

AMV CAPITAL CORPORATION.

Management Discussion and Analysis

For the year ended April 30, 2020

The Management Discussion and Analysis (“MD&A”), prepared June 25, 2020 should be read in conjunction with the audited financial statements and notes thereto for the year ended April 30, 2020 of AMV Capital Corporation. (“AMV” or the “Company”) which were prepared in accordance with International Financial Reporting Standards.

This management discussion and analysis may contain forward-looking information (as such term is defined under applicable securities laws) in respect of various matters including upcoming events. The results or events predicted in this forward-looking information may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

AMV 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 April 30, 2020, the Company holds an interest in an early stage mineral exploration property and the Company had not yet determined whether the mineral exploration property 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.

In March 2020, The World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The pandemic could continue to have negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. The impact on the Company is not currently determinable but management continues to monitor the situation.

EXPLORATION PROJECT

	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	-	100,911	100,911
Balance, April 30, 2020	30,000	216,148	246,148

* Exploration costs include labour costs of \$26,350, data processing costs of \$3,823, survey costs of \$28,650, project preparation costs of \$2,941, administration costs of \$2,941 and meals, accommodation and fuel costs of \$36,206.

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.

SELECTED ANNUAL INFORMATION

(\$000's except loss per share)

	April 30, 2020	April 30, 2019
Revenue	\$ 0	\$ 0
Net Loss	\$ (214)	\$ (146)
Basic and Diluted Loss Per Share	\$ (0.02)	\$ (0.04)
Total Assets	\$ 432	\$ 279
Long-Term Debt	\$ 0	\$ 0
Dividends	\$ 0	\$ 0

OPERATIONS

Three month period ended April 30, 2020

During the three months ended April 30, 2020 the Company reported a net gain of \$18,721 (2019 - \$1,070). Included in the determination of operating gain was \$25,870 (2019 - \$1,113) on professional fees, \$7,074 (2019 - \$Nil) on transfer agent and filing fees, \$4 (2019 - \$Nil) on travel and promotion, and \$79 (2019 - \$43) on office and miscellaneous.

Twelve month period ended April 30, 2020

During the twelve months ended April 30, 2020 the Company reported a net loss of \$214,176 (2019 - \$146,244). Included in the determination of operating loss was \$89,388 (2019 - \$20,398) on professional fees, \$43,121 (2019 - \$Nil) on transfer agent and filing fees, \$11,127 (2019 - \$Nil) on travel and promotion, and \$1,874 (2019 - \$346) on office and miscellaneous. The Company also incurred a stock based compensation charge of \$68,666 (2019 - \$122,500).

SUMMARY OF QUARTERLY RESULTS
(\$000's except earnings per share)

	April 30, <u>2020</u>	January 31, <u>2020</u>	October 31, <u>2019</u>	July 31, <u>2019</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net gain (loss)	\$ 19	\$ (52)	\$ (85)	\$ (96)
Basic and diluted Gain (loss) per share	\$ 0.00	\$ (0.00)	\$ (0.01)	\$ (0.02)

	April 30, <u>2019</u>	January 31, <u>2019</u>	October 31, <u>2018</u>	July 31, <u>2018</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net loss	\$ (13)	\$ (5)	\$ (3)	\$ (125)
Basic and diluted Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.04)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at April 30, 2020 were \$184,557 compared to \$127,839 at April 30, 2019.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

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 Company had incurred the following key management personnel cost from related parties:

	Year ended <u>April 30, 2020</u>	Year ended <u>April 30, 2019</u>
	\$	\$
Share-based payments	68,666	122,500

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). During the year ended April 30, 2019, the Company issued 2,500,000 common shares with estimated fair value of \$125,000 (see Note 6c of the audited financial statements) to directors and officers of the Company. Accordingly, the Company recorded an amount of \$122,500 as share-based payments for the year ended April 30, 2019.

During the year ended April 30, 2020, the Company granted 850,000 stock options to directors and officers of the Company. Accordingly, the Company recorded an amount of \$68,666 (2019 - \$122,500), as share-based payments for the year ended April 30, 2020.

During the year ended April 30, 2020, the Company paid professional fees of \$19,800 (2019 - \$700) to the CFO of the Company. In addition, accounts payable includes \$4,200 (2019 - \$nil) due to the CFO.

During the year ended April 30, 2020, the Company repaid a loan payable of \$12,000, outstanding from the previous year, to a Company controlled by the CFO of the Company.

During the year ended April 30, 2020, the Company incurred \$60,102 (2019 - \$nil) in legal fees from a partnership in which a partner is also a director of the Company. The legal fees related to the closing of the Company's initial public offering and other legal expenses. In addition, accounts payable includes \$19,561 (2019 - \$nil) due to the partnership.

COMMITMENTS

The Company does not have any significant commitments.

SUBSEQUENT EVENTS

There were no material subsequent events.

ADOPTION OF NEW ACCOUNTING STANDARDS, INTERPRETATIONS 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 ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

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.

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.

CRITICAL ACCOUNTING ESTIMATES

Refer to the audited financial statements for the year ended April 30, 2020 on www.sedar.com for critical accounting estimates.

FINANCIAL INSTRUMENTS

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).

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 April 30, 2020 are as follows:

Fair Value Measurements Using				
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	\$	\$	\$	\$
Cash	184,557	-	-	184,557

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at April 30, 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.

(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.

SHARE CAPITAL

Issued

The Company has 12,500,001 common shares issued and outstanding as at April 30, 2020 and June 25, 2020.

Share Purchase Options

The Company has 850,000 stock options outstanding at April 30, 2020 and June 25, 2020.

Warrants

The Company had 320,000 share purchase warrants outstanding at April 30, 2020 and June 25, 2020.

Escrow Shares

The Company has 5,922,000 common shares held in escrow as at April 30, 2020 and 4,935,000 as at June 25, 2020.