

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

The following discussion and analysis of the operations, results, and financial position of Cross River Ventures Corp. (“the Company”) for the nine months ended October 31, 2020 should be read in conjunction with the Company’s unaudited financial statements and related notes for the nine months ended October 31, 2020 and the audited financial statements for the year ended January 31, 2020. The effective date of this report is December 18, 2020. All figures are presented in Canadian dollars, unless otherwise indicated.

**COMPANY OVERVIEW AND HIGHLIGHTS**

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, exploration and acquisition of mineral properties.

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 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 consists 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. On October 1, 2020 the Company announced the full subscription and closing of the private placement.

On September 14, 2020, the Company announced the appointment of Alex Klenman as Chief Executive Officer.

On October 19, 2020, the Company announced the appointment of Alex Tong as Chief Financial Officer, replacing John Fraser, who remains with the Company in his role as President.

On November 10, 2020, the Company entered into a mineral property acquisition agreement with Argo Gold Inc. (“Argo Gold”) to acquire a 100% interest in the McVicar Lake Gold Project located in Northwestern Ontario. In consideration of the acquisition, the Company issued 2,500,000 common shares on November 13, 2020 and paid \$200,000 cash to Argo Gold on November 17, 2020.

On November 16, 2020, the Company granted to its directors, officers and consultants 780,000 stock options with an exercise price of \$0.50 per share expiring on November 16, 2022.

### Acquisition of Northern Dominion Metals Corporation (“NDMC”)

On November 17, 2020, the Company completed the Acquisition of NDMC through issuance of 2,500,004 common shares to NDMC pursuant to the definitive share purchase agreement entered on October 30, 2020, whereby the company agreed to acquire all of the outstanding share capital of NDMC (the “Acquisition”). NDMC is a privately-held mineral exploration company which holds rights to acquire interests in a series of gold exploration projects located in Northwestern Ontario, Canada. Upon completion of the Acquisition, NDMC became the wholly-owned subsidiary of the Company.

This Acquisition will be recorded as an asset acquisition with the costs of the acquisition to be allocated to mineral property interests.

On November 20, 2020, the Company entered into a mineral property acquisition agreement with Robert Carpenter (the “Vendor”) to acquire a 100% interest in additional mineral claims located in the Company’s existing McVicar Lake Gold Project, located in Northwestern Ontario. In consideration of the acquisition, the Company issued 1,000,000 common shares to a group of arm’s-length parties including the Vendor on November 27, 2020 and paid \$20,000 cash to the Vendor on December 4, 2020.

## MINERAL PROPERTY EXPLORATIONS

Acquisition and exploration costs incurred during the nine months ended October 31, 2020 are as follows:

	<b>Tahsis property, BC, Canada</b>		<b>Fuchsite Lake Gold Project, ON, Canada</b>		<b>Total</b>
Opening balance, as at January 31, 2020	\$	76,809	\$	-	\$ 76,809
Acquisition costs:					
Option payment – shares		30,000		200,000	230,000
Total Acquisition costs		30,000		200,000	230,000
Exploration expenditures:					
Equipment rental		1,380		-	1,380
Geological and geophysical		22,500		20,000	42,500
Total exploration expenditures		23,880		20,000	43,880
Ending Balance, as at October 31, 2020	\$	130,689	\$	220,000	\$ 350,689

### 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.

### **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:

<b>Date</b>	<b>Option Shares</b>	<b>Cash Payments</b>	<b>Exploration Expenditures</b>
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 to 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.

### **Northwestern Ontario, Canada**

On October 30, 2020, the Company and Northern Dominion Metals Corporation (“NDMC”) and each of its shareholders entered into a definitive share purchase agreement, whereby the company agreed to acquire all of the outstanding share capital of NDMC (the “Acquisition”). NDMC is a privately-held mineral exploration company which holds rights to acquire interests in a series of gold exploration projects located in Northwestern Ontario, Canada. The Acquisition closed on November 17, 2020. In consideration for the Acquisition, the Company issued 2,500,004 common shares to NDMC.

## **RESULTS OF OPERATIONS**

### **Nine months ended October 31, 2020 (“2021 period”) compared to the nine months ended October 31, 2019 (“2020 period”)**

The loss for the nine months ended October 31, 2020 was \$570,446 compared to \$27,435 for the nine months ended October 31, 2019. The increase in the loss from the 2020 period to 2021 period was mainly due to increase in Company activities in relation to completion of IPO and acquisitions of new mineral properties during the 2021 period. There were limited Company operations during the 2020 period. Major differences are explained as follows:

- Audit and accounting fees increased from \$Nil in the 2020 period to \$10,694 in the 2021 period. The increase was due to the Company incurring a one-time tax consultation fee and monthly accounting fees;
- Consulting fees increased from \$Nil in the 2020 period to \$111,424 in the 2021 period. The increase was due to increase in consulting services paid to the Company’s consultants;
- Corporate development increased from \$Nil in the 2020 period to \$64,000 in the 2021 period. The increase was due to increase in corporate development services;
- Filing and transfer agent fees increased from \$7,990 in the 2020 period to \$19,346 in the 2021 period. The increase was due to increased filing fees in relation to CSE listing and the appointments of the Company’s directors and officers, as well as increase in monthly fees paid to the transfer agent;
- Investor relations increased from \$Nil in the 2020 period to \$38,316 in the 2021 period. The increase was due to increase in news release dissemination and social media services upon completion of the Company’s IPO;
- Legal expenses increased from \$19,429 in the 2020 period to \$36,168 in the 2021 period. The increase was due to increase in legal services in relation to the Company’s corporate matters;
- Management and directors fees increased from \$Nil in the 2020 period to \$38,500 in the 2021 period. The increase was due to the Company incurring monthly fees paid to the Company’s management and directors;
- Marketing, advertising and conferences increased from \$Nil in the 2020 period to \$169,458 in 2021 period. The increase was due to an increase in marketing campaigns for the Company; and
- Share-based compensation expense increased from \$Nil in the 2020 period to \$71,785 in the 2021 period. The share-based compensation expense in the 2021 period was from the 825,000 stock options issued to the Company’s directors and consultants. No options were issued during the 2020 period.

### **Three months ended October 31, 2020 (“Q3 2021”) compared to the three months ended October 31, 2019 (“Q3 2020”)**

The loss for the quarter ended October 31, 2020 was \$530,853 compared to \$27,430 for the quarter ended October 31, 2019. The increase in the loss from Q3 2020 to Q3 2021 period was mainly due to increase

in Company activities in relation to completion of IPO and acquisitions of new mineral properties during Q3 2021. Major differences are explained as follows:

- Consulting fees increased from \$Nil in Q3 2020 to \$106,424 in Q3 2021. The increase was due to increase in consulting services paid to the Company's consultants;
- Corporate development increased from \$Nil in Q3 2020 to \$64,000 in Q3 2021. The increase was due to increase in corporate development services;
- Investor relations increased from \$Nil in Q3 2020 to \$37,946 in Q3 2021. The increase was due to increase in news release dissemination and social media services upon completion of the Company's IPO in July 2020;
- Legal expenses increased from \$19,429 in Q3 2020 to \$31,725 in Q3 2021. The increase was due to increase in legal services in relation to the Company's corporate matters;
- Management and directors fees increased from \$Nil in Q3 2020 to \$38,500 in Q3 2021. The increase was due to the Company incurring monthly fees paid to the Company's management and directors;
- Marketing, advertising and conferences increased from \$Nil in Q3 2020 to \$169,458 in Q3 2021. The increase was due to an increase in marketing campaigns for the Company; and
- Share-based compensation expense increased from \$Nil in Q3 2020 period to \$68,731 in Q3 2021. The share-based compensation expense in Q3 2021 period was from the 825,000 stock options issued to the Company's directors and consultants in July 2020.

## SUMMARY OF QUARTERLY RESULTS

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

	Oct 31, 2020	Jul 31, 2020	Apr 30, 2020	Jan 31, 2019	Oct 31, 2019	Jul 31, 2019	Apr 30, 2019	Jan 31, 2018
Expenses	530,853	39,069	\$524	\$40,285	\$27,430	\$5	\$Nil	\$14,003
Loss for the period	530,853	39,069	\$524	\$40,285	\$27,430	\$5	\$Nil	\$14,003
Weighted average shares outstanding	10,948,175	4,406,452	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Loss per share	\$0.05	\$0.01	\$0.00	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00
Mineral property costs	237,000	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 October 31, 2020 and as of the date of this MD&A if all outstanding warrants were exercised to purchase common shares:

	October 31, 2020	As of the date of this MD&A
Common shares	16,115,750	22,265,754
Options to purchase common shares	827,250	1,607,250
Warrants to purchase common shares	5,719,200	5,569,200
	22,662,200	29,442,204

### 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 were released from escrow upon completion of the IPO, and 15% of the shares are released from escrow every 6 months thereafter. As at October 31, 2020, there were 1,125,000 common shares remaining in escrow.

### 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 nine months ended October 31, 2020 and 2019 includes:

	2020	2019
Rent	\$ 3,000	\$ -
Management and director fees	18,000	-
Share-based compensation expense	32,630	-
	\$ 53,630	\$ -

The accounts payable and accrued liabilities of the Company include amounts due to related parties. The amounts owing are interest free, unsecured, current and without fixed terms and are as follows:

	October 31, 2020	January 31, 2020
Key management personnel	\$ 6,200	\$ -

## **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.

### Working Capital

As at October 31, 2020, the Company had working capital of \$1,325,525 (January 31, 2020 working capital deficit - \$108,124).

### Cash

As at October 31, 2020, the Company had cash of \$1,008,982 (January 31, 2020 - \$802) available to meet short-term business requirements and liabilities of \$44,611 (January 31, 2020 - \$127,226). The Company received proceeds of \$2,248,450 from issuance of common shares and the exercise of options during the current period.

### Cash Used in Operating Activities

Cash used in operating activities during the nine months ended October 31, 2020 was \$924,130. Cash was mostly spent on consulting, corporate development, investor relations, marketing, conferences and shareholder communications, as well as management and director fees. Cash used in operating activities during the nine months ended October 31, 2019 was \$5,610. Cash was mostly spent on legal and filing and transfer agent fees.

### Cash Used in Investing Activities

During the nine months ended October 31, 2020, the Company spent \$43,880 of exploration expenditures in relation to the Tahsis property and Fuchs Lake Gold Property. During the nine months ended October 31, 2019, the Company spent \$21,790 of exploration expenditures in relation to the Tahsis property.

### Cash Generated by Financing Activities

During the nine months ended October 31, 2020, the Company received proceeds of \$2,210,000 from issuance of shares, paid \$257,260 of share issuance costs, received \$38,450 from exercise of options, and paid \$15,000 promissory note. During the nine months ended October 31, 2019, the Company received cash proceeds of \$15,000 from promissory note.

## **Going Concern**

The recoverability of amounts shown as mineral exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the mineral property interests. Realized values may be substantially different than carrying values as recorded in these financial statements.

The Company's interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and



will be able to realize its assets and discharge its liabilities in the normal course of business. At October 31, 2020, the Company had not achieved profitable operations, had an accumulated deficit and had working capital of \$1,325,525. Management estimates that the Company has sufficient financial resources to carry out currently planned exploration and operations through the next twelve months.

#### Requirement of Additional Equity Financing

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. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Company, or at all.

#### **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of mineral properties will remain consistent with historical experiences, anticipated results of exploration activities, and the Company's ability to obtain additional financing on satisfactory terms. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: volatility in the market prices of minerals, uncertainties associated with estimating resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

#### **ADDITIONAL INFORMATION**

For further detail, see the Company's unaudited interim financial statements for the nine months ended October 31, 2020. Additional information about the Company can also be found on [www.sedar.com](http://www.sedar.com).

## **Corporate Directory**

### **Head Office**

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### **Legal Counsel**

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### **Officers and Directors**

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

### **Auditors**

Crowe McKay LLP  
1100-1177 West Hastings Street  
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### **Members of the Audit Committee**

Dan Placzek (Chair)  
Mike Sieb  
Kosta Tsoutsis

### **Transfer Agent**

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