# CRESVAL CAPITAL CORP.

Consolidated Financial Statements

For the Three Months Ended March 31, 2020 and 2019

(stated in $Cdn)

**Index**

## NOTICE TO READER

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The condensed consolidated interim financial statements for the Company for the first quarter ended March 31, 2020 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these unaudited interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**CRESVAL CAPITAL CORP.**
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**(Stated in $Cdn)**

| As at | Note | March 31, 2020 | December 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash | | $ **7,021** | $ **19,909** |
| Receivables | | **2,981** | **1,445** |
| Prepaid expenses | | **5,295** | **295** |
| | | **15,297** | **21,649** |
| **Non-Current Assets** | | | |
| Exploration advance | | **-** | **-** |
| Exploration and evaluation assets | 3 | **219,048** | **217,756** |
| Reclamation bonds | 4 | **30,000** | **30,000** |
| Property, plant and equipment | 5 | **1,887** | **2,013** |
| | | **250,935** | **249,769** |
| | | $ **266,232** | $ **271,418** |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | | $ **158,654** | $ **284,968** |
| Due to related parties | 7 | **530,462** | **477,720** |
| | | **689,116** | **762,688** |
| **SHAREHOLDERS' DEFICIENCY** | | | |
| Share capital | 6 | **2,756,169** | **2,708,169** |
| Reserves | | **72,000** | **-** |
| Deficit | | **(3,251,053)** | **(3,199,439)** |
| | | **(422,884)** | **(491,270)** |
| | | $ **266,232** | $ **271,418** |

**Note 1 – Nature of Operations and Going Concern**

These financial statements are authorized for issue by the Board of Directors on July 13, 2020

s/ *"Lee Ann Wolfin"* Director
Lee Ann Wolfin

*s/ "Anthony Taylor"* Director
Anthony Taylor

*The accompanying notes form an integral part of these consolidated financial statements.*

**CRESVAL CAPITAL CORP.**
**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**
**(Stated in $Cdn)**

| Three months ended March 31, | Note | | 2020 | | 2019 |
|---|---|---|---|---|---|
| **Operating Expenses** | | | | | |
| Consulting and management fees | 7 | $ | 39,000 | $ | 39,000 |
| Depreciation | 5 | | 126 | | 170 |
| Office supplies and services | | | 227 | | 4,999 |
| Professional fees | | | 5,168 | | 1,865 |
| Shareholder information and communications | | | 200 | | 49,628 |
| Share transfer, listing and filing fees | | | 6,781 | | 12,750 |
| Travel | | | 112 | | 868 |
| **LOSS AND COMPREHENSIVE LOSS FOR THE YEAR** | | **$** | **(51,614)** | **$** | **(109,280)** |
| Loss per share - basic and diluted | | $ | - | $ | - |
| Weighted average number of shares – (basic and diluted) | | | 30,557,409 | | 27,618,231 |

*The accompanying notes form an integral part of these consolidated financial statements.*

**CRESVAL CAPITAL CORP.**
**CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIENCY**
**(Stated in $Cdn)**

| | Number of shares issued | Share Capital | Share Subscriptions Receivable | Share Reserves | Deficit | Total Shareholder's Deficiency |
|---|---|---|---|---|---|---|
| | | $ | | $ | $ | $ |
| Balance, December 31, 2018 | 27,618,231 | 2,640,769 | - | 8,200 | (2,844,123) | (195,134) |
| Transfer upon expiration of stock options | - | - | | (820) | 820 | - |
| Loss and comprehensive loss | - | - | | - | (109,280) | (109,280) |
| Balance, March 31, 2019 | 27,618,231 | 2,640,769 | | 7,400 | (2,952,583) | (304,414) |
| | | | | | | |
| Balance, December 31, 2019 | 30,018,231 | 2,708,169 | - | - | (3,199,439) | (491,270) |
| Units issued for cash | 2,400,000 | 120,000 | - | - | - | 120,000 |
| Residual value of warrants | - | (72,000) | - | 72,000 | - | - |
| Loss and comprehensive loss | - | - | | - | (51,614) | (51,614) |
| Balance, March 31, 2020 | 32,418,231 | 2,756,169 | | 72,000 | (3,251,053) | (422,884 ) |

*The accompanying notes form an integral part of these consolidated financial statements.*

**CRESVAL CAPITAL CORP.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Stated in $Cdn)**

| Three months ended March 31, | 2020 | 2019 |
|---|---|---|
| **CASH PROVIDED BY (USED IN):** | | |
| **OPERATING ACTIVITIES** | | |
| Loss for the period | $ (51,614) | $ (109,280) |
| *Items not affecting cash:* | | |
| Depreciation | 126 | 170 |
| Cash provided by (used in) changes in non-cash working capital items: | | |
| Receivables | (1,536) | (3,451) |
| Prepaid expenses and deposits | (5,000) | - |
| Accounts payable and accrued liabilities | (126,314) | 69,097 |
| Due to related parties | 52,742 | 19,070 |
| | **(131,596)** | **(23,394)** |
| **INVESTING ACTIVITIES** | | |
| Exploration and evaluation asset expenditures | (1,292) | - |
| | **(1,292)** | **-** |
| **FINANCING ACTIVITIES** | | |
| Common shares issued for cash | 120,000 | - |
| | **120,000** | **-** |
| **INCREASE (DECREASE) IN CASH** | **(12,888)** | **(23,394)** |
| **CASH, beginning of period** | **19,909** | **61,341** |
| **CASH, end of period** | **$ 7,021** | **$ 36,947** |
| **Supplementary Disclosure of Statements of Cash Flows Information** | | |
| Fair value of warrants issued pursuant to private placement | $ 72,000 | $ - |

*The accompanying notes form an integral part of these consolidated financial statements.*

## NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Cresval Capital Corp. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on July 23, 2001. The consolidated financial statements include the accounts of Cresval Capital Corp. and its wholly-owned subsidiary, 1151009 BC Ltd., a company incorporated under the laws of British Columbia, Canada. The Company's head office and principal place of business is Suite 900, 570 Granville Street, Vancouver, BC, Canada. The Company is a reporting issuer in the provinces of British Columbia and Alberta, Canada and trades on the TSX-V under the symbol "CRV".

The Company holds interests in exploration properties in British Columbia, Canada, and has not yet determined whether the properties contain ore reserves which are economically recoverable. The underlying carrying value of the mineral properties interests and related deferred exploration and evaluation expenditures is dependent upon the existence of economically recoverable reserves, confirmation of the Company's interest in the mineral claims, its ability to obtain necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the sale of all or an interest in its mineral claims.

These financial statements have been prepared 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. As at March 31, 2020, the Company had a working capital deficiency and has incurred ongoing losses. The Company has not yet realized any revenues from its operations. It will be required to raise new financing through the sale of shares or issuance of debt to continue with the exploration of its mineral properties. Although management intends to secure additional financing as may be required, there can be no assurance that management will be successful in its efforts to secure additional financing or that it will ever develop a self-supporting business. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

## NOTE 2 – BASIS OF PRESENTATION

### Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard, 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), on a basis consistent with the accounting policies disclosed in the audited financial statements for the year ended December 31, 2019, except for newly adopted accounting policies as noted below.

These unaudited condensed interim financial statements should be read in conjunction with the most recently issued annual audited financial statements of the Company, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented as Note 3 to the financial statements for the year ended December 31, 2019 and have been consistently applied in the preparation of these unaudited condensed interim financial statements.

## NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Adoption of New Accounting Policies

These financial statements are presented in Canadian dollars and have been prepared on a historical cost basis except for financial instruments which have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The policies have been consistently applied to all years presented.

## NOTE 3 – EXPLORATION AND EVALUATION ASSETS

| | MIKE Claims | New Raven Claims | Total |
|---|---|---|---|
| **Balance, December 31, 2018** | **$ 97,766** | **$ 50,450** | **$ 148,216** |
| Additions | - | - | - |
| **Balance, March 31, 2019** | $ 97,766 | $ 50,450 | $ 148,216 |

| | MIKE Claims | New Raven Claims | Total |
|---|---|---|---|
| **Balance, December 31, 2019** | **$ 163,776** | **$ 53,980** | **$ 217,756** |
| Other | - | 1,292 | 1,292 |
| **Balance, March 31, 2020** | $ 163,776 | $ 55,272 | $ 219,048 |

*MIKE Claims, British Columbia, Canada*

The Company acquired mineral claims located in the Lillooet Mining Division, British Columbia known as the MIKE Property (formerly, the “Copper Mineral Claims”).

*New Raven Claims, British Columbia, Canada*

The Company holds mineral claims in the Lillooet mining district of British Columbia. During the year ended December 31, 2018, certain claims (composed of claims formerly known as the “Aumax Claims”) were amalgamated with the New Raven claims to comprise one property.

## NOTE 4 – RECLAMATION BOND

As at March 31, 2020, the Company has term deposits in the amount of $30,000 (2019 - $30,000) as security to the Province of British Columbia for future site reclamation. The Company evaluated its site restoration liability to be $nil as at March 31, 2020 (2019 - $nil).

**NOTE 5 – PROPERTY, PLANT AND EQUIPMENT**

| | Equipment and Vehicle $ | Total $ |
|---|---|---|
| **Cost:** | | |
| December 31, 2018 | 24,171 | 24,171 |
| Additions/disposals | - | - |
| December 31, 2019 | 24,171 | 24,171 |
| Additions/disposals | - | - |
| **March 31, 2020** | **24,171** | **24,171** |
| **Accumulated depreciation:** | | |
| December 31, 2018 | 21,491 | 21,491 |
| Depreciation | 667 | 667 |
| December 31, 2019 | 22,158 | 22,158 |
| Depreciation | 126 | 126 |
| **March 31, 2020** | **22,284** | **22,284** |
| **Carrying amounts:** | | |
| December 31, 2019 | 2,013 | 2,013 |
| **March 31, 2020** | **1,887** | **1,887** |

**NOTE 6 – SHARE CAPITAL**

(a) Authorized: unlimited number of common shares without par value.

(b) Issued:

***Fiscal 2020***

During the period ended March 31, 2020, the Company completed a private placement of 2,200,000 units and 200,000 flow-through units for consideration of $0.05 per unit for gross proceeds of $120,000. All units consist of one common share and one common share purchase warrant exercisable at a price of $0.07 for a period of two years. A value of $72,000 was attributed to the warrant portion of the flow-through units and units.

***Fiscal 2019***

There were no transactions for the period ended March 31, 2019.

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

(c) Share-based compensation

The Company has a stock option plan under which the Board of Directors may grant options to directors, officers, other employees and key consultants.

Under the plan, the number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares on a non-diluted basis at any time. The options expire not more than five years from the date of grant, or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant.

The Company has no options outstanding.

(d) Warrants

The continuity of warrants for the three months ended March 31, 2020 and 2019 is as follows:

| Expiry Date | Exercise Price | Dec. 31, 2019 | Granted | Exercised | Expired/ cancelled | Mar. 31, 2020 |
|---|---|---|---|---|---|---|
| Dec. 7, 2020 | $0.10 | 950,000 | - | - | - | 950,000 |
| May 8, 2024 | $0.05 | 2,400,000 | - | - | - | 2,400,000 |
| Jan. 9, 2022 | $0. 07 | - | 2,400,000 | - | - | 2,400,000 |
| | | 3,350,000 | 2,400,000 | - | - | 5,750,000 |
| Weighted average | | $0.08 | $0.07 | - | - | $0.065 |

| Expiry Date | Exercise Price | Dec. 31, 2018 | Granted | Exercised | Expired/ cancelled | Mar. 31, 2019 |
|---|---|---|---|---|---|---|
| Aug. 22, 2019 | $0.05 | 640,000 | - | - | - | 640,000 |
| Dec. 7, 2020 | $0.10 | 950,000 | - | - | - | 950,000 |
| | | 1,590,000 | - | - | - | 1,590,000 |
| Weighted average | | $0.08 | - | - | - | $0.08 |

## NOTE 7 – RELATED PARTY BALANCES AND TRANSACTIONS

a) Key management transactions

The Company defines its directors and officers as its key management personnel. The compensation costs for key management personnel for the years ended March 31, 2020 and 2019 are as follows:

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Rent | $ - | $ 4,200 |
| Consulting fees and management fees | 39,000 | 39,000 |
| | $ 39,000 | $ 43,200 |

b) Due to related parties

As at March 31, 2020, there was $342,331 due to the president of the Company (2019 - $273,937), $1,000 due to the Company's former CEO (2019 - $1,000), $13,881 due to the Company's CFO (2019 - $7,900) and $173,250 (2019 - $110,250) due to a director of the Company. The amounts due to related parties are non-interest bearing, with no specific terms of repayment.

## NOTE 8 – FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, credit risk, liquidity risk and market risk.

a) *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company manages credit risk, in respect of cash, by maintaining the majority of cash at high credit rated Canadian financial institutions. As at March 31, 2020, the Company had no cash that exceeded the amounts covered under federal deposit insurance. Receivables are due from a government agency.

b) *Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company has cash at March 31, 2020 in the amount of $7,021 in order to meet current liabilities of $689,116. The Company is exposed to liquidity risk.

The Company will be required to raise debt or equity in order to meet its ongoing operating obligations.

**NOTE 9 – FINANCIAL INSTRUMENTS (Continued)**

c) *Market Risk*

Market risk consists of interest rate risk, foreign currency risk and other price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Management considers the interest rate risk to be minimal.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is not exposed to foreign currency risk.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not materially exposed to other price risk.

d) *Classification of Financial instruments*

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value.

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).

The Company has valued its cash using Level 1 inputs as at March 31, 2020. The fair value of reclamation bonds, due to related parties and trade and other payables approximate their carrying values because of the short-term nature of these instruments.

## NOTE 10 – CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes shareholders' equity (deficiency).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or debt. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

## NOTE 11 – SEGMENTED INFORMATION

The Company operates in one operating segment in one geographic region being the acquisition and exploration of mineral properties in Canada.