CRESVAL
CAPITAL CORP.

Management Discussion and Analysis
For the Year Ended December 31, 2019

The following discussion and analysis of the operations, results and financial position of Cresval Capital Corp. (the “Company” or “Cresval”) should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2019, which are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the notes thereto.

This Management Discussion and Analysis (“MD&A”) is dated June 18, 2020 and discloses specified information up to that date. Cresval is classified as a “venture issuer” for the purposes of National Instrument 51-102. The audited consolidated financial statements with respect to the year ended December 31, 2019 as compared to the year ended December 31, 2018 and this MD&A have been prepared by management and approved by the Company’s Audit Committee and Board of Directors. This MD&A should be read in conjunction with the audited financial statements of the Company and related notes. All financial information is expressed in Canadian dollars, unless otherwise stated.

We recommend that readers consult the “Cautionary Statement” on the last page of this report.

Additional information relating to the Company can be obtained on SEDAR at www.sedar.com or on the Company’s website at www.cresval.com.

Overview

Cresval was incorporated under the Company Act of British Columbia on July 23, 2001 and is a reporting issuer in the Provinces of British Columbia and Alberta. The common shares of the Company are listed for trading on the TSX Venture Exchange under the symbol “CRV” and on the Frankfurt Stock Exchange under the symbol “CFV”. Its principal business comprises the acquisition and exploration of mineral resource properties, with a current focus on base and precious metal properties located in the Province of British Columbia, Canada.

The Company is in the exploration stage. The Company is classified as a Mineral Exploration company. The financial statements to which this MD&A relates have been prepared on a going concern basis, which presumes the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company had a working capital deficit of $741,039 at December 31, 2019 and has accumulated losses of $3,199,439 since inception. The Company’s ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in the future.

Strategy, Performance and Outlook

During the year ended December 31, 2019, the Company raised $60,000 through the issuance of 1,400,000 units and 1,000,000 flow-through units at a price of $0.025 per unit. All units consisted of one share and one share purchase warrant exercisable at $0.05 for a period of five years.

The Company completed $66,010 in exploration expenditures on its MIKE property and $3,530 in exploration expenditures on its New Raven property in preparation of 2020 work programs.

Mineral Property Interests

The Company currently has interests in two exploration projects. The first property, known as the MIKE Property, located 40 km west-northwest of Goldbridge, British Columbia in the Lillooet Mining Division consists of 27 contiguous mineral claims and covers an area of approximately 11,127 hectares. During the year ended December 31, 2019, the Company completed an airborne magnometer survey to identify targets for upcoming drill testing on the property.

The second property, the New Raven property, is located 15 km southwest of Lillooet, British Columbia, in the Lillooet Mining Division and consists of 7 mineral claims, covering an area of approximately 3,200 hectares. During the year ended December 31, 2019, the Company amalgamated its Aumax claims into the New Raven claims resulting in a single property interest. The Company completed soil sampling to assist with future exploration program planning.

Review of Operations

Three months ended December 31, 2019 compared with the three months ended December 31, 2018

	3 Months Ended Dec. 31, 2019	3 Months Ended Dec. 31, 2018
General and Administrative Expenses		
Consulting and management fees	$ 29,750	$ 40,500
Depreciation	189	182
Office supplies and services	2,019	5,871
Professional fees	20,022	17,535
Shareholder information and communications	260	59,624
Share transfer, listing and filing fees	6,841	3,364
Travel	1,883	5,156
	(60,964)	(132,232)
Total Loss and Comprehensive Loss	(60,964)	(132,232)
Basic and Diluted Loss per Share	$ -	$ -
Weighted Average Shares Outstanding	29,143,710	26,848,168

- Consulting and management fees decreased to $29,750 for the three months ended December 31, 2019 compared to $40,500 for the three months ended December 31, 2018. This is due to decreases in both consulting and management fees and is attributable to a decreased level of corporate activity.
- Office supplies and services decreased to $2,019 for the three months ended December 31, 2019 compared to $5,871 for the three months ended December 31, 2018 and is due to a decrease in rented premises.
- Professional fees increased slightly to $20,022 for the three months ended December 31, 2019 from $17,535 in the three months ended December 31, 2018 and are attributable to increased general corporate legal fees.
- Shareholder information and communications decreased to $260 for the three months ended December 31, 2019 compared to $59,624 for the three months ended December 31, 2018 as a result of the

termination of marketing and communications consultant services.

- Share transfer, listing and filing fees increased to $6,841 for the three months ended December 31, 2019 compared to $3,364 for the three months ended December 31, 2018 and is due to filing fees incurred for reviewable transactions.
- Travel expenses decreased to $1,883 for the three months ended December 31, 2019 from $5,156 for the three months ended December 31, 2018. This decrease is due to less travel activity for review of potential transactions.

Year ended December 31, 2019 compared with the year ended December 31, 2018

		Year Ended Dec. 31, 2019		Year Ended Dec. 31, 2018
General and Administrative Expenses				
Consulting and management fees	$	156,750	$	155,615
Depreciation		667		811
Interest income		(90)		(54)
Office supplies and services		14,968		20,909
Professional fees		35,193		17,535
Shareholder information and communications		119,904		74,395
Share transfer, listing and filing fees		25,918		20,320
Travel		2,826		5,156
		(356,136)		(294,687)
Total Net Loss and Comprehensive Loss	$	(356,136)	$	(294,687)
Basic and Diluted Loss per Share	$	(0.01)	$	(0.01)
Weighted Average Shares Outstanding		29,143,710		26,848,168

- Consulting and management fees increased slightly to $156,750 for the year ended December 31, 2019 compared to $155,615 for the year ended December 31, 2018. The increase is due to additional management fees incurred from corporate actions.
- Office supplies and services decreased to $14,968 for the year ended December 31, 2019 compared to $20,909 for the year ended December 31, 2018 and is due to a reduction in rental expenses for office premises.
- Professional fees increased to $35,193 for the year ended December 31, 2019 compared to $20,320 for the year ended December 31, 2018 and is attributable to increased audit and accounting fees for tax consulting and increased legal fees in association with the termination of the proposed TessPay transaction.
- Shareholder information and communications increased to $119,904 for the year ended December 31, 2019 compared to $74,395 for the year ended December 31, 2018. This is a result of the Company engaging marketing and communications consultants to increase the Company's market profile in anticipation of a resumption in trading, however; these activities were terminated in Q3 2019 and it is not anticipated that the Company will engage consultants for these purposes in the near future.
- Share transfer, listing and filing fees increased to $25,918 for the year ended December 31, 2019 compared to $20,320 for the year ended December 31, 2018 and is a result of increased corporate filings in connection with the now-terminated proposed transaction and other reviewable transactions.
- Travel expenses decreased to $2,826 for the year ended December 31, 2019 compared to $5,156 for

the year ended December 31, 2018. This decrease is due to less travel activity for review of potential transactions.

SELECTED ANNUAL INFORMATION

The following table provides a summary of the Company's financial operations for the last three fiscal years ended December 31. For more detailed information, refer to the Company's audited annual financial statements

	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
	$	$	$
Revenues	-	-	-
G&A Expenses (including option benefits)	356,136	294,687	152,010
Net Loss (Income)	(356,136)	(294,687)	(152,010)
(Loss) per share – basic and diluted	(0.01)	(0.01)	(0.01)
Working Capital (Deficiency)	(741,039)	(385,093)	(308,607)
Total assets	271,418	270,879	181,687
Deferred Resource Property Expenditures	217,756	148,216	135,419
Liabilities (Long Term)	-	-	-
Cash Dividends	-	-	-

Review of Quarterly Results

	2019				2018			
Quarter ended	Dec. 31 Q4 $	Sept. 30 Q3 $	June 30 Q2 $	Mar. 31 Q1 $	Dec. 31 Q4 $	Sept. 30 Q3 $	June 30 Q2 $	Mar. 31 Q1 $
Revenues	-	-	-	-	-	-	-	-
G&A Expenses	60,964	46,102	126,828	109,280	132,232	41,553	53,120	67,782
Option Benefits								
Net Loss (Income)	60,964	46,102	125,828	109,280	132,232	41,553	53,120	67,782
-per share	-	-	-	-	-	-	-	-
-per share - diluted	-	-	-	-	-	-	-	-
Total assets	271,418	241,101	254,460	249,766	270,879	327,099	345,847	375,855
Liabilities (Long Term)	-	-	-		-	-	-	-
Cash Dividends	-	-	-		-	-	-	-
Working Capital (Deficiency)	(741,039)	(633,809)	(587,855)	(494,203)	(385,093)	(222,433)	(181,075)	(128,164)
Share Capital:								
- Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
- Outstanding	30,018,231	30,018,231	30,018,231	27,618,231	27,618,231	27,618,231	27,618,231	27,618,231
- Warrants	3,350,000	3,350,000	3,990,000	1,590,000	1,590,000	1,590,000	1,590,000	1,590,000
- Options	-	-	-	-	7,500	7,500	7,500	7,500

Results of operations can vary significantly by quarter, as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are determined by the Company's working capital position, the availability of external financing, the time required to gather, analyze and report on geological data related to its properties, the amount of stock options granted, the number of personnel required to support the level of corporate activity and the seasonality of exploration programs undertaken on the Company's mineral properties.

Liquidity and Capital Resources

Since inception, the Company has incurred cumulative losses of $3,199,439 and has a working capital deficiency at December 31, 2019 of $741,039 (2018 – $385,093).

The Company has financed its operations to date primarily through the issuance of common shares for private placements. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to have profitable operations in the future.

The Company's future capital requirements will depend on many factors, including costs of exploration and development of the properties, cash flow from operations, costs to complete well production if warranted, competition and global market conditions. The Company's growing working capital needs may require it to obtain additional capital to operate its business.

The Company will depend partly on outside capital to complete the exploration and development of its resource properties. Such outside capital will include the sale of additional common shares and debt financing. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in a significant dilution in the equity interests of its current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

Related Party Transactions

Management services by the Company’s officers are provided on a contract basis. Additionally, the Company shares its premises and certain administrative costs with a related company, and reimburses this related company for its share of direct costs. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company defines its directors and officers as its key management personnel. The compensation costs for key management personnel for the years ended December 31, 2019 and 2018 are as follows:

	December 31, 2019	December 31, 2018
Rent	$ 10,100	$ 12,737
Consulting fees and management fees	156,750	153,000
	$ 166,850	$ 165,737

Due to Related Parties

As at December 31, 2019, there was $324,570 due to the president of the Company (2018 - $253,088), $1,000 due to the Company's former CEO (2018 - $1,000), $7,900 due to the Company's CFO (2018 - $17,529) and $144,250 (2018 - $94,500) due to a director of the Company. The amounts due to related parties are non-interest bearing, with no specific terms of repayment.

Critical Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses for the years reported. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in operations in the period they become known.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments

As at December 31, 2019, the Company's financial instruments are comprised of cash, receivables, accounts payable and accrued liabilities and due to related parties. The carrying value of receivables, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the relatively short periods to maturity of these 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 December 31, 2019. 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.

The Company's cash is held through a Canadian chartered bank. The Company's current policy is to invest excess cash in a guaranteed investment certificate administered by a Canadian chartered bank. The Company has no debt instruments.

Proposed Transactions

In January 2018, the Company signed an agreement to complete a share transaction with Tess Inc. ("Tess"), a private company involved in developing a blockchain-based payment service, by way of a plan of arrangement. The plan of arrangement will result in a reorganization of the Company's share capital and amalgamation with Tess to form a new listed corporation. Upon completion, existing shareholders of the Company would own approximately 6.8% of the new listed entity on a fully diluted basis. The transaction would be considered to be a reverse takeover transaction whereby the shareholders of Tess control of the Company through the new listed entity. The transaction is subject, regulatory and shareholder approval and due diligence considerations.

On February 15, 2019, the Company terminated the proposed plan of arrangement.

Risks and Uncertainties

The acquisition and exploration of mineral properties involves a high degree of risk, and the successful achievement of a profitable operation cannot be assured. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Costs of finding and evaluating an ore body are substantial, and may take several years to complete. The Company must first overcome many risks associated with an early stage exploration property. Outstanding items to be completed include, but are not limited to, identification and quantification of a commercially viable ore body, confirmation of the Company's interest in the underlying claims and leases, completion of a feasibility study, funding of all costs to a commercial operating venture, completion of the permitting process, detailed engineering and procurement of a processing plant, and constructing a facility to support the mining activity. Construction and operational risks including, but not limited to, equipment and plant performance, metallurgical, environmental, cost estimation accuracy, and workforce performance and dependability will all affect the profitability of an operating property.

External financing, primarily through the issuance of common shares, will be required to fund the Company's activities. There can be no assurance that the Company will be able to raise the requisite financing in the future.

Recently Adopted Accounting Standards

IFRS 16 – Leases. This is the first period for which the Company has applied IFRS 16. The Company has adopted IFRS 16 on a modified retrospective approach. There have been no adjustments to these financial statements as a result of the transition to IFRS 16 as of January 1, 2019. Comparative figures for 2018 have not been restated as a result of applying the modified retrospective approach. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Outstanding Share Data as of June 18, 2020 and December 31, 2019

	June 15, 2020	December 31, 2019
Shares	32,418,231	30,018,231
Options	-	-
Warrants	5,750,000	3,350,000
Fully Diluted	**38,168,231**	**33,368,231**

Management's Responsibility for Financial Statements

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which is it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors' approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

ADDITIONAL INFORMATION

Additional information about the company can be found on www.sedar.com and www.cresval.com

Cautionary Statement

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of June 18, 2020. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.