

AMV CAPITAL CORPORATION

Management Discussion and Analysis

For the year ended April 30, 2021

The Management Discussion and Analysis (“MD&A”), prepared August 23, 2021 should be read in conjunction with the audited financial statements and notes thereto for the year ended April 30, 2021 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, 2021, 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.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

EXPLORATION PROJECT

	Acquisition Costs	Exploration Costs	Total
	\$	\$	\$
Balance, April 30, 2019	30,000	115,237	145,237
Additions*	-	100,911	100,911
Balance, April 30, 2020 and 2021	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 "Agreement"), the Company has earned a 100% interest in the 3 mineral claims known as the Sage Property located in British Columbia, Canada. The Company earned its interest by paying \$30,000.

SELECTED ANNUAL INFORMATION

(\$000's except loss per share)

	April 30, <u>2021</u>	April 30, 2020	April 30, 2019
Revenue	\$ 0	\$ 0	\$ 0
Net Loss	\$ (66)	\$ (214)	\$ (146)
Basic and Diluted Loss Per Share	\$ (0.01)	\$ (0.02)	\$ (0.04)
Total Assets	\$ 343	\$ 432	\$ 279
Long-Term Debt	\$ 0	\$ 0	\$ 0
Dividends	\$ 0	\$ 0	\$ 0

OPERATIONS

Three-month period ended April 30, 2021

During the three months ended April 30, 2021, the Company reported a net loss of \$11,329 (2020 - (\$18,726)). Included in the determination of operating loss (gain) was \$5,331 (2020 - (\$25,870)) on professional fees, \$5,958 (2020 - \$7,074) on transfer agent and filing fees, \$Nil (2020 - \$Nil) on travel and promotion, \$1 (2020 - \$Nil) on project evaluation, and \$39 (2020 - \$79) on office and miscellaneous.

Twelve-month period ended April 30, 2021

During the twelve months ended April 30, 2021, the Company reported a net loss of \$65,990 (2020 - \$214,176). Included in the determination of operating loss was \$44,968 (2020 - \$89,388) on professional fees, \$14,722 (2020 - \$43,121) on transfer agent and filing fees, \$Nil (2020 - \$11,127) on travel and promotion, \$6,085 (2020 - \$Nil) on project evaluation, and \$215 (2020 - \$1,874) on office and miscellaneous. The Company also incurred a stock based compensation charge of \$Nil (2020 - \$68,666).

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

	April 30, <u>2021</u>	January 31, <u>2021</u>	October 31, <u>2020</u>	July 31, <u>2020</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net gain (loss)	\$ (9)	\$ (16)	\$ (5)	\$ (36)
Basic and diluted Gain (loss) per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)

	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 loss	\$ 19	\$ (52)	\$ (85)	\$ (96)
Basic and diluted Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.02)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at April 30, 2021 were \$95,600 compared to \$184,557 at April 30, 2020.

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.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

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

	April 30, 2021	April 30, 2020
	\$	\$
Share-based payments	-	68,666

During the year ended April 30, 2021, the Company paid professional fees of \$22,200 (2020 - \$19,800) to the CFO of the Company. In addition, accounts payable includes \$5,250 (2020 - \$4,200) due to the CFO.

During the year ended April 30, 2021, the Company incurred \$7,768 (2020 - \$60,102) in legal fees from a partnership in which a partner is also a director of the Company. In addition, accounts payable includes \$nil (2020 - \$19,561) due to the partnership.

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, as share-based payments for the year ended April 30, 2020.

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

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 has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

CRITICAL ACCOUNTING ESTIMATES

Refer to the audited financial statements for the year ended April 30, 2021 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, 2021 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	95,600	–	–	95,600

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at April 30, 2021 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, 2021 and August 23, 2021.

Share Purchase Options

The Company has 850,000 stock options outstanding at April 30, 2021 and August 23, 2021.

Warrants

The Company had 320,000 share purchase warrants outstanding at April 30, 2021 and August 23, 2021.

Escrow Shares

The Company has 3,948,000 common shares held in escrow as at April 30, 2021 and 2,957,625 as at August 23, 2021.