

AMV CAPITAL CORPORATION.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED OCTOBER 31, 2019
AND OCTOBER 31, 2018
(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

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

AMV CAPITAL CORPORATION**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**(Expressed in Canadian Dollars)

	October 31, 2019 (Unaudited)	April 30, 2019 (Audited)
ASSETS		
Current		
Cash	\$ 69,923	\$ 127,839
Other receivables	10,930	6,221
Prepaid expenses	21,000	—
	101,853	134,060
Exploration and evaluation assets (Note 5)	145,237	145,237
	\$ 247,090	\$ 279,297
LIABILITIES		
Current		
Accounts payable	\$ 82,577	\$ 3,045
Loans payable	12,000	12,000
	94,577	15,045
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	287,996	287,996
Contributed surplus	191,166	122,500
Deficit	(326,649)	(146,244)
	152,513	264,252
	\$ 247,090	\$ 279,297

NATURE OF CONTINUANCE OF
OPERATIONS (Note 1)
SUBSEQUENT EVENTS (NOTE 10)Approved and authorized for issue on behalf
of the board on December 13, 2019:

"Jerry Minni" Director

"Sean Wang" Director

AMV CAPITAL CORPORATION**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

UNAUDITED

	Three months ended October 31, <u>2019</u>	Three months, ended October 31, <u>2018</u>	Six months ended October 31, <u>2019</u>	Six months, ended October 31, <u>2018</u>
EXPENSES				
Office and miscellaneous	\$ 82	\$ 48	\$ 133	\$ 283
Professional fees	70,930	1,439	73,930	2,139
Rent	—	—	—	3,000
Share-based payments	—	1,500	68,666	122,500
Transfer agent and filing fees	8,378	—	29,668	—
Travel and promotion	5,412	—	8,008	—
NET LOSS AND COMPREHENSIVE LOSS OF THE PERIOD	\$ 84,802	\$ 2,987	\$ 180,405	\$ 127,922
LOSS PER SHARE (basic and diluted)	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.04)
WEIGHTED AVERAGE NUMBER OF COMMON SHARE OUTSTANDING	8,500,000	2,682,147	8,500,000	2,682,147

The accompanying notes are an integral part of these condensed interim financial statements

AMV CAPITAL CORPORATION**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars)

UNAUDITED

	Number of Shares	Amount \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, April 30, 2019	8,500,000	287,996	122,500	(146,244)	264,252
Share based payments	–	–	68,666	–	68,666
Comprehensive loss for the period	–	–	–	(180,405)	(180,405)
Balance, October 31, 2019	8,500,000	287,996	191,166	(326,649)	152,513
Incorporation May 1, 2018	–	–	–	–	–
Shares issued for cash	4,000,000	200,000	–	–	200,000
Share base payments	–	–	122,500	–	122,500
Comprehensive loss for for the period	–	–	–	(127,922)	(127,922)
Balance, October 31, 2018	4,000,000	200,000	122,500	(127,922)	194,578

The accompanying notes are an integral part of these condensed interim financial statements

AMV CAPITAL CORPORATION**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

UNAUDITED

	Three months ended October 31, <u>2019</u>	Three months, ended October 31, <u>2018</u>	Six months ended October 31, <u>2019</u>	Six months, ended October 31, <u>2018</u>
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	\$ (84,802)	\$ (2,987)	\$ (180,405)	\$ (127,922)
Items not involving cash:				
Stock - based payments	—	—	68,666	122,500
	(84,802)	(2,987)	(111,739)	(5,422)
Changes in non-cash working capital balances:				
Other receivable	(3,509)	(121)	(4,709)	(231)
Prepaid expenses	—	—	(21,000)	—
Accounts payable and accrued liabilities	76,381	—	79,532	—
Cash used in operating activities	(11,930)	(3,108)	(57,916)	(5,653)
INVESTING ACTIVITIES				
Mineral property acquisition and exploration costs	—	—	—	—
Cash used in investing activities	—	—	—	—
FINANCING ACTIVITIES				
Shares issued for cash	—	—	—	200,000
Cash used in financing activities	—	—	—	200,000
INCREASE IN CASH DURING THE PERIOD	(11,930)	(3,108)	(57,916)	194,347
CASH, BEGINNING OF PERIOD	81,853	197,455	127,839	—
CASH, END OF PERIOD	\$ 69,923	\$ 194,347	\$ 69,923	\$ 194,347
SUPPLEMENTAL DISCLOSURES				
Interest paid	\$ —	\$ —	\$ —	\$ —
Income taxes paid	\$ —	\$ —	\$ —	\$ —
Shares issued for evaluation and exploration costs	\$ —	—	—	\$ —

The accompanying notes are an integral part of these condensed interim financial statements

1. NATURE OF OPERATIONS

AMV Capital Corporation (the "Company") was formed on January 31, 2019 by way of an amalgamation (the "Amalgamation") pursuant to the *Business Corporations Act* (British Columbia) between AMV Capital Corporation and Pontiac Resources Corp. ("Pontiac"). The address of the Company's corporate office and its principal place of business is 200-551 Howe Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at October 31, 2019, the Company holds an interest in an early stage mineral exploration property and the Company had not yet determined whether the Company's mineral property asset contains a deposit of minerals that is economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had deficit of \$326,649 as at October 31, 2019, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give affect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore 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.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended April 30, 2019.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on December 13, 2019.

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and estimates of amounts reported in the Company's April 30, 2019 annual financial statements.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company intends to adopt these standards when they become effective.

New accounting standard effective for annual periods on or after January 1, 2019:

New standard IFRS 16 Leases – IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties of a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

The Company does not expect this standard to have any impact on the Company's financial statements.

5. EXPLORATION AND EVALUATION ASSET

	Acquisition Costs	Exploration Costs	Total
	\$	\$	\$
Balance, incorporation May 1, 2018	-	-	-
Amalgamation	10,000	89,086	99,086
Additions	20,000	26,151	46,151
Balance, April 30, 2019 and October 31, 2019	30,000	115,237	145,237

Sage Property

Pursuant to an option agreement dated November 30, 2017 and amended February 28, 2019, the Company has acquired a 100% interest in the 3 mineral claims known as the Sage Property located in British Columbia, Canada. The Company acquired the Sage Property in consideration of the payment of \$30,000 in cash, the first \$10,000 of which was paid by Pontiac prior to the Amalgamation, with the remaining \$20,000 subsequently paid by the Company.

6. SHARE CAPITAL

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

b) Escrow shares:

As at October 31, 2019, there were 6,580,000 common shares were held in escrow

c) Issued and outstanding:

During the year ended April 30, 2019, the Company issued 4,500,000 common shares for gross

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6. SHARE CAPITAL - continued

proceeds of \$202,500. Of the 4,500,000 common shares issued the Company had issued 2,500,000 common shares to founders for gross proceeds of \$2,500. The fair value of the common shares was estimated to be \$125,000. Accordingly the Company recorded share-based payment of \$122,500 and a corresponding increase to contributed surplus.

In addition the Company was deemed to have issued 2,000,000 common shares in connection with the Amalgamation with Pontiac.

d) Stock options

On June 5, 2019 the Company adopted a Stock Option Plan (the "Plan") for directors, officers and employees, consultants of the Company. The Company may grant options to individuals, options are exercisable over periods of up to five years, as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The Plan is fixed and reserves a maximum of 2,400,000 common shares which may be issuable under the Plan. The Plan cannot exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

On June 5, 2019 the Company granted 850,000 stock options to certain directors and officers of the Company at an exercise price of \$0.10 for a period of five years from the date of listing of the Company's shares. The remaining expected life as at October 31, 2019 is 4.75 years.

A continuity of the options outstanding as at October 31, 2019 is as follows:

	Number	Weighted average exercise price \$
Balance, April 30, 2019	—	—
Issued	850,000	0.10
Balance, October 31, 2019	850,000	0.10

The inputs used in the Black-Scholes calculation for the 2019 stock options are as follows:

	2019
Share price	\$0.10
Risk-free dividend rate	1.30%
Expected life of options	5
Dividend rate	0.00%
Annualized volatility	257%

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7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following amounts are due to related parties and have been included in accounts payable and accrued liabilities:

	October 31, 2019	April 30, 2019
	\$	\$
Accounts payable and accrued liabilities	57,930	3,045

The amounts are due to a law firm in which a director is a partner and to a company controlled by the Chief Financial Officer of the Company for professional fees. The amounts are non-interest bearing, unsecured and are due upon demand.

The Company had the following related party transactions for the three month period ended:

	Period ended October 31, 2019	Period ended October 31, 2018
	\$	\$
Share-based payments	68,666	122,500

Key management includes directors and key officers of the Company, including the President, CEO and Chief Financial Officer. Management fees were provided by a company owned or controlled by the CEO.

8. MANAGEMENT OF CAPITAL

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 sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. 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 dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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).

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at October 31, 2019 are as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	\$	\$	\$	\$
Cash	69,923	–	–	69,923

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at October 31, 2019 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. SUBSEQUENT EVENTS

The Company entered into an agency agreement with Mackie Research Capital Corporation (the "Agent") whereby the Agent has agreed to raise on commercially reasonable efforts \$400,000 in an initial public offering (the "IPO") by the issuance of 4,000,000 common shares of the Company at a price of \$0.10 per common share.

Pursuant to the terms of the agency agreement, the Company has agreed to pay to the Agent a cash commission of 8% of the gross proceeds of the IPO. The Company has also agreed to grant Agent warrants (the "Agent's Warrants") which will entitle the Agent to purchase up to 8% of the common shares sold under the IPO, at a purchase price that is equal to the price per share offered in the IPO. The Agent's Warrants are exercisable until 24 months from the closing date. In addition, the Company has agreed to pay a corporate finance fee of \$22,000. The Company will also pay the Agent's legal fees incurred and any other reasonable expenses pursuant to the IPO.

The Company received regulatory approval and completed the financing subsequent to October 31, 2019.