

# **CRESVAL CAPITAL CORP.**

Consolidated Financial Statements – Amended and Restated

For the Six Months Ended June 30, 2020 and 2019

(Unaudited – Prepared by Management)

(stated in Canadian Dollars)

NOTE: The Company has issued and filed these amended interim consolidated financial statements for the six months ended June 30, 2020. The original interim consolidated financial statements for the six months ended June 30, 2020 were filed on August 31, 2020. The amendments to these interim consolidated financial statements are related to the accounting for and disclosure of a private placement of units as further described in Notes 2 and 7.

## **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 second quarter ended June 30, 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 Chartered Professional Accountants (Canada) for a review of interim financial statements by an entity's auditor.

---

**CRESVAL CAPITAL CORP.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(Stated in Canadian Dollars)**

Amended and Restated

As at	Note	June 30, 2020	December 31, 2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 68,468	\$ 19,909
Receivables		-	1,445
Prepaid expenses		5,295	295
		<b>73,763</b>	<b>21,649</b>
<b>Non-Current Assets</b>			
Exploration and evaluation assets	3	215,159	217,756
Reclamation bonds	4	30,000	30,000
Property, plant and equipment	5	1,769	2,013
		<b>246,928</b>	<b>249,769</b>
		<b>\$ 320,691</b>	<b>\$ 271,418</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	2	\$ 286,133	\$ 284,968
Short term loans	6	150,000	-
Due to related parties	8	467,052	477,720
		<b>903,185</b>	<b>762,688</b>
<b>SHAREHOLDERS' DEFICIENCY</b>			
Share capital	7	2,756,169	2,708,169
Reserves	7	72,000	-
Units returnable	2, 7(b)	(110,000)	-
Deficit		(3,300,663)	(3,199,439)
		<b>(582,494)</b>	<b>(491,270)</b>
		<b>\$ 320,691</b>	<b>\$ 271,418</b>

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

**Note 12 – Subsequent Events**

These amended and restated financial statements are authorized for issue by the Board of Directors on January 25, 2021.

s/ "Lee Ann Wolfin"

\_\_\_\_\_  
Lee Ann Wolfin Director

s/ "Paul Hickey"

\_\_\_\_\_  
Paul Hickey Director

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

**CRESVAL CAPITAL CORP.**  
**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**(Stated in Canadian Dollars)**

Amended and Restated

	Note	3 months ended June 30,		6 months ended June 30,	
		2020	2019	2020	2019
<b>Operating Expenses</b>					
Consulting and management fees	8	\$ 39,000	\$ 39,000	\$ 78,000	\$ 78,000
Depreciation		118	159	244	330
Office supplies and services		942	4,806	1,169	9,804
Professional fees		4,650	7,594	9,818	9,459
Shareholder information and communications		180	64,496	380	114,124
Share transfer, listing and filing fees		4,593	10,863	11,374	23,613
Travel		-	-	112	868
<b>Operating Loss</b>		<b>(49,483)</b>	<b>(126,918)</b>	<b>(101,097)</b>	<b>(236,198)</b>
<b>Other Income and Expenses</b>					
Interest expense	6	(367)	-	(367)	-
Interest income		240	90	240	90
<b>Total net loss and comprehensive loss</b>		<b>(49,610)</b>	<b>(126,828)</b>	<b>(101,224)</b>	<b>(236,108)</b>
Loss per share - basic and diluted		\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.01)
Weighted average number of shares – (basic and diluted)		30,218,231	28,989,660	30,208,341	28,307,734

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

**CRESVAL CAPITAL CORP.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIENCY**  
**(Stated in Canadian Dollars)**

Amended and Restated

	Number of shares issued	Share Capital \$	Reserves \$	Units Returnable \$	Deficit \$	Total Shareholders' Deficiency \$
Balance, December 31, 2018	27,618,231	2,640,769	8,220	-	(2,844,123)	(195,134)
Private Placement	2,400,000	60,000	-	-	-	60,000
Transfer upon expiration of stock options	-	-	(820)	-	820	-
Loss and comprehensive loss	-	-	-	-	(236,108)	(236,108)
Balance, June 30, 2019	30,018,231	2,700,769	7,400	-	(3,079,411)	(371,242)
Balance, December 31, 2019	30,018,231	2,708,169	-	-	(3,199,439)	(491,270)
Units issued for private placement (Note 7)	2,400,000	48,000	72,000	(110,000)	-	10,000
Loss and comprehensive loss	-	-	-	-	(101,224)	(101,224)
Balance, June 30, 2020	32,418,231	2,756,169	72,000	(110,000)	(3,300,663)	(582,494)

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

**CRESVAL CAPITAL CORP.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Stated in Canadian Dollars)**

Amended and Restated

Six months ended June 30,	Note	2020	2019
<b>CASH PROVIDED BY (USED IN):</b>			
<b>OPERATING ACTIVITIES</b>			
Loss for the period		\$ (101,224)	\$ (236,108)
<i>Item not affecting cash:</i>			
Depreciation		244	330
Cash provided by (used in) changes in non-cash working capital items:			
Receivables		1,445	(9,108)
Prepaid expenses and deposits		(5,000)	9,063
Accounts payable and accrued liabilities		1,165	116,080
Due to related parties		(10,668)	43,609
		<b>(114,038)</b>	<b>(76,134)</b>
<b>INVESTING ACTIVITIES</b>			
Exploration and evaluation asset expenditures	3	2,597	(36,047)
		<b>2,597</b>	<b>(36,047)</b>
<b>FINANCING ACTIVITIES</b>			
Short term loans	6	150,000	-
Collection of Subscription Receivable	7	10,000	
Common shares issued for cash	7	-	60,000
		<b>160,000</b>	<b>60,000</b>
<b>INCREASE (DECREASE) IN CASH</b>		<b>48,559</b>	<b>(52,181)</b>
<b>CASH, beginning of period</b>		<b>19,909</b>	<b>61,341</b>
<b>CASH, end of period</b>		<b>\$ 68,468</b>	<b>\$ 9,160</b>
<b>Supplementary Disclosure of Statements of Cash Flows Information</b>			
Transfer of options to deficit		\$ -	\$ 820

*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 June 30, 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.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which continues to spread, has adversely affected workforces, economies, and financial markets, leading to an economic downturn. It has also disrupted the normal operations of many businesses, and it is not possible for the Company to estimate the duration or magnitude of these adverse conditions, which may interrupt exploration plans.

**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.

**NOTE 2 – BASIS OF PRESENTATION (continued)**

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.

**Amendment and Restatement**

These financial statements have been amended to correct for misstatements in the original interim consolidated financial statements. The amendments related to the accounting for the issuance of units (Note 7), and resulted in an increase to Trade and other payables of \$110,000 and a decrease to Shareholders' Deficiency in the same amount, attributed to Units returnable of \$110,000.

**Presentation**

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**

	<b>MIKE Claims</b>	<b>New Raven Claims</b>	<b>Total</b>
Balance, December 31, 2018	\$ 97,766	\$ 50,450	\$ 148,216
Additions	32,517	3,530	36,047
<b>Balance, June 30, 2019</b>	<b>\$ 130,283</b>	<b>\$ 53,980</b>	<b>\$ 184,263</b>
	<b>MIKE Claims</b>	<b>New Raven Claims</b>	<b>Total</b>
Balance, December 31, 2019	\$ 163,776	\$ 53,980	\$ 217,756
Other	-	1,292	1,292
BC Mining Tax Credit	(3,889)	-	(3,889)
<b>Balance, June 30, 2020</b>	<b>\$ 159,887</b>	<b>\$ 55,272</b>	<b>\$ 215,159</b>

*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").

During the three month period ended June 30, 2020, the Company received \$3,889 relating to the BC Mining Tax Credit for eligible exploration expenditures made in previous periods.

*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 June 30, 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 June 30, 2020 (2019 - \$nil).

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

	Equipment and Vehicle \$	Total \$
<b>Cost:</b>		
December 31, 2018	24,171	24,171
Additions/disposals	-	-
December 31, 2019	24,171	24,171
Additions/disposals	-	-
<b>June 30, 2020</b>	<b>24,171</b>	<b>24,171</b>
<b>Accumulated depreciation:</b>		
December 31, 2018	21,491	21,491
Depreciation	667	667
December 31, 2019	22,158	22,158
Depreciation	244	244
<b>June 30, 2020</b>	<b>22,402</b>	<b>22,402</b>
<b>Carrying amounts:</b>		
December 31, 2019	2,013	2,013
<b>June 30, 2020</b>	<b>1,769</b>	<b>1,769</b>

**NOTE 6 – SHORT TERM LOANS**

In June 2020, the Company received two short term loans from arm's length parties. The first short term loan, in the principal amount of \$100,000, bears interest at an annual rate of 5.0%, and the second short term loan, in the principal amount of \$50,000, bears interest at an annual rate of 6.0%. The short term loans do not have fixed repayment terms. Included in accounts payable is \$367 of accrued interest on the loans payable for the period ended June 30, 2020. See Note 12 for additional information.

**NOTE 7 – SHARE CAPITAL**

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

***Fiscal 2020***

On January 9, 2020, the Company issued a total of 2,400,000 units pursuant to a private placement, of which 200,000 were flow-through units. The units were valued at \$0.05 per unit for a total value of \$120,000. Of the \$120,000 of total value, \$72,000 was attributed to the warrant portion of the units.

As a result of non-compliance with the TSX Venture Exchange (the "TSXV") policies relating to this private placement, the TSXV required the Company to cancel 2,200,000 of the 2,400,000 units relating to this private placement and, as a consequence, the Company has amended and restated these interim consolidated financial statements as follows:

**NOTE 7 – SHARE CAPITAL (continued)**(i) Units returnable

The Company was required to cancel 2,200,000 units and, in January 2021 (Note 12), the Company did cancel those 2,200,000 units, re-instating the Company's indebtedness of \$110,000 to the arm's length subscriber. As of June 30, 2020, these 2,200,000 units, valued at \$110,000, have been recorded as "Units returnable" in the Shareholders' Deficiency section of the consolidated statement of financial position.

(ii) Subscription receivable

As of March 31, 2020, the Company recorded Subscription receivable of \$10,000 in the Shareholders' Deficiency section of the consolidated statement of financial position in relation to the remaining 200,000 units of the private placement. In June 2020, the Company received payment relating to the Subscription receivable. Each of the 200,000 units consists of one common share and one common share purchase warrant exercisable at a price of \$0.07 for a period of two years.

***Fiscal 2019***

On May 8, 2019, the Company completed a private placement of 1,000,000 flow-through units and 1,400,000 units for consideration of \$0.025 per unit for gross proceeds of \$60,000. Each unit consisted of one common share and one common share purchase warrant exercisable at a price of \$0.05 for a period of five years. No value was attributed to the warrant portion of the flow-through units and the units.

(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 June 30, 2020 and 2019 is as follows:

**CRESVAL CAPITAL CORP.**

Amended and Restated

Notes to the Consolidated Financial Statements  
 For the six months ended June 30, 2020 and 2019  
 (Stated in Canadian Dollars)

**NOTE 7 – SHARE CAPITAL (continued)**

Expiry Date	Exercise Price	Dec. 31, 2019	Granted	Exercised	Expired/ cancelled/ returnable	June 30, 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	-	(2,200,000)	200,000
		3,350,000	2,400,000	-	(2,200,000)	3,550,000
Weighted average		\$0.08	\$0.07	-	\$0.07	\$0.079

Expiry Date	Exercise Price	Dec. 31, 2018	Granted	Exercised	Expired/ cancelled/ returnable	June 30, 2019
Aug. 22, 2019	\$0.05	640,000	-	-	-	*640,000
Dec. 7, 2020	\$0.10	950,000	-	-	-	950,000
May 8, 2024	\$0.05	-	2,400,000	-	-	2,400,000
		1,590,000	2,400,000	-	-	3,990,000
Weighted average		\$0.08	\$0.05	-	-	\$0.06

\*Expired subsequent to June 30, 2019, unexercised.

**NOTE 8 – 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 six months ended June 30, 2020 and 2019 are as follows:

	June 30, 2020	June 30, 2019
Rent	\$ -	\$ 8,400
Consulting fees and management fees	78,000	78,000
	\$ 78,000	\$ 86,400

## b) Due to related parties

As at June 30, 2020, there was \$371,902 due to the president of the Company (2019 - \$286,476), \$1,000 due to the Company's former CEO (2019 - \$1,000), \$9,900 due to the Company's CFO (2019 - \$9,500) and \$84,250 (2019 - \$112,750) due to a director of the Company. The amounts due to related parties are non-interest bearing, with no specific terms of repayment.

**NOTE 9 – 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 June 30, 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 June 30, 2020 in the amount of \$68,468 in order to meet current liabilities of \$903,185. 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.

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 interest 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.

**NOTE 9 – FINANCIAL INSTRUMENTS (continued)**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 June 30, 2020. The fair value of reclamation bonds, due to related parties, short term loans 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.

**NOTE 12 – SUBSEQUENT EVENTS**

Subsequent to June 30, 2020:

- (a) The Company announced the resignation of a director, Mr. Matt Wayrynen, and the appointment of two new directors, Mr. Paul Hickey and Mr. Douglas Yee, CPA, CA.
- (b) The Company repaid a short term loan in the principal amount of \$100,000 plus interest.
- (c) In January 2021, 2,200,000 units were returned to the Company and then cancelled. Each unit comprised one common share and one common share purchase warrant. See note 7(b) for additional information.