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**AMV CAPITAL CORPORATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED APRIL 30, 2021 and 2020**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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## INDEPENDENT AUDITORS' REPORT

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To the Shareholders and Directors of AMV Capital Corporation.

### Opinion on the financial statements

We have audited the accompanying financial statements of AMV Capital Corporation which comprise the statements of financial position as at April 30, 2021 and 2020, and the statements of comprehensive loss, cash flows and changes in equity for the years ended April 30, 2021 and 2020, and the related notes, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and do not and will not express any form of assurance conclusion thereon. In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indicators that the other information appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, British Columbia  
August 23, 2021

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**AMV CAPITAL CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT APRIL 30, 2021 AND 2020**  
(Expressed in Canadian dollars)

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	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
CURRENT		
Cash	\$ 95,600	\$ 184,557
Amounts recoverable	808	1,648
	<hr/> 96,408	<hr/> 186,205
NON-CURRENT		
Exploration and evaluation asset (Note 5)	246,148	246,148
	<hr/> \$ 342,556	<hr/> \$ 432,353
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 5,250	\$ 29,057
<b>EQUITY</b>		
SHARE CAPITAL (Note 6)	553,645	553,645
CONTRIBUTED SURPLUS (Note 6)	210,071	210,071
DEFICIT	(426,410)	(360,420)
	<hr/> 337,306	<hr/> 403,296
	<hr/> \$ 342,556	<hr/> \$ 432,353

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the Board on August 23, 2021:

*“Jerry Minni”*  
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Director

*“Qiang Sean Wang”*  
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Director

The accompanying notes are an integral part of these financial statements.

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**AMV CAPITAL CORPORATION**  
**STATEMENTS OF COMPREHENSIVE LOSS**  
**FOR THE YEARS ENDED APRIL 30, 2021 AND 2020**  
(Expressed in Canadian dollars)

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	<b>2021</b>	<b>2020</b>
EXPENSES		
Office	\$ 215	\$ 1,874
Professional fees	44,968	89,388
Prospect evaluation	6,085	-
Share-based payments (Note 7)	-	68,666
Transfer agent and filing fees	14,722	43,121
Travel	-	11,127
	<hr/>	<hr/>
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ (65,990)</b>	<b>\$ (214,176)</b>
	<hr/>	<hr/>
<b>LOSS PER SHARE – BASIC AND DILUTED</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
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<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>12,500,001</b>	<b>10,034,248</b>

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**AMV CAPITAL CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED APRIL 30, 2021 AND 2020**  
(Expressed in Canadian dollars)

	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	\$ (65,990)	\$ (214,176)
Items not affecting cash:		
Share-based payment	-	68,666
Changes in non-cash working capital items:		
Amounts recoverable	840	4,573
Accounts payable and accrued expenses	(23,807)	26,012
<b>Cash used in operating activities</b>	<b>(88,957)</b>	<b>(114,925)</b>
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation asset	-	(100,911)
<b>FINANCING ACTIVITIES</b>		
Payment of loan payable to related party	-	(12,000)
Shares issued for cash	-	284,554
<b>Cash provided by financing activities</b>	<b>-</b>	<b>272,554</b>
<b>CHANGE IN CASH</b>	<b>(88,957)</b>	<b>56,718</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>184,557</b>	<b>127,839</b>
<b>CASH, END OF YEAR</b>	<b>\$ 95,600</b>	<b>\$ 184,557</b>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest and income taxes paid	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

**AMV CAPITAL CORPORATION**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED APRIL 30, 2021 and 2020**  
(Expressed in Canadian dollars)

**Common Shares**

	<b>Number of Shares</b>	<b>Amount</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
		\$	\$	\$	\$
Balance, April 30, 2019	8,500,001	287,996	122,500	(146,244)	264,252
Shares issued for cash	4,000,000	400,000	-	-	400,000
Share issuance costs	-	(134,351)	18,905	-	(115,446)
Share-based payments	-	-	68,666	-	68,666
Net loss for the year	-	-	-	(214,176)	(214,176)
Balance, April 30, 2020	12,500,001	553,645	210,071	(360,420)	403,296
Net loss for the year	-	-	-	(65,990)	(65,990)
Balance, April 30, 2021	12,500,001	553,645	210,071	(426,410)	337,306

The accompanying notes are an integral part of these financial statements.

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**AMV CAPITAL CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED APRIL 30, 2021 and 2020**  
(Expressed in Canadian dollars)

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**1. NATURE OF BUSINESS AND CONTINUING OPERATIONS**

AMV Capital Corporation (the “Company”) was incorporated on May 1, 2018 under the Business Corporation Act in the province of British Columbia. On December 12, 2019, the Company was listed on TSX Venture Exchange under the symbol AMV. 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 had not yet determined whether the Company’s mineral property asset contains ore reserves that are 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.

As at April 30, 2021, the Company had an accumulated deficit of \$426,410 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.

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.

**2. BASIS OF PREPARATION**

**Statement of Compliance**

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

**Approval of the Financial Statements**

The financial statements of the Company for the year ended April 30, 2021 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on August 23, 2021.

**Basis of Measurement**

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

The functional and presentation currency of the Company is the Canadian dollar.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

#### a) Cash and cash equivalents

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of April 30, 2021, the Company held no cash equivalents.

#### b) Significant Accounting Estimates and Judgements

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

##### *Significant accounting estimates*

- (i) the inputs used in accounting for share-based payments; and
- (ii) assessment of deferred income tax assets and liabilities;

##### *Significant accounting judgments*

- (i) the determination of categories of financial assets and financial liabilities;
- (ii) assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable; and
- (iii) the evaluation of the Company's ability to continue as a going concern.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

d) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

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**AMV CAPITAL CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED APRIL 30, 2021 and 2020**  
(Expressed in Canadian dollars)

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Income Taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

f) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

g) Loss Per Share

Basic loss per share is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

h) Share Issue Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

i) Share-based payments

The fair value of equity settled stock options awarded to employees defined under IFRS 2 Share-based payments (i.e. employees for legal and tax purpose, directors and certain consultants), determined as of the date of grant, and awarded to non-employees defined under IFRS 2, as of the date of delivery of service, is recognized as share-based payments, included in general and administrative expenses in the statement of comprehensive loss, over the vesting period of the stock options based on the estimated number of options expected to vest, with a corresponding increase to equity.

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**AMV CAPITAL CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED APRIL 30, 2021 and 2020**  
(Expressed in Canadian dollars)

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial Instruments

On initial recognition financial assets are classified as measured at:

- i. Amortized cost;
- ii. Fair value through other comprehensive income ("FVOCI"); and
- iii. Fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Comprehensive Loss in the period in which it arises.

The Company's cash is classified at FVTPL.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

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**AMV CAPITAL CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED APRIL 30, 2021 and 2020**  
(Expressed in Canadian dollars)

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial instruments (continued)

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable and loan payable to related party at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

4. 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.

5. EXPLORATION AND EVALUATION ASSET

	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.

**AMV CAPITAL CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED APRIL 30, 2021 and 2020**  
(Expressed in Canadian dollars)

6. SHARE CAPITAL

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

b) Escrow shares:

As at April 30, 2021, there were 3,948,000 (2020 - 5,922,000) common shares were held in escrow

c) Issued and outstanding as at April 30, 2021: 12,500,001 (2020 - 12,500,001) common shares.

During the year ended April 30, 2021, the Company had no share capital transactions:

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

(i) 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.

d) Warrants

A continuity of the warrants outstanding as at April 30, 2021 and 2020 is as follows:

	Number of warrants	Weighted average exercise
Balance, April 30, 2019	-	-
Issued	320,000	\$ 0.10
Balance, April 30, 2020 and 2021	320,000	\$0.10

As at April 30, 2021 and 2020, the Company had the following outstanding warrants:

Number of warrants	Weighted average exercise price	Weighted average years outstanding	Expiry date
320,000	\$0.10	0.62	December 12, 2021

The inputs used in Black-Scholes calculation for the 2021 and 2020 warrants are as follows:

	2021	2020
Share price	-	\$0.10
Risk-free dividend rate	-	1.70%
Expected life	-	2 years
Dividend rate	-	-%
Annualized volatility	-	115%
Fair value per warrant	-	\$0.059

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**AMV CAPITAL CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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6. SHARE CAPITAL (continued)

e) Stock options

During the year ended April 30, 2020, the Company adopted a Stock Option Plan ('Plan') for directors and officers of the Company. The Company may grant options to individuals, options are exercisable over periods of up to ten 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 maximum number of shares which may be issuable under the Plan cannot exceed 5% 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 the directors and officers of the Company. The options vested on grant date and are exercisable at \$0.10 per share until June 5, 2024. The fair value of these options was calculated to be \$68,666 or \$0.08 per option.

During the year ended April 30, 2021, the Company did not issue any stock options.

A continuity of the options outstanding and exercisable as at April 30, 2021 and 2020 is as follows:

	Number of options	Weighted average exercise
Balance, April 30, 2019	-	\$ -
Granted	850,000	\$ 0.10
Balance, April 30, 2020 and 2021	850,000	\$ 0.10

The inputs used in Black-Scholes calculation for the 2021 and 2020 options are as follows:

	2021	2020
Share price	-	\$0.10
Risk-free dividend rate	-	1.31%
Expected life	-	5 years
Dividend rate	-	-%
Annualized volatility	-	115%
Fair value per option	-	\$0.08

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**NOTES TO THE FINANCIAL STATEMENTS**  
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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.

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:

	<b>2021</b>	<b>2020</b>
	\$	\$
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.

**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’s capital structure consists of equity and share subscriptions. As at April 30, 2021, the Company had capital resources consisting of cash. 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 common shares or dispose of assets or adjust the amount of cash.

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9. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	<b>2021</b>	<b>2020</b>
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(17,814)	(57,818)
Effect of income taxes of:		
Permanent differences and other	-	(12,929)
Change in deferred tax assets not recognized	17,814	70,747
Deferred income tax recovery	-	-

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	<b>2021</b>	<b>2020</b>
	\$	\$
Non-capital loss carry forwards	75,981	51,933
Mineral properties	289	289
Shares issuance cost	18,702	24,936
Deferred tax assets not recognized	(94,972)	(77,158)
	-	-

As at April 30, 2021, the Company had approximately \$281,422 (2020 - \$192,343) in non-capital loss carry forward available to reduce taxable income for future year. The non-capital losses expire in 2041.

10. 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).

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.

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10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

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.