

AMV CAPITAL CORPORATION
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED OCTOBER 31, 2020
AND OCTOBER 31, 2019
(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, 2020 (Unaudited)	April 30, 2020 (Audited)
ASSETS		
Current		
Cash	\$ 121,155	\$ 184,557
Amounts recoverable	328	1,648
	121,483	186,205
Exploration and evaluation assets (Note 5)	246,148	246,148
	\$ 367,631	\$ 432,353
LIABILITIES		
Current		
Accounts payable	\$ 5,255	\$ 29,057
	5,255	29,057
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	553,645	553,645
Contributed surplus	210,071	210,071
Deficit	(401,340)	(360,420)
	362,376	403,296
	\$ 367,631	\$ 432,353

NATURE OF CONTINUANCE OF
OPERATIONS (Note 1)
SUBSEQUENT EVENTS (NOTE 10)Approved and authorized for issue on behalf
of the board on November 24, 2020:

"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>2020</u>	Three months, ended October 31, <u>2019</u>	Six months ended October 31, <u>2020</u>	Six months, ended October 31, <u>2019</u>
EXPENSES				
Office and miscellaneous	\$ 88	\$ 82	\$ 131	\$ 133
Professional fees	5,000	70,930	34,061	73,930
Share-based payments	—	—	—	68,666
Transfer agent and filing fees	204	8,378	6,728	29,668
Travel and promotion	—	5,412	—	8,008
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NET LOSS AND COMPREHENSIVE LOSS OF THE PERIOD	\$ 5,292	\$ 84,802	\$ 40,920	\$ 180,405
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LOSS PER SHARE (basic and diluted)	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.02)
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WEIGHTED AVERAGE NUMBER OF COMMON SHARE OUTSTANDING	12,500,001	8,500,000	12,500,001	8,500,000

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 \$
Balances					
April 30, 2020	12,500,001	553,645	210,071	(360,420)	403,296
Comprehensive loss for the period	–	–	–	(40,920)	(40,920)
Balance, October 31, 2020	12,500,001	553,645	210,071	(401,340)	362,376
Balances, April 30, 2019	8,500,000	287,996	122,500	(146,244)	264,252
Share base 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

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>2020</u>	Three months, ended October 31, <u>2019</u>	Six months ended October 31, <u>2020</u>	Six months, ended October 31, <u>2019</u>
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	\$ (5,292)	\$ (84,802)	\$ (40,920)	\$ (180,405)
Items not involving cash:				
Stock - based payments	—	—	—	68,666
	(5,292)	(84,802)	(40,920)	(111,739)
Changes in non-cash working capital balances:				
Other receivable	(264)	(3,509)	1,320	(4,709)
Prepaid expenses	—	—	—	(21,000)
Accounts payable and accrued liabilities	(9,921)	76,381	(23,802)	79,532
Cash used in operating activities	(15,477)	(11,930)	(63,402)	(57,916)
INVESTING ACTIVITIES				
Mineral property acquisition and exploration costs	—	—	—	—
Cash used in investing activities	—	—	—	—
FINANCING ACTIVITIES				
Shares issued for cash	—	—	—	—
Cash used in financing activities	—	—	—	—
INCREASE IN CASH DURING THE PERIOD	(15,477)	(11,930)	(63,402)	(57,916)
CASH, BEGINNING OF PERIOD	136,632	81,853	184,557	127,839
CASH, END OF PERIOD	\$ 121,155	\$ 69,923	\$ 121,155	\$ 69,923
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, 2020, 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 a deficit of \$410,340 as at October 31, 2020, 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 effect 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, 2020.

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 November 24, 2020.

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, 2020 annual financial statements.

4. NEW ACCOUNTING STANDARDS INTERPRETATION AND AMENDMENTS

The Company adopted the following new standards effective May 1, 2019:

IFRS 16 – Leases

IFRS 16 replaces IAS 17, "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15, "Revenue from Contracts with Customers".

The adoption of IFRS 16 did not have a material impact on the Company's future results and financial position.

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

The adoption of IFRIC 23 did not have a material effect on the Company's future results and financial position.

New or revised accounting standards not yet adopted

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after May 1, 2020, or later periods. The Company has not early adopted these new standards in preparing these financial statements. The following pronouncement is considered by the Company to be the most significant that may affect the financial statements in future periods.

4. NEW ACCOUNTING STANDARDS INTERPRETATION AND AMENDMENTS (continue)

IFRS 3 – Definition of a Business

In October 2018, the IASB issued amendments to IFRS 3 – Definition of a Business which:

- Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- Add an option concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after May 1, 2020, and to asset acquisitions that occurred on or after the beginning of that period. Earlier application is permitted. The Company does not expect any material impact upon adoption.

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	30,000	115,237	145,237
Additions	-	65,000	65,000
Balance, April 30, 2020 and October 31, 2020	30,000	180,237	210,237

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, 2020, there were 4,931,625 common shares held in escrow.

c) Issued and outstanding:

During the year ended April 30, 2020, the Company had the following share capital transactions:

On December 12, 2019, the Company completed its Initial Public Offering ("IPO") and issued 4,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$400,000. The Company incurred cash share issuance costs of \$115,446. Pursuant to the IPO, the Company issued 320,000 warrants as finder fees, exercisable at a price of \$0.10 per share for a period of two years. The fair value of the warrants was estimated to be \$18,905.

During the period ended October 31, 2020, the Company had no share capital transactions.

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.

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, 2020 is 3.75 years.

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6. SHARE CAPITAL (continued)

d) Stock options (continued)

A summary of the options outstanding as at October 31, 2020 is as follows:

	Number	Weighted average exercise price \$
Balance, April 30, 2019	–	–
Issued	850,000	0.10
Balance, April 30, 2020 and October 31, 2020	850,000	0.10

The inputs used in the Black-Scholes calculation for the 2020 stock options are as follows:

	2020
Share price	\$0.10
Risk-free dividend rate	1.31%
Expected life of options	5
Dividend rate	0.00%
Annualized volatility	115%

e) Warrants

A Summary of the Company's share purchase warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, April 30, 2019	–	–
Granted	340,000	\$0.10
Outstanding and exercisable, April 30, 2020 and October 31, 2020	340,000	\$0.10

On December 10, 2019, the Company issued 340,000 agent warrants related to the IPO. The agent warrants are exercisable at \$0.10 per share and for a period of two years from the date of issue. The weighted average remaining contractual life of the warrants is 1.11 years.

The following assumptions were used for the Black-Scholes valuation of warrants issued:

	2020
Share price	\$0.10
Risk – free interest rate	1.70%
Expected life of warrants	2 years
Dividend rate	0%
Annualized volatility	115%

The fair value per agent's warrant issued is \$0.10.

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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, 2020	April 30, 2020
	\$	\$
Accounts payable and accrued liabilities	5,040	4,200

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 six month period ended:

	Period ended October 31, 2020	Period ended October 31, 2019
	\$	\$
Professional fees	19,661	57,930
Share-based payments	—	68,666

Key management includes directors and key officers of the Company, including the President, CEO and Chief Financial Officer.

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

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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, 2020 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	121,155	-	-	121,155

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at October 31, 2020 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.