

**CROSS RIVER VENTURES CORP**  
**Management Discussion and Analysis (“MD&A”)**  
**for the six months ended July 31, 2020**

The following discussion and analysis of the operations, results, and financial position of Cross River Ventures Corp. (“the Company”) for the six months ended July 31, 2020 should be read in conjunction with the Company’s unaudited financial statements and related notes for the six months ended July 31, 2020 and the audited financial statements for the year ended January 31, 2020. The effective date of this report is September 29, 2020. All figures are presented in Canadian dollars, unless otherwise indicated.

**COMPANY OVERVIEW**

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on April 11, 2017. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company has an option to acquire a 100% interest in Tahsis Property (hereinafter, the “Tahsis Property” or the “Property”) located in British Columbia.

Since the date of inception until the date of this report, the Company has raised an aggregate of \$562,500 through the sale of its Common Shares.

On April 16, 2019, the Company consolidated its share capital and warrants on a one-new-for-two-old basis. All references to share capital and warrants presented in this MD&A have been restated to reflect the share consolidation.

On April 16, 2019 the Company issued 1,750,000 share purchase warrants. Each warrant entitles the holder to purchase one common share at \$0.10 per share until April 16, 2021 subject to certain acceleration provision.

On July 31, 2019, the Company received \$5,000 of promissory note from a shareholder and \$10,000 from various shareholders in August and September 2019. The note in the total of \$15,000 bears simple interest at a rate of 5% per annum, payable on maturity with a maturity date being October 1, 2022.

On April 9, 2020, the Company received \$10,000 of promissory note from a shareholder and \$20,000 from various shareholders in May 2020. The note in the total of \$30,000 bears simple interest at a rate of 5% per annum, payable on maturity with a maturity date being April 20, 2021.

On July 13, 2020, the Company completed its initial public offering (“IPO”) on the Canadian Securities Exchange (“CSE”), which included the full exercise of the overallotment option, pursuant to which it has sold 4,600,000 common shares of the Company (the “Offered Shares”) at a price of \$0.10 per Offered Share to raise gross proceeds of \$460,000.

On July 27, 2020, the Company announced that it awarded incentive stock options pursuant to its stock option plan, to various directors, officers and consultants of the Company, to purchase up to an aggregate of 825,000 common shares of the Company. The stock options are exercisable at a price of \$0.20 per share and expire two years from the (July 27, 2020) date of grant.

On August 6, 2020, the Company announced the appointment of Alex Klenman as a director.

On August 27, 2020, 173,500 common shares were issued from the exercise of stock options for gross proceeds of \$17,350.

On September 3, 2020, the Company announced a proposed non-brokered private placement of up to 7,000,000 units at \$0.25 per unit for gross proceeds of \$1,750,000 (the "Offering"). Each unit consist of one common share and one half common share purchase warrant. Each warrant entitles the holder to purchase an additional common share at \$0.40 per share for a period of two years from the date of closing of the Offering. As at the date of this report, the Company received \$205,000 gross proceeds of share subscription received.

On September 14, 2020, the Company announced the appointment of Alex Klenman as Chief Executive Officer, replacing John Fraser, who remains with the Company in his roles as President and Chief Financial Officer.

## **MINERAL PROPERTY EXPLORATIONS**

### Tahsis property, British Columbia

On December 6, 2017, the Company entered into an option agreement with Qualitas Holdings Corp. ("Qualitas") to acquire a 100% interest in the Tahsis property located in British Columbia. As part of the agreement, the Company is required to make cash payments, issue common shares of the Company and make exploration expenditures according to the following schedule:

<b>Date</b>	<b>Common Shares</b>	<b>Cash Payments</b>	<b>Exploration Expenditures</b>
On execution of the Option Agreement	Nil	\$20,000 (paid)	Nil
On July 21, 2020	150,000 (issued)	Nil	Nil
First anniversary of the Approval Date	125,000	Nil	\$100,000
Second anniversary of the Approval Date	125,000	Nil	\$150,000
<b>TOTAL</b>	<b>400,000</b>	<b>\$20,000</b>	<b>\$250,000</b>

Qualitas will retain a 3% NSR in the property, of which up to 2% can be purchased by the Company for \$1,000,000 per 1% upon commercial production being achieved on the property.

Details of acquisition and exploration costs incurred for the six months ended July 31, 2020 and the year ended January 31, 2020 are as follows:

	Six months ended July 31, 2020	Year ended January 31, 2020
<b>Tahsis property, BC, Canada</b>		
Opening balance	\$ 76,809	\$ 53,316
Acquisition costs	30,000	-
Exploration expenditures:		
Equipment rental	1,380	-
Geological and geophysical	5,000	23,093
Technical reporting	-	400
Total exploration expenditures	6,380	23,493
Ending Balance	\$ 113,189	\$ 76,809

#### Fuchsite Lake Gold Project, Ontario

On September 3, 2020, the Company entered into a definitive property option agreement (the “Option Agreement”) with Ethos Gold Corp. (“Ethos Gold”). This agreement is pending approval from the TSX-V. Pursuant to the Option Agreement, the Company and Ethos Gold intend to cooperate in the development of Fuchsite Lake Gold Project (the “Project”), located in Ontario. Under the terms of the Option Agreement, the Company has been granted the right to acquire up to a sixty percent interest in the Project from Ethos Gold in consideration for completing a series of cash payments totaling \$300,000, issuing a total of 2,000,000 common shares (the “Option Shares”), and incurring expenditures on the Project of at least \$1,950,000. As part of the agreement, the Company is required to make cash payments, issue common shares of the Company and make exploration expenditures according to the following schedule:

Date	Option Shares	Cash Payments	Exploration Expenditures
On execution of the Option Agreement	500,000	Nil	Nil
On December 31, 2020	Nil	Nil	\$100,000
First anniversary of the Option Agreement	500,000	\$75,000	Nil
On December 31, 2021	Nil	Nil	\$350,000
Second anniversary of the Option Agreement	500,000	\$75,000	Nil
On December 31, 2022	Nil	Nil	\$750,000
Third anniversary of the Approval Date	500,000	\$75,000	Nil
On December 31, 2023	Nil	Nil	\$750,000
Fourth anniversary of the Approval Date	Nil	\$75,000	Nil
<b>TOTAL</b>	<b>2,000,000</b>	<b>\$300,000</b>	<b>\$1,950,000</b>

Following completion of the required cash payments, issuance of the Option Shares and satisfaction of the expenditures, the Company will hold a sixty percent interest in the Project, subject a two percent net smelter returns royalty in favour of Ethos Gold. One-half of the royalty can be acquired for a one-time cash payment of \$1,000,000.

## SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's quarterly results for the last eight quarters:

	Jul 31, 2020	Apr 30, 2020	Jan 31, 2019	Oct 31, 2019	Jul 31, 2019	Apr 30, 2019	Jan 31, 2018	Oct 31, 2018
Expenses	39,069	\$524	\$40,285	\$27,430	\$5	\$Nil	\$14,003	\$35,000
Loss for the period	39,069	\$524	\$40,285	\$27,430	\$5	\$Nil	\$14,003	\$35,000
Weighted average shares outstanding	4,406,452	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Loss per share	\$0.01	\$0.00	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.01
Mineral property acquisition costs	36,380	-	\$1,703	\$21,790	-	-	\$33,316	-

The Company's operating losses are due to ongoing mineral exploration costs, filing fees and professional fees, such as legal, accounting and audit incurred during the process of managing the Company's operations and to ensure regulatory compliance and can vary from quarter to quarter based on planned exploration activities and resource constraints.

## DISCLOSURE OF OUTSTANDING SHARE DATA

The following table summarizes maximum number of common shares outstanding as at July 31, 2020 and as of the date of this MD&A if all outstanding warrants were exercised to purchase common shares:

	July 31, 2020	As of the date of this MD&A
Common shares	8,250,000	8,597,000
Options to purchase common shares	1,193,000	846,000
Warrants to purchase common shares	1,750,000	1,750,000
	11,193,000	11,193,000

## Escrow Shares

Pursuant to an escrow agreement dated March 21, 2018, 1,250,000 common shares were placed in escrow. 10% of the escrowed shares will be released from escrow upon completion of the IPO, and 15% of the shares are released from escrow every 6 months thereafter. As of July 31, 2020, there were 1,125,000 common shares remaining in escrow.

## SELECTED ANNUAL INFORMATION

	Year ended Jan 31, 2020	Year ended Jan 31, 2019
	\$	\$
Revenue	Nil	Nil
General & Admin. Expenses	67,720	66,710
Net loss for the period	(67,720)	(66,710)
Loss per common share, basic and diluted	(0.02)	(0.02)
Weighted average number of common shares outstanding	3,500,000	3,392,328
<b>Statement of Financial Position Data</b>		
Current Assets	19,102	29,442
Mineral Properties	76,809	53,316
Total Assets	95,911	82,758
Current Liabilities	142,226	61,353
Working capital (deficit)	(123,124)	(31,911)
Shareholders' Equity (Deficiency)	(46,315)	21,405

### Dividends

There are no restrictions that could prevent the Company from paying dividends on its Shares. The Company has not paid any dividends on its Common Shares and it is not contemplated that the Company will pay any dividends in the immediate or foreseeable future. It is the Company's intention to use all available cash flow to finance further operations.

### Result of Operations

#### Six months ended July 31, 2020 ("2021 period") compared to the six months ended July 31, 2019 ("2020 period")

The loss for the six months ended July 31, 2020 was \$39,069 compared to \$5 for the six months ended July 31, 2019. The increase in net loss is mainly due to increase in company activities in relation to completion of IPO during 2021 period. There were limited company operations during 2020 period.

The Company's net loss for 2021 period can be attributed to incurring audit and accounting expense of \$7,500, consulting fees of \$5,000, filing and transfer agent fees of \$13,239, investor relations costs of \$370, legal expense of \$4,443, office administrative costs of \$2,463, rent expense of \$3,000 and share-based compensation of \$3,054.

The Company's net loss for 2020 period can be attributed to incurring general and administrative costs of \$5.

## Transactions with Related Parties

Key management personnel consist of directors and senior management including the President, Chief Executive Officer, Corporate Secretary, Vice President of Exploration and Chief Financial Officer. Key management personnel compensation for the six months ended July 31, 2020 and 2019 includes:

	2020	2019
Rent	\$ 3,000	\$ -
Share-based compensation expense	1,388	-
	\$ 4,388	\$ -

## Additional Disclosure for Companies without Significant Revenue

The financial statements included herein provide a detailed breakdown of various expenses incurred by the Company. The Company's expenses are relatively basic, including accounting and audit fees, bank charges, and legal fees. The balance of expenses incurred, pertain to acquiring and exploring the Property.

## Liquidity and Capital Resources

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 from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

As at July 31, 2020, the Company had working capital of \$188,095 (January 31, 2020 working capital deficit - \$108,124).

As at July 31, 2020, the Company had cash of \$252,381 (January 31, 2020 - \$802) available to meet short-term business requirements and liabilities of \$77,710 (January 31, 2020 - \$127,226). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has \$30,000 in short term debt as well as \$15,000 long-term debt as of July 31, 2020.

The Company has no source of revenue, income or cash flow. It is wholly dependent upon raising monies through the sale of its Common Shares to finance its business operations. The Company will need \$100,000 to maintain its Property Option Agreement in good standing over the next 12 months. The Company also needs to have adequate working capital for Exchange listing purposes, being at least 12 months general and administrative expenses estimated at \$6,350 per month, for an annual total of \$76,200. The Company will realize net proceeds from the Offering of \$291,670 which will be sufficient for all of the Company's minimum needs in the first 12 months following listing on the Exchange.

Thereafter, the Company may require additional funds to support its working capital requirements or for other purposes and may seek to raise additional funds through public or private equity funding, bank debt financing or from other sources. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Company, or at all.

## **Corporate Directory**

### **Head Office**

Cross River Ventures Corp.  
1430 - 800 West Pender Street  
Vancouver, BC V6C 2V6

### **Officers and Directors**

Alex Klenman (CEO, Director)  
John Fraser (President, CFO, Director)  
Dan Placzek (Corporate Secretary, Director)  
Perry Grunenberg (VP of Exploration)  
Mike Sieb (Director)  
Kosta Tsoutsis (Director)

### **Members of the Audit Committee**

Dan Placzek (Chair)  
Mike Sieb  
Kosta Tsoutsis

### **Legal Counsel**

Cassels Brock & Blackwell LLP  
Suite 2200, 885 West Georgia St.  
Vancouver, BC V6C 3E8

### **Auditors**

Crowe McKay LLP  
1100-1177 West Hastings Street  
Vancouver, BC V6E 4T5

### **Transfer Agent**

Odyssey Trust Company  
323-409 Granville Street  
Vancouver, BC V6C 1T2