of 3,000,000 units at \$0.15 per unit for gross proceeds of \$450,000. Each unit consists of one share and one share purchase warrant, with each warrant entitling the holder to purchase an additional share at \$0.15 per share for a period of two years from the date of issue.

On September 26, 2019, in accordance with the Hudbay Doubleview Option Agreement, Hudbay paid the company 100% of the BC Mining Exploration Tax Credit of \$334,215.00.

In October 2019, the company resumed drilling at its Hat Project.