

AMV CAPITAL CORPORATION

FILING STATEMENT

REVERSE TAKEOVER TRANSACTION

Dated as of December 21, 2022

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Transaction described in this Filing Statement.

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GLOSSARY OF TERMS

The following is a glossary of certain definitions used in this Filing Statement. Terms and abbreviations used in the appendices to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

Unless otherwise indicated in this Filing Statement, references to “\$” are to Canadian dollars.

“**Acquisition**” means the proposed acquisition by AMV of a 100% right, title and interest in and to the mineral claims which comprise the KLS Project from SaskCo in consideration for the issuance to SaskCo of the Consideration Shares pursuant to the Asset Purchase Agreement;

“**Affiliate**” means a corporation that is affiliated with another corporation as follows:

- (a) a corporation is an “Affiliate” of another corporation if:
 - (i) one of them is the subsidiary of the other; or
 - (ii) each of them is controlled by the same Person;
- (b) a corporation is “controlled” by a Person if:
 - (i) voting securities of the corporation are held, other than by way of security only, by or for the benefit of that Person; and
 - (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the corporation;
- (c) a Person beneficially owns securities that are beneficially owned by:
 - (i) a corporation controlled by that Person; or
 - (ii) an Affiliate of that Person or an Affiliate of any corporation controlled by that Person;

“**AmalCo**” means the company resulting from the Amalgamation;

“**Amalgamation**” means the amalgamation of FinCo and MergeCo pursuant to Section 269 of the BCBCA on the terms set forth in the Amalgamation Agreement, subject to any amendments or variations thereto made in accordance with the provisions of the Amalgamation Agreement;

“**Amalgamation Agreement**” means the agreement to be entered into between AMV, FinCo and MergeCo in respect of the Amalgamation in substantially the form attached to the Asset Purchase Agreement;

“**AMV**” means AMV Capital Corporation, a company existing under the laws of British Columbia and the common shares of which are listed on the TSXV;

“**AMV Board**” means the board of directors of AMV;

“**AMV Financial Statements**” means, collectively, (a) the audited financial statements of AMV for the years ended April 30, 2022 and 2021, and (b) the condensed interim unaudited financial statements for the six month periods ended October 31, 2022 and 2021, which are attached hereto as Appendix “A”;

“**AMV MD&A**” means, collectively, the management’s discussion and analysis of AMV for (a) the year ended April 30, 2022, and (b) the six month period ended October 31, 2022, which are attached hereto as Appendix “B”;

“**AMV Option Plan**” means the current stock option plan of AMV dated May 9, 2019;

“**AMV Options**” means the 680,000 stock options outstanding prior to the Completion of the Transaction granted pursuant to the AMV Option Plan which are exercisable for AMV Shares;

“**AMV Shares**” means the common shares in the authorized share structure of AMV;

“**AMV Shareholders**” means holders of AMV Shares;

“**Arm’s Length Transaction**” means a transaction which is not a Related Party Transaction;

“**Asset Purchase Agreement**” means the asset purchase agreement dated October 24, 2022, entered into between AMV and SaskCo whereby AMV will acquire a 100% interest in the KLS Project and providing for the Acquisition and the Amalgamation;

“**Associate**”, when used to indicate a relationship with a person or company, means:

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the person or company,
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,
- (d) in the case of a person, a relative of that person, including
 - (i) that person’s spouse or child, or
 - (ii) any relative of the person or of his spouse who has the same residence as that person,

but:

- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended from time to time;

“**Closing**” means the completion of the purchase and sale of the KLS Project contemplated under the Asset Purchase Agreement;

“**Closing Date**” means the date that is five (5) business days after the last of the conditions of Closing set out in the Asset Purchase Agreement has been satisfied or waived (other than the conditions to be satisfied on Closing);

“**company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“**Completion Date**” means the date of the Final Exchange Bulletin;

“**Completion of the Transaction**” means the date on which AMV and SaskCo complete the Transaction;

“**Consideration Shares**” means the 25,639,288 Resulting Issuer Shares to be issued to SaskCo in accordance with the Asset Purchase Agreement;

“**Control Person**” means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

“Escrow Release Conditions” means the conditions under which the Escrowed Funds are held, which include:

- (a) receipt of conditional approval of the Exchange to the Transaction;
- (b) board and shareholder approvals of the Transaction, as applicable;
- (c) no material breach or default by SaskCo;
- (d) completion of the Flow-Through Private Placement to raise no less than \$2,500,000; and
- (e) all conditions precedent to the completion of the Transaction being satisfied;

“Escrowed Funds” means the gross proceeds from the Offering which are to be held in escrow by legal counsel to FinCo or a subscription receipts agent to be appointed, to be released upon satisfaction of the Escrow Release Conditions;

“Exchange” or **“TSXV”** means the TSX Venture Exchange Inc.;

“Exchange Requirements” means and includes the articles, by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), the *Securities Act* (British Columbia) and rules and regulations thereunder as amended, and any policies, rules, orders, rulings, forms or regulations from time to time enacted by the British Columbia Securities Commission and all applicable provisions of the securities laws of any other jurisdiction;

“Exchange Policies” means the applicable rules, regulations, policies and forms of the Exchange;

“Exchange Policy 2.2” means Exchange Policy 2.2 - *“Sponsorship and Sponsorship Requirements”* of the Exchange’s Corporate Finance Manual;

“Exchange Policy 5.2” means Exchange Policy 5.2 - *“Change of Business and Reverse Takeovers”* of the Exchange’s Corporate Finance Manual;

“Filing Statement” means this filing statement, completed pursuant to Exchange Form 3D2, together with all schedules hereto and including the summary hereof;

“Final Documents” mean the documents prescribed as such in section 7.10 of Exchange Policy 5.2;

“Final Exchange Bulletin” means the bulletin issued by the Exchange following the Completion of the Transaction and the submission of all Final Documents which evidences the final Exchange acceptance of the Transaction;

“Financings” means, collectively, the Offering and the Flow-Through Private Placement;

“FinCo” means 1379294 B.C. Ltd., a private company incorporated under the laws of the Province of British Columbia wholly-owned by Dawn Zhou, formed for the purposes of completing the Offering of Subscription Receipts and the Amalgamation with MergeCo;

“FinCo Shareholders” means the holders of FinCo Shares;

“FinCo Shares” means common shares in the authorized share structure of FinCo;

“FinCo Units” means units of FinCo with each FinCo Unit comprised of one (1) FinCo Share and one-half (½) of one FinCo Warrant;

“FinCo Warrants” means the common share purchase warrant of FinCo comprising the FinCo Units, which warrants are to be exchanged for Resulting Issuer Warrants in connection with the Amalgamation;

“Finders’ Fees” means the finders’ fees payable in cash equal to 8.0% of the aggregate gross proceeds raised in the Financings from subscriptions of Subscription Receipts or FT Units completed by subscribers introduced by the third party finders;

“Finders’ Warrants” means the common share purchase warrants of the Resulting Issuer issuable to third party finders equal to 8.0% of the aggregate amount of Subscription Receipts or FT Units issued pursuant to the Financings to subscribers introduced by the such finders, each Finders’ Warrant will be exercisable for one Resulting Issuer Share at a price of \$0.60 for a period of two years following the completion of the Financings;

“Flow-Through Private Placement” means the non-brokered private placement of the Resulting Issuer to be completed immediately following Closing of the Acquisition of 5,797,800 FT Units at a price of \$0.50 per FT Unit for aggregate gross proceeds of \$2,898,900, with each FT Unit to be comprised of one FT Share and one-half (1/2) of one Resulting Issuer Warrant;

“FT Share” means one Resulting Issuer Share issued on a flow-through basis;

“FT Unit” means units of the Resulting Issuer with each FT Unit comprised of one (1) FT Share and one-half (½) of one (1) Resulting Issuer Warrant;

“Insider”, if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the corporation that is an Insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities;

“IPO Escrow Agreement” means the escrow agreement dated June 17, 2019 between AMV, Odyssey and certain AMV Shareholders pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* wherein the securities held by principals of AMV were held in escrow for a period of time following the listing date;

“KLS Project” means the Key Lake South Uranium Project owned by SaskCo comprised of 12 contiguous mineral claims, comprising a total area of approximately 23,977 hectares located in the Athabasca Basin, Saskatchewan, Canada;

“KLS Technical Report” means the independent technical report titled “Technical Report for the Key Lake South Uranium Project, Saskatchewan, Canada” prepared by Glen Cole, PGeo, and Dave Billard, PGeo, both of SRK Consulting (Canada) Inc., and dated December 9, 2022;

“Letter of Intent” means the letter of intent between SaskCo and AMV dated September 13, 2022 with respect to the Transaction, which was superseded and replaced by the Asset Purchase Agreement;

“MergeCo” means 1379905 B.C. Ltd., a company incorporated under the laws of the Province of British Columbia and a wholly-owned subsidiary of AMV, formed for the purposes of completing the Amalgamation;

“Name Change” means the proposed change of the name of AMV to “Abasca Resources Inc.” or such other name as may be determined in the discretion of AMV and SaskCo, subject to applicable laws and Exchange Policies;

“NEOs” means named executive officers’ which include (a) the Chief Executive Officer (or an individual acting in a similar capacity), (b) the Chief Financial Officer (or an individual who acted in a similar capacity), (c) the other most highly compensated executive officer, whose total compensation exceeded \$150,000 and (d) each individual who would be named executive officer under paragraph (c) but for the fact that the individual was not an executive officer, and was not acting in a similar capacity, at the end of the financial year;

“NI 43-101” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;

“Non-Arm’s Length Party” means in relation to a company, a Promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person;

“Odyssey” means Odyssey Trust Company;

“Offering” means the non-brokered private placement by FinCo of 1,880,138 Subscription Receipts at an offering price of \$0.45 per Subscription Receipt for aggregate gross proceeds of \$846,062.10, with each Subscription Receipt to be automatically exchanged, for no additional consideration and without any further action, upon satisfaction of the Escrow Release Conditions and upon completion of the Amalgamation, into one Resulting Issuer Unit;

“Person” means a company or individual;

“Promoter” means:

- (a) a person or company that, acting alone or in conjunction with one or more other persons, companies or a combination of them, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer; or
- (b) a person or company that, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property or both services and property, 10% or more of the issued securities of a class of securities of the issuer or 10% or more of the proceeds from the sale of a class of securities of a particular issue, but a person or company who receives the securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be considered a Promoter within the meaning of this definition where that person or company does not otherwise take part in founding, organizing or substantially reorganizing the business;

“Registrar” means the Registrar of Companies or a Deputy Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;

“Related Party Transaction” has the meaning ascribed to that term Exchange Policy 5.9 - *Protection of Minority Security Holders in Special Transactions* of the Exchange’s Corporate Finance Manual, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm’s Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the Transaction;

“Resulting Director Appointments” means the appointment of the directors to the Resulting Issuer Board concurrently with the Completion of the Transaction;

“Resulting Issuer” means AMV (to be renamed Abasca Resources Inc.) following the Completion Date;

“Resulting Issuer Board” means the board of directors of the Resulting Issuer to be comprised of David Billard, Dawn Zhou, Denis Arsenault, Qiang Sean Wang and Brett Kagetsu;

“Resulting Issuer Escrow Agreement” means the escrow agreement to be dated as of the closing to the Acquisition among the Resulting Issuer, Odyssey and certain security holders of the Resulting Issuer in compliance with the requirements of the Exchange, with the securities subject to such agreement to be released as determined by the Exchange;

“Resulting Issuer New Options” means the new options to purchase an aggregate of 1,450,000 common shares of the Resulting Issuer to be granted to Dawn Zhou and Qiang Sean Wang at an exercise price to be determined post-closing in the context of the market, and which are to have a term of 5 years, each to be granted under the Resulting Issuer Option Plan;

“Resulting Issuer Option Plan” means the stock option plan of the Resulting Issuer, as described in *“Part V – Information Concerning the Resulting Issuer - Incentive Plan Awards”*;

“Resulting Issuer Shares” means the AMV Shares as constituted upon Completion of the Transaction;

“Resulting Issuer Unit” means a non-flow through unit of the Resulting Issuer, with each Resulting Issuer Unit being comprised of one Resulting Issuer Share and one-half of one Resulting Issuer Warrant;

“Resulting Issuer Warrant” means a non-flow through share purchase warrant of the Resulting Issuer, each whole Resulting Issuer Warrant entitling the holder to acquire one Resulting Issuer Share at a price of \$0.60 per Resulting Issuer Share for a period of two years;

“Resulting Issuer Warrant Share” means the Resulting Issuer Share issuable upon exercise of a Resulting Issuer Warrant;

“Sage Property” means the four non-surveyed contiguous mineral claims totalling 981 hectares located located in the Kamloops Mining Division of British Columbia;

“SaskCo” means 101159623 Saskatchewan Ltd., a company organized under the laws of the Province of Saskatchewan, the shares of which are wholly-owned by Dawn Zhou;

“SEDAR” means the System for Electronic Document Analysis and Retrieval;

“Subscription Receipts” means the 1,880,138 subscription receipts to be issued by FinCo in connection with the Offering, with each Subscription Receipt to be converted immediately before the Amalgamation into FinCo Units and then exchanged for Resulting Issuer Units; and

“Transaction” means collectively, the acquisition of all of the issued and outstanding securities of FinCo by AMV pursuant to the Amalgamation, the Acquisition, the Financings, the Name Change and the Resulting Director Appointments, all as described in this Filing Statement.

FORWARD-LOOKING STATEMENTS

This Filing Statement contains forward-looking information and statements (“**forward-looking statements**”) which reflects the current expectations of the management of AMV, regarding the future operations, performance and business prospects and opportunities of the Resulting Issuer. Wherever possible, words such as “may”, “would”, “could”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “estimate” and similar expressions have been used to identify these forward-looking statements. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant risks, uncertainties and assumptions. Examples of such statements include: (A) statements in respect of the Completion of the Transaction; (B) the description of the Resulting Issuer that assumes Completion of the Transaction; and (C) statements in respect of the plans for the KLS Project. Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the “*Part VI – Risk Factors*” section of this Filing Statement. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this Filing Statement. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this Filing Statement are based upon what management of AMV currently believes to be reasonable assumptions, AMV cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. The forward-looking statements contained in this Filing Statement have been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond AMV control, including without limitation: the impact of general business and economic conditions; risks related the exploration activities to be conducted on the KLS Project, including risks related to government and environmental regulation, actual results of exploration activities, industry conditions, including uranium price fluctuations, interest and exchange rate fluctuations; risks related to global pandemics, including the novel coronavirus (“**COVID-19**”) global health pandemic, and the spread of other viruses or pathogens; influence of macroeconomic developments; business opportunities that become available, or are pursued; title, permit or license disputes related the KLS Project; litigation; fluctuations in interest rates; and other factors, many of which are beyond the control of AMV. AMV assumes no responsibility to update forward looking statements, other than as may be required by applicable securities laws. The factors identified above are not intended to represent a complete list of the factors that could affect AMV or the Resulting Issuer.

Qualified Person

David Billard, P.Geo, a qualified person under NI 43-101, has reviewed and approved the scientific and technical disclosure contained in this Filing Statement.

INFORMATION CONCERNING SASKCO AND FINCO

The information contained or referred to in this Filing Statement relating to SaskCo and FinCo has been provided by FinCo and SaskCo. In preparing this Filing Statement, AMV relied upon FinCo and SaskCo to ensure that the Filing Statement contains full, true and plain disclosure of all material facts relating to FinCo and SaskCo. Although AMV has no knowledge that would indicate that any statements contained herein concerning FinCo and SaskCo are untrue or incomplete, neither AMV nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by FinCo and SaskCo to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

PART I – SUMMARY OF FILING STATEMENT

The following is a summary of information relating to AMV, the KLS Project and the Resulting Issuer (assuming Completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Reference is made to the Glossary of Terms for the definitions of certain abbreviations and terms used in this Filing Statement and in this summary. All information provided in this summary and in the Filing Statement is current as of December 21, 2022.

This Filing Statement has been prepared in accordance with Exchange Policy 5.2 and Exchange Form 3D2 - "Information Required in a Filing Statement for a Reverse Takeover or Change of Business" in connection with the Transactions.

Parties

AMV

AMV Capital Corporation is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and is listed on the TSX Venture Exchange under the symbol "AMV". AMV is engaged primarily in the acquisition, exploration and development of mineral properties located in Canada. Prior to the Transaction, AMV had one material mineral property, the Sage Property, located in the Kamloops Mining Division of British Columbia, which is in the exploration stage. For additional information about AMV, please see "*Part III – Information Concerning AMV*".

SaskCo

101159623 Saskatchewan Ltd. is a private Saskatchewan company, wholly-owned by Dawn Zhou, and is the owner of the KLS Project, located in Saskatchewan, Canada. For more information on the KLS Project, please see "*Part IV – Information Concerning the KLS Project*".

FinCo

1379294 B.C. Ltd., is a private company wholly-owned Dawn Zhou. It was incorporated on September 19, 2022 under the BCBCA and was formed for the purposes of completing the Offering of Subscription Receipts and the Amalgamation with MergeCo.

MergeCo

1379905 B.C. Ltd. is a wholly-owned subsidiary of AMV. It was incorporated under the BCBCA on September 23, 2022 solely for the purpose of completing the Amalgamation.

Reasons for the Transaction

AMV is involved in the exploration and development of mineral properties. After a review of strategic options for AMV, generally, the AMV Board determined that it is in the best interests of AMV and the AMV Shareholders for AMV to complete the Transaction. The Transaction will enable the AMV Shareholders to participate in a company whose mineral exploration activities will be focused entirely on the KLS Project. Accordingly, the AMV Board proposes that AMV complete the Transaction in accordance with Exchange Policy 5.2.

See section titled "*The Transaction*" in this Filing Statement.

The Transaction

The Acquisition

On October 24, 2022, AMV and SaskCo entered into the Asset Purchase Agreement whereby, among other things, AMV agreed to acquire a 100% right, title and interest in the KLS Project from SaskCo.

The KLS Project is owned by SaskCo, free of all encumbrance, restrictions, claims, environmental liabilities and royalties.

Under the terms of the Asset Purchase Agreement, AMV will acquire a 100% interest in the KLS Project in consideration of the issuance of 25,639,288 Consideration Shares on the Closing Date, representing 66.7% of the Resulting Issuer Shares before completion of the Financings. It is intended that the issuance of Consideration Shares will constitute a "Reverse Takeover" in accordance with, and as defined under, Exchange Policy 5.2.

Pursuant to the Asset Purchase Agreement, and in connection with the Offering, the parties agreed to complete the Amalgamation whereby each FinCo Share and FinCo Warrant will be automatically exchanged, for no additional consideration and without any further action, upon fulfilment of the Escrow Release Conditions and upon completion of the Amalgamation, for one Resulting Issuer Share and one Resulting Issuer Warrant, respectively.

Pursuant to the terms of the Asset Purchase Agreement, the parties intend as a condition precedent in connection with the Transaction that the Financings be completed, and such gross proceeds of the Financings, less any Finder's Fee paid, shall be deposited and held in escrow and released to the Resulting Issuer upon the satisfaction of the Escrow Release Conditions, which conditions include, among others: (i) the receipt of all required board, shareholder and regulatory approvals in connection with the Transaction and the listing of the Resulting Issuer Shares and any relevant listing documents having been accepted for filing with the Exchange; (ii) the completion or the satisfaction of all conditions precedent to the Transaction, substantially in accordance with the Asset Purchase Agreement; and (iii) receipt of subscriptions and satisfaction of all conditions precedent with respect to the Flow-Through Private Placement to raise no less than \$2,500,000.

In addition to the Acquisition, there are a number of transactions that are expected to occur concurrently or proximate to the Acquisition including the Financings, the Name Change and the Resulting Director Appointments.

After Completion of the Transaction, an aggregate of approximately 46,137,370 Resulting Issuer Shares will be issued and outstanding. It is expected that, immediately following Completion of the Transaction: (a) the former shareholders of FinCo will hold 1,880,638 Resulting Issuer Shares, representing approximately 4.08% of the outstanding Resulting Issuer Shares; (b) the current AMV Shareholders will hold 12,819,644 Resulting Issuer Shares, representing approximately 27.79% of the outstanding Resulting Issuer Shares, (c) the subscribers under the Flow-Through Private Placement will hold 5,797,800 Resulting Issuer Shares, representing 12.57% of the outstanding Resulting Issuer Shares; and (d) SaskCo will hold 25,639,288 Resulting Issuer Shares as a result of the Acquisition, representing 55.57% of the outstanding Resulting Issuer Shares.

For additional information please see "*Part II – Information Concerning the Transaction*".

The Concurrent Financings

Offering

FinCo will conduct the Offering of 1,880,138 subscription receipts (the “**Subscription Receipts**”) at a price of \$0.45 per Subscription Receipt to raise \$846,062.10. Immediately before the Amalgamation (as defined below), the Subscription Receipts will be converted into FinCo Units, each FinCo Unit to be comprised one (1) FinCo Share and one-half (½) of one FinCo Warrant. Each FinCo Share and FinCo Warrant will be automatically exchangeable, for no additional consideration and without any further action, upon fulfilment of the Escrow Release Conditions and upon completion of the Amalgamation, into one Resulting Issuer Share and one Resulting Issuer Warrant, subject to adjustment. The gross proceeds from the Offering will be held in escrow by legal counsel to FinCo or a subscription receipts agent to be appointed, pending the satisfaction of the Escrow Release Conditions, which include:

- (a) receipt of conditional approval of the Exchange to the Transaction;
- (b) board and shareholder approvals of the Transaction, as applicable;
- (c) no material breach or default by SaskCo;
- (d) completion of the Flow-Through Private Placement to raise no less than \$2,500,000; and
- (e) all conditions precedent to the completion of the Transaction being satisfied.

Upon satisfaction of the Escrow Release Conditions the Escrowed Funds, less any Finders’ Fees, will be released to the Resulting Issuer. In the event that the Escrow Release Conditions are not satisfied on or before December 31, 2022, or such later date as may be agreed between AMV and SaskCo, the Subscription Receipts shall be cancelled and the Escrowed Funds, with accrued interest earned thereon (less any applicable withholding taxes and Finders’ Fees paid), will be returned to subscribers.

Flow-Through Private Placement

In connection with the Acquisition, AMV will conduct the Flow-Through Private Placement, which will be non-brokered, to raise gross proceeds of \$2,898,900, and will involve the sale of 5,797,800 FT Units the Resulting Issuer at a price of \$0.50 per FT Unit. Each FT Unit will be comprised of one (1) Resulting Issuer Share issued on a flow-through basis and one-half of one Resulting Issuer Warrants. The Flow-Through Private Placement will close immediately following the completion of the Acquisition.

Finders’ Fees in cash in the amount of \$112,312 will be payable to the such finders. 230,135 Finders’ Warrants equal to 8.0% of the aggregate amount of Subscription Receipts or FT Units issued pursuant to the Financings to subscribers introduced by third party finders will also be issuable to such finders. Each Finders’ Warrant will be exercisable for one Resulting Issuer Share at a price of \$0.60 for a period of two years following the completion of the Transaction.

See “*Part II – Information Concerning the Transaction*” and “*Part III – Information Concerning AMV – Financing*”

The KLS Project

The KLS Project is a uranium exploration-project consisting of 12 contiguous claims (23,977 hectares) located in northern Saskatchewan, Canada, approximately 540 kilometres north of the city of Saskatoon and 220 kilometers north of the town of La Ronge. SaskCo wholly owns 100% of the KLS Project.

See section titled “*Part IV - Information Concerning the KLS Project*” in this Filing Statement.

Name Change and Resulting Director Appointments

Concurrently with the Completion of the Transaction, the Resulting Issuer will change its name to “Abasca Resources Inc.” or such other name as may be acceptable to AMV, SaskCo and the Exchange and Dawn Zhou, David Billard and Denis Arsenault will be appointed to act as directors of AMV.

Upon Completion of the Transaction, the Resulting Issuer Board will consist of five (5) directors, as follows:

1. David Billard (who will also be appointed Chair);
2. Dawn Zhou;
3. Denis Arsenault (who will be appointed as Audit Committee chair);
4. Qiang Sean Wang (a current director, as Executive Director); and
5. Brett Kagetsu (a current director).

Jerry Minni and Michael Dake will cease to act as directors.

AMV also anticipates the following persons will be appointed as officers in the positions set out opposite his or her name:

1. Dawn Zhou – President and Chief Executive Officer;
2. Erik H. Martin – Chief Financial Officer and Corporate Secretary; and
3. Brian McEwan – Vice President, Exploration.

Upon Completion of the Transaction, Qiang Sean Wang will resign as President and Chief Executive Officer and Jerry Minni will resign as Chief Financial Officer and Corporate Secretary.

Conditions to Completion of the Transaction

The Completion of the Transaction is conditional upon, among other things, receipt of Exchange approval, obtaining all requisite shareholder approvals and fulfilling the terms and conditions set forth in the Asset Purchase Agreement. It is expected that the Resulting Issuer will meet the public distribution requirements of a Tier 2 issuer as set out in the Initial Listing Requirements of the Exchange.

Interests of Insiders

Except as disclosed herein, no Insider, Promoter or Control Person of AMV and no Associate or Affiliate of the same, has any interest in the Transactions, other than those which arise from the holding of AMV Shares.

Control by Directors, Officers and Promoters of the Resulting Issuer

It is anticipated that the number and percentage of Resulting Issuer Shares over which such new directors and officers, and the Associates and Affiliates of such new directors and officers, exercise control, will be as set forth below.

Proposed Directors, Officers and Promoters	Number and Percentage of Resulting Issuer Shares prior to Completion of the Transaction	Number and Percentage of Resulting Issuer Shares upon Completion of the Transaction
Dawn Zhou ⁽¹⁾ President, Chief Executive Officer and Director	Nil (0%)	29,389,788 (63.70%)
Qiang Sean Wang Executive Director	3,610,000 (28.16%)	3,710,000 (8.04%)
Brett Kagetsu Director	150,000 (1.17%)	150,000 (0.33%)
Denis Arsenault Director	Nil (0%)	Nil (0%)
David Billard Chair and Director	Nil (0%)	20,000 (0.04%)
Erik H. Martin Chief Financial Officer and Corporate Secretary	Nil (0%)	20,000 (0.04%)
Brian McEwan Senior Vice President, Exploration	Nil (0%)	150,000 (0.33%)

Note:

(1) Director and Officer of FinCo and SaskCo. See "Part V – Information Concerning the Resulting Issuer – Directors, Officers and Promoters".

See "Part V – Information Concerning the Resulting Issuer – Directors, Officers and Promoters".

Arm's Length Transaction

The Transaction is Arm's Length pursuant to the policies of the Exchange.

Available Funds

The following table sets forth the funds anticipated to be available to the Resulting Issuer on a consolidated basis after giving effect to the Transaction:

Source of Funds	Amount of Funds
Net proceeds from Financings	\$3,632,650.10 ⁽¹⁾
Estimated working capital deficiency of AMV ⁽²⁾	(\$107,938.24)
Total Estimated Funds Available	\$3,524,711.86 ⁽³⁾

Notes:

(1) Net of Finders' Fees. Includes proceeds from the sale of both Subscription Receipts and Units.

(2) As at November 30, 2022

(3) Does not include expenses incurred in connection with the Transaction.

Principal Purposes of Funds

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 12 months following Completion of the Transaction:

Uses of Funds	Amount
Phase 1 Drilling – KLS Project	\$2,364,066
Transfer agent fees and regulatory fees	\$20,300
Salaries and director fees	\$73,501
Transaction costs	\$75,000
Audit and legal fees	\$50,000
General Corporate and communication	\$12,000
Unallocated working capital	\$929,845 ⁽¹⁾
TOTAL	\$3,524,712

Note:

(1) Includes \$534,834 of flow through funds.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or prudent. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of AMV considers it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. For additional information, see “Part V – Information Concerning the Resulting Issuer – Available Funds” and “Principal Purposes” and “Part V – Information Concerning the Resulting Issuer – Narrative Description of the Business – Stated Business Objectives”. Further, the above uses of available funds should be considered estimates. See “Forward-Looking Statements”.

Dividends

AMV has no restrictions on paying dividends and it does not anticipate the Resulting Issuer to pay dividends in the foreseeable future.

Capitalization of the Resulting Issuer

The following table sets forth the share capital of the Resulting Issuer following the Completion of the Transaction:

Designation of Security	Amount authorized or to be authorized	Amount outstanding after giving effect to the Transaction
Common Shares	Unlimited	46,137,370
Stock Options	4,613,737	2,130,000
Shareholders’ (deficit) equity	n/a	(600,461)
Short Term Debt	n/a	Nil
Long Term Debt	n/a	Nil

Trading Price

The AMV Shares are listed on the Exchange under the trading symbol "AMV". The closing price of the AMV Shares on September 13, 2022, being the last day the AMV Shares traded on the Exchange was \$0.10. See *"Part III – Information Concerning AMV – Trading Price and Volume"*.

Sponsorship

AMV has applied to the Exchange for and has received an exemption from the sponsorship requirements contained in Exchange Policy 2.2.

Shareholder Approval

AMV will seek and obtain shareholder approval to the Transaction (as defined below) by way of written consents from shareholders holding in excess of 50% of the issued and outstanding common shares of AMV. Receipt of Shareholder approval is required under the Exchange Policies and is also a condition precedent to the completion of the Transaction pursuant to the Asset Purchase Agreement.

See *"Part II – Information Concerning the Transaction"*.

Conflicts of Interest

The proposed directors and officers of the Resulting Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and the laws requiring disclosure by directors and officers of conflicts of interest. The Resulting Issuer will rely upon such laws in respect of any such conflict of interest or in respect of any breach of duty by any of the Resulting Issuer's directors or officers. Any such conflicts are required to be disclosed by such directors or officers in accordance with the BCBCA and the directors of the Resulting Issuer are required to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Certain proposed directors of the Resulting Issuer are, or may in the future be, directors, officers or shareholders of other companies that are, or may in future be, engaged in the business of, or enter into transactions with, the Resulting Issuer. Such associations and transactions may give rise to conflicts of interest from time to time.

See *"Part V – Information Concerning the Resulting Issuer – Conflicts of Interest"*.

Risk Factors

The Transaction and the future operations of the Resulting Issuer will be subject to risks, including those that are incidental to the operation of the KLS Project. Risks relating to the Transaction include the ability to complete the Transaction on the terms set out in the Asset Purchase Agreement, the risk that the Transaction may be terminated by one of the parties and certain tax consequences. An investment in a junior mining property involves a significant degree of risk, and include the impact of general business and economic conditions, market volatility, cyber-threats, global financial stability, including uranium price fluctuations, competitiveness of the uranium industry and mining in general, acceptance or opposition to nuclear energy, risks related to global pandemics, including the COVID-19 global health pandemic, and the spread of other viruses or pathogens, the absence of a history of earnings, negative cash flow, availability of financing, changes to the use of proceeds, exploration and development risks, risks related to the operation of the KLS Project, uninsurable risks, permit or license disputes related to the KLS Project, risks related to government and environmental regulation, title, aboriginal land claims, retention of personnel, litigation, uranium price, interest and exchange rate fluctuations and conflicts of interest. Additionally, risks relating to the Resulting Issuer Shares include dilution, price volatility, limited control over the operation of the properties, potential inability to obtain adequate future financing, and other factors, many of which are beyond the control of the Resulting Issuer. The Resulting Issuer assumes no responsibility to update forward looking statements, other than as may be required by applicable securities laws.

The Resulting Issuer's future development and actual operating results may be very different from those expected as at the date of this Filing Statement. No representation is or can be made as to the future performance of the Resulting Issuer and there can be no assurance that the Resulting Issuer will achieve its objectives. Accordingly, readers should carefully consider the risk factors contained herein under "*Part VI – Risk Factors*".

Conditional Approval

The Exchange has conditionally accepted the Transaction subject to AMV fulfilling all of the requirements of the Exchange. There can be no assurance that AMV will be able to satisfy the requirements of the Exchange such that the Exchange will issue the Final Exchange Bulletin.

Interest of Experts

Manning Elliott LLP, Chartered Professional Accountants, are the auditors of AMV.

The KLS Technical Report, along with the accompanying certificates of qualified persons and consent of qualified person, have been prepared by prepared by Glen Cole, PGeo, and Dave Billard, PGeo, all of SRK Consulting (Canada) Inc., who are Qualified Persons.

None of the foregoing persons or any of their respective directors, officers or employees beneficially own, directly or indirectly, any securities, nor do they have any interest in the property, of AMV, SaskCo, the Resulting Issuer or any of their Associates or Affiliates.

PART II – INFORMATION CONCERNING THE TRANSACTION

The following is a summary of the material terms of the Asset Purchase Agreement. This summary does not purport to be a complete summary of the Asset Purchase Agreement and is qualified in its entirety by reference to the full text of the Asset Purchase Agreement, a copy of which is available for review under AMV's SEDAR profile at www.sedar.com.

Terms used in this “*Part II – Information Concerning the Transaction*” but not otherwise defined in this Filing Statement shall have the meaning ascribed thereto in the Asset Purchase Agreement.

The Transaction

The Acquisition

On October 24, 2022, AMV, and SaskCo entered into the Asset Purchase Agreement whereby, among other things, AMV agreed to acquire a 100% right, title and interest in the KLS Project from SaskCo.

The KLS Project is owned by SaskCo free of all encumbrance, restrictions, claims, environmental liabilities and royalties.

Under the terms of the Asset Purchase Agreement, AMV will acquire a 100% interest in the KLS Project in consideration of the issuance of 25,639,288 Consideration Shares on the Closing Date, representing 66.7% of the Resulting Issuer Shares before completion of the Financings. It is intended that the issuance of Consideration Shares will constitute a “Reverse Takeover” in accordance with, and as defined under, Exchange Policy 5.2.

Pursuant to the Asset Purchase Agreement, and in connection with the Offering, the parties agreed to complete the Amalgamation whereby each FinCo Share and FinCo Warrant will be automatically exchanged, for no additional consideration and without any further action, upon fulfilment of the Escrow Release Conditions and upon completion of the Amalgamation, into one Resulting Issuer Share and Resulting Issuer Warrant, respectively.

Pursuant to the terms of the Asset Purchase Agreement, the parties intend as a condition precedent in connection with the Transaction that the Financings be completed, and such gross proceeds of the Financings, less any Finder's Fee paid, shall be deposited and held in escrow and released to the Resulting Issuer upon the satisfaction of the Escrow Release Conditions, which conditions include, among others: (i) the receipt of all required board, shareholder and regulatory approvals in connection with the Transaction and the listing of the Resulting Issuer Shares and any relevant listing documents having been accepted for filing with the Exchange; (ii) the completion or the satisfaction of all conditions precedent to the Transaction, substantially in accordance with the Asset Purchase Agreement; and (iii) receipt of subscriptions and satisfaction of all conditions precedent with respect to the Flow-Through Private Placement to raise no less than \$2,500,000.

In addition to the Acquisition, there are a number of transactions that are expected to occur concurrently or proximate to the Acquisition including the Financings, the Name Change and the Resulting Director Appointments.

After Completion of the Transaction, an aggregate of approximately 46,137,370 Resulting Issuer Shares will be issued and outstanding. It is expected that, immediately following Completion of the Transaction: (a) the former shareholders of FinCo will hold 1,880,638 Resulting Issuer Shares, representing approximately 4.08% of the outstanding Resulting Issuer Shares; (b) the current AMV Shareholders will hold 12,819,644 Resulting Issuer Shares, representing approximately 27.79% of the outstanding Resulting Issuer Shares, (c) the subscribers under the Flow-Through Private Placement will hold 5,797,800 Resulting Issuer Shares, representing 12.57% of the outstanding Resulting Issuer Shares; and (d) SaskCo will hold 25,639,288 Resulting Issuer Shares as a result of the Acquisition, representing 55.57% of the outstanding Resulting Issuer Shares.

The Concurrent Financings

Offering

FinCo will conduct the Offering of 1,880,138 subscription receipts (the “**Subscription Receipts**”) at a price of \$0.45 per Subscription Receipt to raise \$846,062.10. Immediately before the Amalgamation (as defined below), the Subscription Receipts will be converted into FinCo Units, each FinCo Unit to be comprised one (1) FinCo Share and one-half (½) of one FinCo Warrant. Each FinCo Share and FinCo Warrant will be automatically exchangeable, for no additional consideration and without any further action, upon fulfilment of the Escrow Release Conditions and upon completion of the Amalgamation, into one Resulting Issuer Share and one Resulting Issuer Warrant, subject to adjustment. The gross proceeds from the Offering will be held in escrow by legal counsel to FinCo or a subscription receipts agent to be appointed, pending the satisfaction of the Escrow Release Conditions, which include:

- (a) receipt of conditional approval of the Exchange to the Transaction;
- (b) board and shareholder approvals of the Transaction, as applicable;
- (c) no material breach or default by SaskCo;
- (d) completion of the Flow-Through Private Placement to raise no less than \$2,500,000; and
- (e) all conditions precedent to the completion of the Transaction being satisfied.

Upon satisfaction of the Escrow Release Conditions the Escrowed Funds, less any Finders’ Fees, will be released to the Resulting Issuer. In the event that the Escrow Release Conditions are not satisfied on or before December 31, 2022, or such later date as may be agreed between AMV and SaskCo, the Subscription Receipts shall be cancelled and the Escrowed Funds, with accrued interest earned thereon (less any applicable withholding taxes and Finders’ Fees paid), will be returned to subscribers.

Flow-Through Private Placement

In connection with the Acquisition, AMV will conduct the Flow-Through Private Placement, which will be non-brokered, to raise gross proceeds of \$2,898,900, and will involve the sale of 5,797,800 FT Units at a price of \$0.50 per FT Unit. Each FT Unit will be comprised of one (1) Resulting Issuer Share issued on a flow-through basis and one-half of one Resulting Issuer Warrant. The Flow-Through Private Placement will close immediately following the completion of the Acquisition.

Finders’ Fees in the amount of \$112,312 will be payable to finders. 230,135 finders’ warrants equal to 8.0% of the aggregate amount of Subscription Receipts or FT Units issued pursuant to the Financings to subscribers introduced by finders will also be issuable to such finders. Each Finders’ Warrant will be exercisable for one Resulting Issuer Share at a price of \$0.60 for a period of two years following the completion of the Transaction.

Name Change and Resulting Director Appointments

Concurrently with the Completion of the Transaction, the Resulting Issuer will change its name to “Abasca Resources Inc.” or such other name as may be acceptable to AMV, SaskCo and the Exchange, and Dawn Zhou, David Billard and Denis Arsenault will be appointed to replace certain current directors of AMV.

Upon Completion of the Transaction, the Resulting Issuer Board will consist of five (5) directors, as follows:

1. David Billard (who will also be appointed Chair);
2. Dawn Zhou;
3. Denis Arsenault (who will be appointed as Audit Committee chair);
4. Qiang Sean Wang (a current director, as Executive Director); and
5. Brett Kagetsu (a current director).

Jerry Minni and Michael Dake will cease to act as directors.

AMV also anticipates the following persons will be appointed as officers in the positions set out opposite his or her name:

1. Dawn Zhou – President and Chief Executive Officer;
2. Erik H. Martin – Chief Financial Officer and Corporate Secretary; and
3. Brian McEwan – Vice President, Exploration.

Upon Completion of the Transaction, Qiang Sean Wang will resign as President and Chief Executive Officer and Jerry Minni will resign as Chief Financial Officer and Corporate Secretary.

The Asset Purchase Agreement

Pursuant to the Asset Purchase Agreement, and subject to adjustment as provided thereunder, the parties intend to effect the following steps on or about Closing:

- (a) AMV and SaskCo will complete the Acquisition and AMV will issue the Consideration Shares to SaskCo;
- (b) all Subscription Receipts will convert into FinCo Units in accordance with the terms of the Subscription Receipts;
- (c) MergeCo and FinCo will effect the Amalgamation in accordance with the Amalgamation Agreement;
- (d) the FinCo Shares and FinCo Warrants will be exchanged into Resulting Issuer Shares and Resulting Issuer Warrants, respectively, on a one-for-one basis;
- (e) AMV will close the Flow-Through Private Placement;
- (f) AMV will effect the Name Change; and
- (g) the AMV Board will be reconstituted to give effect to the Resulting Director Appointments.

It is intended that immediately following completion of the foregoing steps, an aggregate of approximately 46,137,370 Resulting Issuer Shares will be issued and outstanding, and: (a) the former FinCo Shareholders will hold 1,880,638 Resulting Issuer Shares, representing approximately 4.08% of the outstanding Resulting Issuer Shares; (b) the current AMV Shareholders will hold 12,819,644 Resulting Issuer Shares, representing approximately 27.79% of the outstanding Resulting Issuer Shares, (c) the subscribers under the Flow-Through Private Placement will hold a minimum of 5,797,800 Resulting Issuer Shares, representing 12.57% of the outstanding Resulting Issuer Shares; and (d) SaskCo will hold 25,639,288 Resulting Issuer Shares as a result of the Acquisition, representing 55.57% of the outstanding Resulting Issuer Shares.

Conditions to Completion of the Transaction

The respective obligations of AMV and SaskCo to consummate the Transaction contemplated by the Asset Purchase Agreement are subject to the satisfaction, on or before the Closing Date, or such other time specified, of the following conditions:

Mutual Conditions

- (a) No order of any governmental authority will be in force, and no action or proceeding will be pending or threatened by any Person:
 - (i) to restrain or prohibit the completion of the transactions contemplated by the Asset Purchase Agreement, including the sale and purchase of the Purchased Assets; or

- (ii) to restrain or prohibit either of AMV or SaskCo from having possession or use of the Purchased Assets;
- (b) The Exchange shall have approved the Transaction and shall have conditionally approved the listing of the Consideration Shares;
- (c) The Amalgamation shall have received the necessary shareholder approvals under the BCBCA; and
- (d) The Flow-Through Private Placement has been fully-subscribed and is ready to close, and the Offering has been fully-subscribed and either closed or ready to close, and the Escrow Release Conditions have been satisfied.

Conditions in Favour of AMV

- (a) The representations and warranties of SaskCo made in the Asset Purchase Agreement will be true, accurate, and correct in all material respects as at the Closing and with the same effect as if made at and as of the Closing;
- (b) SaskCo will have performed and complied with all its obligations, covenants and agreements under the Asset Purchase Agreement;
- (c) No injunction or restraining order of any court or administrative tribunal of competent jurisdiction will be in effect prohibiting the transactions contemplated thereby and no action or proceeding at law or in equity will have been instituted or be pending against SaskCo to restrain or prohibit the transactions between the parties;
- (d) No event will have occurred or condition or state of facts of any character will have arisen or been threatened and no legislation (whether by statute, rule, regulation, by-law or otherwise) will have been introduced or proposed nor any policy announced by any governmental authority which would reasonably be expected to have a materially adverse effect upon the KLS Project;
- (e) The escrow agreement contemplated by the Asset Purchase Agreement shall have been executed by SaskCo;
- (f) SaskCo has initiated, via the Saskatchewan Mineral Administration Registry System (MARS), an electronic transfer capable of being accepted by AMV respecting all of SaskCo's interest in the mineral claims listed in Schedule "A" to the Asset Purchase Agreement; and
- (g) AMV will have received from SaskCo the closing documentation.

Conditions in Favour of SaskCo

- (a) The representations and warranties of AMV made in the Asset Purchase Agreement will be true, accurate and correct in all material respects as at the Closing and with the same effect as if made at and as of the Closing;
- (b) AMV will have performed and complied with all of its obligations, covenants and agreements under the Asset Purchase Agreement;
- (c) No injunction or restraining order of any court or administrative tribunal of competent jurisdiction will be in effect prohibiting the transactions contemplated thereby and no action or proceeding at law or in equity will have been instituted or be pending against AMV to restrain or prohibit the transactions between the parties;
- (d) No event will have occurred or condition or state of facts of any character will have arisen or been threatened and no legislation (whether by statute, rule, regulation, by-law or otherwise) will have been

introduced or proposed nor any policy announced by any governmental authority which might reasonably be expected to have a materially adverse effect upon the financial condition, business, operations, prospects or assets of AMV;

- (e) Such directors of AMV as may be chosen by SaskCo shall have delivered to AMV a duly executed resignation as director and a release to be effective upon the Completion of the Transaction, in order for the Resulting Director Appointments to occur, and Sean Wang shall have delivered his resignation as President and Chief Executive Officer;
- (f) AMV shall not have undertaken any business other than in connection with the completion of the Transaction and the entering into of the Asset Purchase Agreement; and
- (g) SaskCo will have received on the Closing Date from AMV the closing documentation, including, among other things, the written consents of the AMV Shareholders collectively holding in excess of 50% of the issued and outstanding AMV Shares approving the Acquisition and the issuance of the Consideration Shares.

Termination Events

The Asset Purchase Agreement may be terminated in the following instances:

- (i) by mutual written consent and agreement of the parties;
- (ii) by either party, upon written notice to the other party, if:
 - (A) any governmental authority having jurisdiction shall have issued an order, decree or ruling permanently restraining or enjoining or otherwise the transactions contemplated in the Asset Purchase Agreement (unless such order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable) which order, decree or ruling is final and non-appealable; or
 - (B) the other party is in default of a covenant or obligation under the Asset Purchase Agreement, provided that the party seeking to terminate the agreement is not then in breach of the agreement so as to cause any condition in favour of both parties or in favour of the other party not to be satisfied; or
- (iii) by AMV, upon written notice to SaskCo:
 - (A) if any of the conditions in favor of AMV or mutual conditions precedent set forth in the Asset Purchase Agreement are not satisfied or waived on or before December 31, 2022;
 - (B) any representation or warranty of SaskCo under the Asset Purchase Agreement is untrue or incorrect or shall have become untrue or incorrect, provided that AMV is not then in breach of the Asset Purchase Agreement so as to cause any condition in favour of both parties or in favour of SaskCo not to be satisfied; or
 - (C) if there is a breach by SaskCo of any covenant or obligation in the Asset Purchase Agreement; or
- (iv) by SaskCo, upon written notice to AMV:
 - (A) if any of the conditions in favor of SaskCo or mutual conditionals precedent set forth in the Asset Purchase Agreement are not satisfied or waived on or before the December 31, 2022;

- (B) any representation or warranty of AMV under the Asset Purchase Agreement is untrue or incorrect or shall have become untrue or incorrect, provided that SaskCo is not then in breach of the Asset Purchase Agreement so as to cause any condition in favour of both parties or in favour of AMV not to be satisfied; or
- (C) if there is a breach by AMV of any covenant or obligation in the Asset Purchase Agreement.

Automatic Termination

The Asset Purchase Agreement shall terminate and the obligations of the parties thereunder shall end, other than those specified under the Asset Purchase Agreement which will survive, if the Closing Date does not occur by December 31, 2022 or such later date as the parties may agree.

PART III – INFORMATION CONCERNING AMV

The following information is presented prior to giving effect to the Transaction as at the date hereof or as otherwise specified herein. See “*Part V – Information Concerning the Resulting Issuer*” for business, financial and share capital information relating to the Resulting Issuer.

Corporate Structure

Name and Incorporation

AMV was formed on January 31, 2019 by way of an amalgamation pursuant to the BCBCA between AMV Capital Corporation, a private British Columbia company, and Pontiac Resources Corp., a private British Columbia company incorporated on November 17, 2017 which was engaged in the acquisition and exploration of mineral properties. The AMV Shares were listed for trading on the TSX Venture Exchange on December 12, 2019 under the stock symbol “AMV” and currently trade on the TSX Venture Exchange under that stock symbol.

The head office of AMV is located at Suite 200, 551 Howe Street, Vancouver, British Columbia, V6C 2C2 and the registered office of AMV is located at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

Intercorporate Relationships

AMV has one wholly-owned subsidiary, MergeCo, formed for the purposes of completing the Amalgamation.

General Development of the Business

History

Since its formation, AMV has been primarily engaged in the acquisition and exploration of mineral properties. AMV currently has one mineral property – the Sage Property – located in the Kamloops Mining Division of British Columbia, which is in the exploration stage. Upon completion of the RTO, the Resulting Issuer does not intend to continue to conduct exploration on the Sage Property.

Pursuant to a final prospectus dated September 13, 2019 (the “**Prospectus**”), AMV completed its initial public offering of 4,000,000 AMV Shares at a price of \$0.10 per share for aggregate gross proceeds of \$400,000 (the “**IPO**”) on December 13, 2019. In connection therewith, AMV granted Mackie Research Capital Corporation (the “**IPO Agent**”) an over-allotment option (the “**Over-Allotment Option**”) to the IPO Agent to sell, as agent up to an additional 600,000 AMV Shares (the “**IPO Additional Shares**”). The Over-Allotment Option was exercisable, in whole or in part, for a period of 30 days from the Closing Date. The Over-Allotment Option was not exercised and no IPO Additional Shares were issued. In connection therewith AMV also issued to the IPO Agent 320,000 non-transferable share purchase warrants representing 8% of the total number of AMV Shares sold to the public pursuant to the Prospectus at an exercise price of \$0.10 per AMV Share, exercisable within 24 months from the date of listing of the AMV Shares on the Exchange. The IPO Agent also received a cash commission equal to 8% of the gross proceeds of the IPO, a corporate finance fee of \$22,000 and was reimbursed for its legal fees and reasonable expenses. Concurrent with the IPO, AMV also granted options to acquire an aggregate of 850,000 AMV Shares at an exercise price of \$0.10 per share to the directors and officers of AMV, which options expire five (5) years from the date of listing on the Exchange. 170,000 of these options expired 90 days following the resignation of David Forest as director on August 4, 2022.

On September 13, 2022, AMV entered into the Letter of Intent with SaskCo in respect of the Transaction.

On September 14, 2022, AMV announced that it has signed the Letter of Intent. Trading of the AMV Shares has been halted by the Exchange since September 14, 2022 pending completion of the Transaction. On September 13, 2022, the trading day immediately prior to the halt, AMV Shares were trading at \$0.10 per share.

On October 25, 2022 AMV entered into the Asset Purchase Agreement with SaskCo pursuant to which AMV and SaskCo intend to complete the Transaction, including the Acquisition, Financings, Amalgamation, Name Change and Resulting Director Appointments. See “*Part III – The Transaction*”.

Financing

Following the completion of the Acquisition, AMV intends to immediately close the Flow-Through Private Placement to raise gross proceeds of \$2,898,900 by way of the sale of 5,797,800 FT Units at a price of \$0.50 per FT Unit. Each FT Unit will be comprised of one (1) Resulting Issuer Share issued on a flow-through basis and one-half of one Resulting Issuer Warrant Share. Each Resulting Issuer Warrant shall entitle the holder to acquire one Resulting Issuer Warrant Share at a price of \$0.60 per Resulting Issuer Warrant Share for a period of two years.

FinCo is to conduct the Offering of 1,880,138 subscription receipts (the “**Subscription Receipts**”) at a price of \$0.45 per Subscription Receipt to raise \$846,062.10. Immediately before the Amalgamation (as defined below), the Subscription Receipts will be converted into FinCo Units, each FinCo Unit to be comprised one (1) FinCo Share and one-half (½) of one FinCo Warrant. Each FinCo Share and FinCo Warrant will be automatically exchangeable, for no additional consideration and without any further action, upon fulfilment of the Escrow Release Conditions and upon completion of the Amalgamation, into one Resulting Issuer Share and one Resulting Issuer Warrant, subject to adjustment. The gross proceeds from the Offering will be held in escrow by legal counsel to FinCo or a subscription receipts agent to be appointed, pending the satisfaction of the Escrow Release Conditions, which include:

- (a) receipt of conditional approval of the Exchange to the Transaction;
- (b) board and shareholder approvals of the Transaction, as applicable;
- (c) no material breach or default by SaskCo;
- (d) completion of the Flow-Through Private Placement to raise no less than \$2,500,000; and
- (e) all conditions precedent to the completion of the Transaction being satisfied.

Upon satisfaction of the Escrow Release Conditions the Escrowed Funds, less any Finders’ Fees, will be released to the Resulting Issuer. In the event that the Escrow Release Conditions are not satisfied on or before December 31, 2022, or such later date as may be agreed between AMV and SaskCo, the Subscription Receipts shall be cancelled and the Escrowed Funds, with accrued interest earned thereon (less any applicable withholding taxes and Finders’ Fees paid), will be returned to subscribers.

Finders’ Fees equal to 8.0% of the aggregate gross proceeds raised in the Financings from subscriptions of Subscription Receipts or FT Units completed by subscribers introduced by the third party finders will be payable to such finders. Finders’ warrants equal to 8.0% of the aggregate amount of Subscription Receipts or Units issued pursuant to the Financings to subscribers introduced by third party finders will also be issuable to finders. Each Finders’ Warrant will be exercisable for one Resulting Issuer Share at a price of \$0.60 for a period of two years following the Completion of the Transaction.

The proceeds from the Financings will be used to fund a 2022/23 winter drilling exploration program for the KLS Project and for working capital purposes.

Selected Consolidated Financial Information and Management’s Discussion and Analysis

The following information has been derived from and should be read in conjunction with the AMV Financial Statements and the AMV MD&A, attached to this Filing Statement as Appendix “A” and Appendix “B”, respectively.

Below is a brief summary of AMV’s audited consolidated financial statements for the years ended April 30, 2022 and 2021, and for the unaudited interim six month period ended October 31, 2022;

	Six month Period ended October 31, 2022 \$	Year ended April 30, 2022 \$	Year ended April 30, 2021 \$
Exploration and evaluation assets	218,265	218,265	246,148
Total assets	249,464	321,023	342,556
Net loss	(120,342)	(53,709)	(65,990)
Basic and diluted loss per share	(0.01)	(0.00)	(0.01)
Working capital (deficit)	(23,046)	97,296	91,158
Accumulated deficit	(600,461)	(480,119)	(426,410)

Management's Discussion & Analysis

The management's discussion and analysis of the financial condition and results of operations of AMV for the year ended April 30, 2022 and the interim management's discussion and analysis of AMV for the six months ended October 31, 2022 are attached hereto at Appendix "B" and should be read in conjunction with the AMV Financial Statements for the corresponding periods, which are attached hereto at Appendix "A".

For a discussion of risks and uncertainties facing AMV, MergeCo and the Resulting Issuer see "*Part VI – Risk Factors*".

Description of the Securities

Common Shares

AMV is authorized to issue an unlimited number of AMV Shares, which are common shares without par value. The holders of the AMV Shares are entitled to share pro rata in any dividends if, as and when declared by the directors. The holders of the common shares are entitled to receive notice of and attend all meetings of AMV Shareholders and are entitled to one vote in respect of each AMV Share held at such meetings. In the event of liquidation, dissolution or winding-up of AMV, the holders of AMV Shares are entitled to share rateably the remaining assets of AMV. There are no special rights or restrictions of any nature attached to any of the AMV Shares, all of which rank equally as to all benefits which might accrue to the holders of the AMV Shares. The following table sets forth the capitalization of AMV as at the date hereof:

Capital	Authorized	Outstanding as at date hereof
common shares	unlimited	12,819,644

Options

As of the date hereof, 680,000 AMV Options have been granted and are outstanding under the AMV Option Plan.

Each AMV Option may be exercised to acquire one AMV Share at a price of \$0.10 per share with an expiry date of December 12, 2024.

Stock Option Plan

AMV adopted the AMV Option Plan which provides that the AMV Board may from time to time, in its discretion and in accordance with TSXV requirements, grant to directors, officers, employees and consultants of AMV and its affiliates, non-transferable stock options to purchase AMV Shares, provided that the total number of AMV Shares reserved for issuance will not exceed 2,400,000 AMV Shares. The AMV Options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the maximum number of AMV

Shares reserved for issue to any one person under the AMV Option Plan cannot exceed 5% of the issued and outstanding number of AMV Shares and the maximum number of AMV Shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of AMV Shares at the date of the grant.

The AMV Options are non-assignable and non-transferable. If an optionee (the “**Optionee**”) ceases to be employed by AMV or ceases to act as a director or officer of AMV (other than termination for cause), any AMV Option held by such Optionee will expire within ninety (90) days of termination of employment or technical consulting arrangement or holding office as a director or officer of AMV and, in the case of death, expire within one year thereafter. Upon death, the AMV Options may be exercised by legal representatives or designated beneficiaries of the holder of the AMV Option. In the event of termination for cause, the option shall terminate and shall cease to be exercisable upon such termination for cause. In the event that the Optionee shall cease to be a director, employee or consultant by reason of such Optionee’s disability, any AMV Options held by such Optionee that have vested and that could have been exercised immediately prior to such cessation shall be exercisable by such Optionee, or by his guardian, for a period of thirty (30) days following the date of such cessation, and, in the case of death within that thirty (30) days period, expire within thirty (30) days thereafter.

Prior Sales

The following table set outs the AMV Shares that have been issued within the 12 months before the date of this Filing Statement:

Date	Number of AMV Shares	Issue Price Per AMV Share	Gross Aggregate Issue Price
December 10, 2021 ⁽³⁾	319,643	\$0.10	\$31,964.30

Note:

(1) Issued pursuant to the exercise of IPO Agent’s warrants originally issued December 12, 2019.

Trading Price and Volume

The AMV Shares are listed on the TSXV under the trading symbol “AMV”. The closing price of the AMV Shares on September 13, 2022, being the last day the AMV Shares traded on the TSXV before being halted on September 14, 2022 in connection with the Transaction, was \$0.10.

The following table sets forth the high and low daily closing prices and the volumes of trading of AMV Shares on the TSXV for each month or partial months of the 12-month period before the date of this Filing Statement.

Period	\$ High	\$Low	Volume
December 1 - 21, 2022	\$0.10	\$0.10	0
November, 2022	\$0.10	\$0.10	0
October, 2022	\$0.10	\$0.10	0
September, 2022 ⁽¹⁾	\$0.10	\$0.10	0
August, 2022	\$0.10	\$0.10	20
July, 2022	\$0.10	\$0.10	7,000
June, 2022	\$0.10	\$0.10	10,000
May, 2022	\$0.15	\$0.15	500
April, 2022	\$0.12	\$0.12	0
March, 2022	\$0.12	\$0.12	0
February, 2022	\$0.12	\$0.12	0
January, 2022	\$0.12	\$0.12	29,000

Period	\$ High	\$Low	Volume
December, 2021	\$0.115	\$0.115	15,373
November, 2021	\$0.115	\$0.115	10,000

Note:

(1) The AMV Shares were voluntarily halted on September 14, 2022 in connection with the execution of the Letter of Intent.

Executive Compensation

Introduction

The purpose of this Compensation Discussion and Analysis is to provide information about AMV's philosophy, objectives and processes regarding compensation paid to those who acted as the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of AMV (or in similar capacities) and each of the most highly compensated executive officers of AMV, other than the CEO and the CFO, whose total compensation was, individually, more than \$150,000 for the year ended April 30, 2022.

For the year ended April 30, 2022, AMV had the following two NEOs:

- Qiang Sean Wang (President and CEO since January 31, 2019); and
- Jerry A. Minni (CFO and Secretary since January 31, 2019).

AMV's executive compensation program is administered by the AMV Board. The AMV Board's mandate with respect to compensation includes evaluating senior management and developing appropriate compensation policies to set the remuneration for the NEOs.

Compensation and Discussion Analysis

The compensation committee does not have a formal process for reviewing compensation of the directors and senior officers, and reviews of compensation are conducted on a periodic basis.

The compensation committee deals with executive compensation matters. The compensation committee regularly considers the implications of the risks associated with the AMV's compensation program and how it might mitigate those risks. AMV does not currently believe there are any risks arising from compensation policies and practices that are reasonably likely to have an adverse effect on AMV.

AMV did not retain any compensation consultants during the financial year ended April 30, 2022.

AMV's compensation programs are designed to recognize and reward executive performance consistent with the success of the AMV's business. These policies and programs are intended to attract and retain capable and experienced people. The philosophy of the AMV Board and the compensation committee is to ensure that AMV's compensation goals and objectives, as applied to the actual compensation paid to AMV's CEO and other executive officers, are aligned with AMV's overall business objectives and with Shareholder interests.

The compensation committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of AMV and its Shareholders, overall financial and operating performance of AMV and the compensation committee's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

Report on Executive Compensation

The compensation committee assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of AMV. The compensation committee determines the type and amount of compensation for the President and CEO. The compensation committee also reviews the compensation of the AMV's senior executives.

Philosophy and Objectives

The compensation program for the senior management of AMV is designed to ensure that the level and form of compensation achieves certain objectives, including:

- a) attracting and retaining qualified executives;
- b) motivating the short and long-term performance of these executives; and
- c) better aligning their interests with those of AMV's Shareholders.

In compensating its senior management, AMV employs a combination of salary and equity participation through its share option plan.

Elements of the Compensation Program for the Fiscal Year 2022

The significant elements of compensation awarded during the financial year ended April 30, 2022 to the NEOs was paid in cash. AMV does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of AMV's compensation program. The compensation committee reviews periodically the total compensation package of each of the AMV's executive officers on an individual basis and makes recommendations for the individual components of its compensation.

Cash Salary

As a general rule, AMV seeks to offer its NEOs a compensation package that is in line with that offered by other companies in its industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of AMV.

Equity Participation

AMV believes that encouraging its executives and employees to become Shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the AMV Option Plan. AMV Options are granted to senior executives taking into account a number of factors, including the amount and term of AMV Options previously granted, base salary and bonuses and competitive factors. AMV Options that vest on terms established by the AMV Board are generally granted to senior executives of AMV.

Financial Instruments

AMV has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Option-Based Awards

The AMV Option Plan was last approved by Shareholders on July 28, 2020. The AMV Option Plan provides that the AMV Board may from time to time, in its discretion and in accordance with TSXV requirements, grant to directors, officers, employees and consultants of AMV and its affiliates, non-transferable stock options to purchase AMV Shares, provided that the total number of AMV Shares reserved for issuance will not exceed 2,400,000 AMV Shares. The AMV Option Plan has been established to provide incentive to qualified parties to increase their proprietary interest in AMV and thereby encourage their continuing association with AMV. The AMV Option Plan is administered by the AMV Board. All AMV Options expire on a date not later than 10 years after the issuance of such AMV Option. Previous grants of option-based awards are taken into account when considering new grants of AMV Options. The number of AMV Options which may be issued under the AMV Option Plan in the aggregate and in respect of any fiscal year is limited under the terms of the AMV Option Plan and cannot be increased without shareholder approval. The AMV Option Plan is also intended to emphasize management's commitment to the growth of AMV and the enhancements of Shareholders' equity through, for example, improvements in its resource base and share price increments. AMV relies on discussions of the AMV Board in granting AMV Options, and take

into account management's consideration of the NEO's duties and responsibilities, the NEO's execution of such duties, and the impact of stock options on the total compensation package as envisioned by the AMV Board for each of the NEOs. The AMV Board generally relies on stock options to design an equitable compensation package. At least annually, the AMV Board reviews the grant of AMV Options to management and employees. AMV Options are granted at other times of the year to individuals commencing employment with AMV. The exercise price for the AMV Options is set in accordance with the policies of the Exchange.

Limitations on the Issuance of Options

Pursuant to the AMV Option Plan, in no case will a director, officer, employee or consultant or former director, officer, employee or consultant, who holds an unexercised and unexpired AMV Option or, where applicable, the personal representative of such person (an "**Option Holder**") be granted an option where the number of AMV Shares that may be purchased pursuant to all AMV Options held by such person exceeds 5% of AMV's issued and outstanding share capital in any 12-month period. Additionally, in no case will a consultant or person employed in investor relations activities be granted AMV Options where the number of AMV Shares that may be purchased pursuant to options held by such person exceeds 2% of AMV's issued and outstanding share capital in any 12-month period.

Expiry of Options

All AMV Options issued under the AMV Option Plan expire on a date not later than 10 years after the issuance of such AMV Option. Subject to such other terms or conditions that may be attached to AMV Options granted under the AMV Option Plan, the AMV Option Plan provides for accelerated expiration and termination of outstanding AMV Options in certain circumstances.

In the event of the death of the Option Holder, that Option Holder's options shall expire on the first anniversary of the Option Holder's death. If an Option Holder holds AMV Options as a director of AMV and ceases to be a director of AMV for any reason other than death, that ex-director's options shall expire on the 90th day following that person ceasing to be a director of AMV, unless the expiry date is extended by the AMV Board, at its discretion, in accordance with the AMV Option Plan.

If an Option Holder holds AMV Options as an employee of AMV and ceases to be an employee of AMV other than by reason of death, unless otherwise provided in the option certificate, that former employee's AMV Options shall expire on the 90th day following that person ceasing to be an employee of AMV, unless such person was terminated for cause, in which case, that former employee's AMV Options shall expire on the date of termination.

If an Option Holder holds AMV Options as a consultant of AMV and such Option Holder ceases to be a consultant of AMV other than by reason of death, unless otherwise provided in the option certificate, that person's AMV Options shall expire on the 30th day following that person ceasing to be a consultant of AMV, unless the Option Holder ceases to be a consultant of AMV as a result of an order made by any regulatory authority having jurisdiction to so order, in which case that former consultant's AMV Options shall expire on the date of termination.

If an Option Holder holds AMV Options in an investor relations capacity to AMV, and such Option Holder ceases to provide investor relations services to AMV, that person's AMV Options shall expire on the 30th day following that person ceasing to provide investor relations services to AMV, unless the Option Holder ceases to provide investor relations services to AMV as a result of termination for cause or an order made by any regulatory authority having jurisdiction to so order; in which case that person's AMV Options shall expire on the date of termination.

Perquisites and Other Personal Benefits

AMV's NEOs are not generally entitled to significant perquisites or other personal benefits not offered to other employees of AMV.

Management Contracts

Management functions of AMV are, and since the beginning of the most recently completed financial year have been, performed by the directors and executive officers of AMV, and are not to any substantial degree performed by any other person or corporation.

Arm's Length Transactions

The Transaction is an Arm's Length Transaction within the meaning of the Policies of the Exchange. There have been no Non-Arm's Length Transactions completed within 24 months before the date of this filing statement.

Legal Proceedings

AMV is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor are any such proceedings known to AMV to be contemplated by any party.

Auditor, Transfer Agent and Registrar

The auditor of AMV is Manning Elliott LLP, located at 17th Floor, 1030 West Gerogia Street, Vancouver, British Columbia, V6E 2Y3, Canada. After the Closing, it is anticipated that the auditor of the Resulting Issuer will continue to be Manning Elliott LLP.

The transfer agent and registrar of AMV is Odyssey Trust Company, with an office at United Kingdom Building, Suite 350 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2, Canada.

Material Contracts

AMV has not entered into any material contracts, outside of the ordinary course of business, other than the Asset Purchase Agreement.

A copy of this agreement has been filed on SEDAR and is available for inspection at the head office of AMV at Suite 200, 551 Howe Street, Vancouver, British Columbia V6C 2C2, during normal business hours until the Completion of the Transaction and for a period of 30 days thereafter.

PART IV – INFORMATION CONCERNING THE KLS PROJECT

The technical information contained in this Filing Statement has been reviewed and approved by Dave Billard, P. Geo, who is a “Qualified Person” under NI 43-101.

The following contains information about the KLS Project summarized from the KLS Technical Report prepared pursuant to the provisions of NI 43-101, authored by Glen Cole, P. Geo, Principal Consultant, and Dave Billard, P. Geo Associate Consultant (collectively, the “**KLS Report Authors**”). Glen Cole and Dave Billard are each an independent “qualified person” (“**QP**”) as defined by NI 43-101. A complete copy of the KLS Technical Report is available for review under AMV’s profile on SEDAR located at www.sedar.com.

PROPERTY DESCRIPTION, LOCATION AND ACCESS

The KLS Project is located approximately 540 kilometres north of Saskatoon, the largest city in the province of Saskatchewan, and 220 kilometres north-northwest of the town of La Ronge (Figure 1). The Key Lake Mine, a former uranium producer and the site of the Key Lake mill which processes Cameco’s McArthur River ore, is located 15 kilometres northeast of the property.

The project is centred at UTM NAD 83 Zone 13N grid coordinates 442500E, 6322500N, on NTS map sheets 74-G-01 and 74-H-04.

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Figure 1: Regional Location Map



Mineral Tenure

The KLS Project consists of 12 contiguous claims (23,977 hectares), originally staked and held under the name of 101159623 Saskatchewan Ltd. (Table 1). The authors of the Technical Report have been informed by SaskCo that all mineral rights will be transferred from SaskCo to AMV Capital Corporation (“AMV”) at the closing of the reverse takeover expected to occur in late 2022. SRK reviewed SaskCo’s claim holdings using the government’s online Mineral Administration Registry Saskatchewan (“MARS”) on December 11, 2021.

The claims have not been legally surveyed and were acquired through map staking in 2011 and 2012 using the MARS claim registry system. The mineral claim grants SaskCo the right to explore for any mineral substances except for sand, gravel, clay and all other loose deposits.

Under Saskatchewan law, claims are staked through an online registry. The map-designated coordinates of the claims are the legal limits of said claims, the physical limits can be verified by consulting the Government’s MARS.

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Table 1: Mineral Tenure Information

Mineral Claim	Owner*	Area (Ha)	Effective Date	Expiry Date	Annual Expenditure Requirement
S-112088	101159623 SK Ltd. 100%	1,754	13-Sep-11	11-Dec-23	\$26,310
S-112288	101159623 SK Ltd. 100%	1,175	16-Aug-11	13-Nov-23	\$17,625
S-112289	101159623 SK Ltd. 100%	4,143	16-Aug-11	13-Nov-23	\$62,145
S-112290	101159623 SK Ltd. 100%	4,965	16-Aug-11	13-Nov-23	\$74,475
S-112291	101159623 SK Ltd. 100%	4,901	16-Aug-11	13-Nov-23	\$73,515
S-112430	101159623 SK Ltd. 100%	194	11-Apr-12	9-Jul-23	\$2,910
S-112431	101159623 SK Ltd. 100%	175	11-Apr-12	9-Jul-23	\$2,625
S-112432	101159623 SK Ltd. 100%	148	11-Apr-12	9-Jul-23	\$2,220
S-112433	101159623 SK Ltd. 100%	101	11-Apr-12	9-Jul-23	\$1,515
S-112434	101159623 SK Ltd. 100%	345	11-Apr-12	9-Jul-23	\$5,175
S-112435	101159623 SK Ltd. 100%	2,810	11-Apr-12	9-Jul-23	\$42,150
S-112436	101159623 SK Ltd. 100%	3,266	13-Jun-12	10-Sept-24	\$48,990
Total		23,977			\$359,655

*All mineral rights will be transferred from 101159623 Saskatchewan Ltd. to AMV Capital Corporation in late 2022

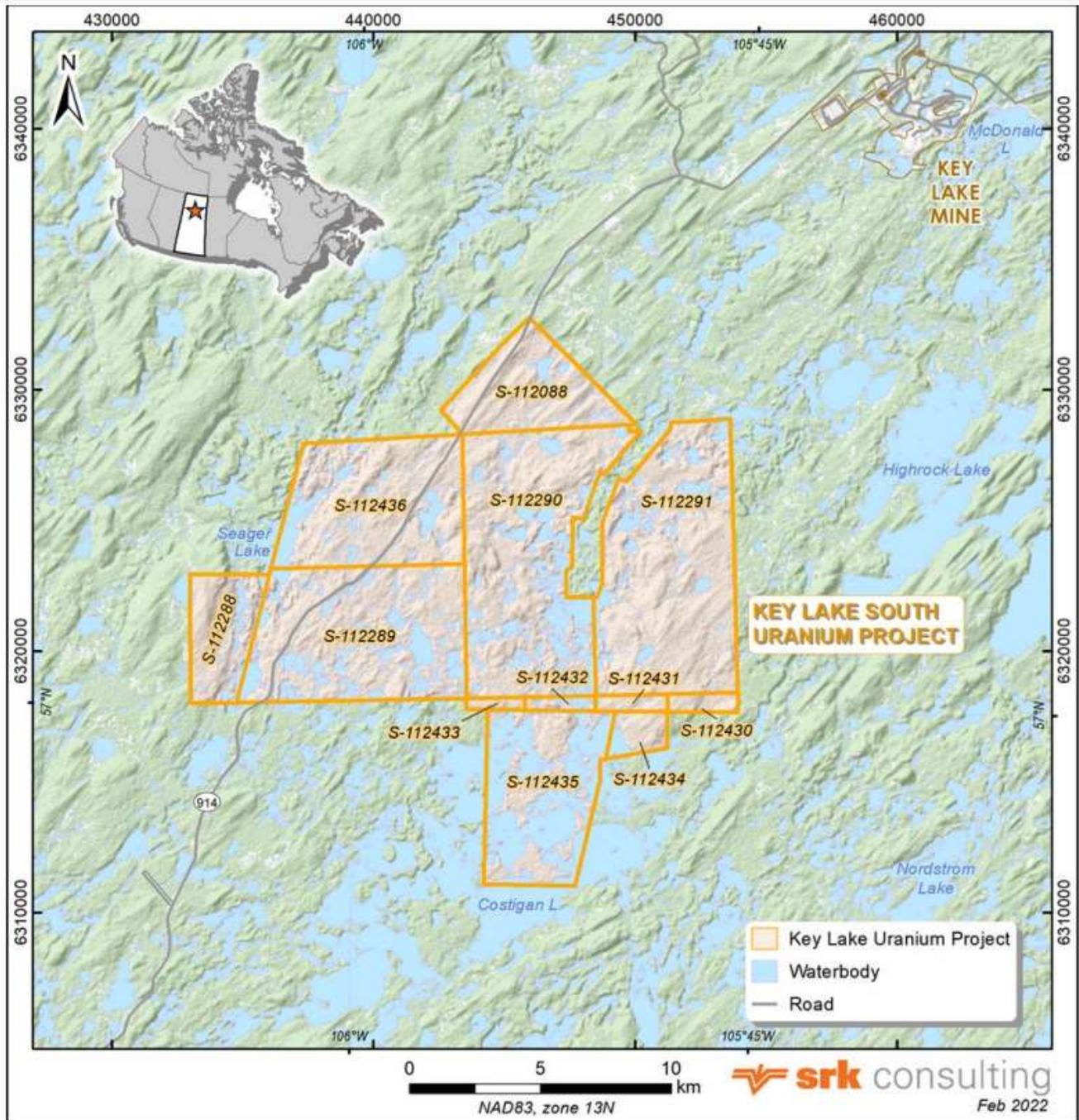
The Expenditure requirements under Saskatchewan's Mineral Tenure Registry Regulations, C-50.2 Reg 27 are as follows:

- a) *NIL during the first assessment work period;*
- b) *\$15.00 per hectare per assessment work period, from the second to tenth assessment work periods with a minimum of \$240.00 per claim per assessment work period;*
- c) *\$25.00 per hectare per assessment work period, for the eleventh assessment work period and all subsequent assessment work periods with a minimum of \$400.00 per claim per assessment work period.*

In light of the above, the expenditure requirements for Claims staked in 2011 (S-112088, S-112288, S-112289, S-112290 and S-112291) will require an annually expenditure of \$25/Hectare per claim for years 2022 and onward. Expenditure requirements of Claims staked in 2012 are set at \$15/Hectare for each year up to 2023, following 2023 these expenditures will increase to \$25/Hectare for each year.

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Figure 2: Land Tenure Map of the Key Lake South Uranium Project



Underlying Agreements

SaskCo and AMV signed a KLS Project Asset Purchase Agreement dated October 24, 2022. Under the terms of the Asset Purchase Agreement, AMV will acquire a 100% interest in the KLS Project in consideration of the issuance of 25,639,288 common shares in the authorized share structure of AMV, representing 66.7% of the issued and outstanding common share of AMV at the closing of the asset purchase. No royalty over the KLS Project was retained by SaskCo.

AMV will hold a 100% interest in the KLS Project claims as from late 2022. All claims are in good standing and are free of any liens, charges, royalties, environmental liabilities, or other agreements to which the property could be subject.

Permits and Authorizations

Mineral exploration on land administered by the Ministry of Environment requires that surface disturbance permits be obtained prior to exploration activities. The Saskatchewan Mineral Exploration and Government Advisory Committee (SMEGAC) have developed the Mineral Exploration Guidelines for Saskatchewan to mitigate environmental impacts from industry activity and facilitate governmental approval for such activities. Applications to conduct exploration work need only to address the relevant topics of those listed in the guidelines. The types of activities are listed under the guide’s best management practises (BMP) and tabulated below in Table 2.

Table 2: Best Management Practices and Required Permits

Best Management Practises	Permits Required and Obtained
Staking	-
Grassroots Exploration	-
Forest Clearing	Forest Production Permit 15PA269 Forest Production Permit 17PA069
Temporary Work Camps	Temporary Work Camp 15PA269 Temporary Work Camp 16PA281 Temporary Work Camp 17PA069
Hazardous Wastes and Goods	-
Fire Prevention and Control	-
Access	Forest Production Permit 15PA269 Forest Production Permit 17PA069
Water Crossings	Aquatic Habitat Protection Permit 15PA269 Aquatic Habitat Protection Permit 17PA069
Exploration Trenching	-
Drilling on Land	Forest Production Permit 15PA269 Forest Production Permit 17PA069
Drilling on Ice	Aquatic Habitat Protection Permit 15PA269 Aquatic Habitat Protection Permit 17PA069
Core Storage	Ministry of Economy legislation states that core is to be left on-site. Since this requirement is indicated in provincial legislation, mineral companies can leave core boxes with core on-site indefinitely without any additional permit/approval.
Restoration	-
First Nations and Métis Community Engagement	Letters to stakeholders submitted
Water Usage	Temporary Water Rights Licence to use Surface Water E8/10914 & E8/10915 Temporary Water Rights Licence to use Surface Water E8/10925 & E8/10926

There are no known environmental issues or liabilities potentially affecting the KLS Project and all the proper permits required to conduct exploration activities on the property for all exploration campaigns have been obtained.

Environmental Considerations

The KLS Project is an undeveloped exploration project. Minimal surface disturbances have occurred, which are limited primarily to surface drilling, geophysical surveys and historical exploration work. Surface land is crown land and legal access to the project and to carry out exploration activities on the project is granted by exploration permits applied to and granted by the Government of Saskatchewan. AMV expects to receive the 2023 winter drilling permit in December 2022.

Mining Rights in Saskatchewan

In Saskatchewan, mineral resources are owned by the Crown and managed by the Saskatchewan Ministry of the Economy using the Crown Minerals Act and the Mineral Tenure Registry Regulations, 2012. Staking for mineral dispositions in Saskatchewan is conducted through the online staking system, MARS. Mineral dispositions for the KLS Project were staked between 2011 and 2012, prior to the implementation of MARS.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Accessibility

Provincial Highway 914 crosses the northwest corner of the property. It is a north-south all-weather gravel road that links the Key Lake Mine (15 kilometres north of the property) to Highway 165 in the south. The eastern end of Highway 165 joins with Highway 2, a major north-south highway linking Prince Albert, an important small city in central Saskatchewan, to the town of La Ronge in the north.

The property can also be accessed by air from a helicopter or float plane that can be chartered in La Ronge. The project areas around provincial Highway 914 can be accessed at any time of the year. The areas away from the highway can be accessed by helicopter support all year and via exploration trails in winter. Usually, junior exploration companies operate winter drilling programs from January to April and summer / fall drilling or other ground exploration program from June to October.

A historical skidder trail starting at Highway 914 provides rough road access to the centre of the property. Drilling sites in the 2016 programs were accessed by pickup trucks via Highway 914. Other areas of the property were accessed ATVs and a Zodiac boat.

Local Resources and Infrastructure

The town of La Ronge, located 220 kilometres by air or 400 kilometers by highways, is the closest full-service community. Supplies, groceries, fuel, and accommodations are available in La Ronge or in the southern cities of Prince Albert (420 kilometres by air or 525 kilometers by highways) and Saskatoon (540 kilometres by air or 675 kilometers by highways). A fishing lodge on Costigan Lake (Costigan Lake Lodge), 20 kilometres south of the property can provide nearby accommodations. The nearest community, Pinehouse Lake, is located 210 kilometres south of the property.

La Ronge is served by the La Ronge municipal airport (Barber Field) and by the La Ronge Water Aerodrome. Rise Air (formerly Transwest Air) provides scheduled flights to and from other Saskatchewan communities. Helicopter and float plane transport can be chartered in La Ronge. A provincial airport is located at Pinehouse Lake. A private airstrip is also located at Cameco's Key Lake Mine, approximately 15 kilometres north of the project.

An extensive rail network services southern Saskatchewan, about 400 kilometres away from the project area.

The property is located approximately 15 kilometres south of Cameco Corporation's Key Lake uranium mill.

The temporary working camp and diamond drilling rigs generate power on site via diesel fuel generators. The water for camps and drilling are drawn from nearby lakes. Exploration geologists are from Saskatoon or other Canadian cities. Camp operation personnel and exploration field assistants are from the town of La Ronge and nearby northern communities. Organic waste from field exploration programs is buried on site and other waste and recyclable items are transported to Saskatoon or other municipal dump sites.

Climate

The property is located in unit Dfc (continental subarctic or boreal climate) of the Köppen climate classification. Unit Dfc is characterized by long cold winters, short cool summers, without a specific dry season, and with one to three months above 10°C and the coldest month below -3°C but above -38°C.

Annual temperature in the surrounding region generally ranges from -40°C in the winter to 25°C in the summer. The mean temperatures for January are -25°C in the winter to 25°C in July. Annual average rainfall is 225 millimetres and snowfall is 2,150 millimetres. Lake ice thaws in late April and returns in late October (Zhou et al. 2018).

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Figure 3: Typical Landscape in the Key Lake South Uranium Project
Area A = During 2016 Winter Drilling Program, B = During Summer



Physiography

The project area is located on cratonic rocks of the Canadian Shield, very near the southeastern boundary of the overlying Athabasca Basin. Topography is generally flat lying with low ridges and hills reaching up to several tens of meters in relief. A strong north-easterly structural grain is evident in the topography. The area is characterized by numerous lakes, creeks, and ponds.

Soil thickness on the ridges and hills is minimal and bedrock exposure is scarce but is found within recent burns and along large ridges. Outcrops are typically clustered and covered in lichens and moss. The vegetation is characteristic of subarctic tundra, dominated by small coniferous and deciduous trees, as well as shade-tolerant shrubs with grasses and feathermoss carpets at their base (Figure 2). Low-lying areas between hills and ridges consist of poorly drained muskeg swamps with scattered tamarack and black spruce.

HISTORY

Property Ownership

Considerable exploration activity by multiple operators has occurred on the property prior to SaskCo acquiring ownership of the property.

During late 1960s to the end of the 20th Century, prospecting, airborne geophysical surveys, ground geophysical surveys, surface geochemistry and shallow diamond drillings were carried out by Yukon Geothermal Companies Ltd., E&B Explorations Ltd., Getty Minerals Company Ltd., Scurry – Rainbow Oil Ltd., Western Mines Ltd., Inexco Mining Co., Denison Mines Ltd., Minatco Ltd., Cameco Corporation and Uranerz Exploration & Mining Ltd. (Table 3). International Uranium Corporation conducted airborne EM and Mag surveys, diamond drilling and Max-Min / Magnetics exploration from 2004 to 2006. Denison Mines Corporation undertook both airborne EM and Mag (VTEM) and ground geophysical surveys in 2009 (Table 3).

Claims comprising the current extent of the KLS Project were staked by SaskCo in 2011 and 2012, covering a surface area of 23,977 hectares.

Historical Exploration

The following compilation of historical exploration activities within the Key Lake South property are modified from Zhou et al. (2018) and is summarized in Table 3.

Regional uranium exploration, consisting primarily of ground prospecting and airborne radiometric surveys, was initiated in the early 1970s and resulted in the discovery of the Gaertner and Deilmann deposits at Key Lake in 1975 and 1976, respectively. Ground prospecting located a number of radioactive occurrences in outcrops on what is now the KLS Project.

Getty Minerals conducted prospecting and airborne electromagnetic (EM) surveys in the late 1970s in the Graham Lake area over the current S-112291 claim. An INPUT EM survey located a conductor on what is now Forum's Costigan Joint Venture; this was interpreted as the southern extension of the Key Lake conductor (Hopfengartner and Lehnert-Thiel 2005).

Between 1969 and 1977, four different lake water geochemistry surveys were conducted. Although the results from the 1977 Uranerz survey produced rather spotty results north of the project, the 1976 survey highlighted the EM conductor within the northern half of claim S-112290.

In the early 1980s, Uranerz Exploration and Mining (UEM) discovered radioactive pegmatites with values ranging from 0.02% to 22% U_3O_8 at Davies Creek, located on the current S-112088 claim, and in outcrops along Highway 914 on the current S-112289 claim with values of 0.18% to 0.94% U_3O_8 . Radioactive sands and boulders ranging from 0.004% to 0.005% U_3O_8 (30 to 46 ppm U) and some radioactive gabbro and mafic dykes with values ranging from 0.025% to 0.861% U_3O_8 (200 to 7300 ppm U) were also discovered in the Twin Lakes area during this period.

In 2005, International Uranium Inc./Denison Mines Corp. (Denison) conducted ground HLEM and magnetic surveys at Twin Lakes, as well as a regional GeoTEM survey. A follow-up drill program of nine drill holes totalling 759 metres targeted a conductor at shallow depths. Drilling intersected massive graphite and massive sulphides but no anomalous radioactivity. Only a limited portion of the stratigraphy above the graphitic horizon was tested.

In 2006, Denison carried out an AeroTEM survey followed by HLEM surveys. Six holes were drilled along the Wollaston-Mudjatik transition to test a conductor located roughly parallel to and just west of Highway 914; Denison intersected some graphitic pelites that corresponded to the target conductors and some associated weak uranium mineralization in pegmatite. Two of the holes were drilled on the claim now held as S-112289. Denison still controls a large portion of this conductor system but a strike extent of this conductor of nearly 6 kilometres occurs on the project's claim S-112289.

In the winter of 2009, Denison conducted HLEM and magnetometer surveys in the Graham Lake and Campbell Creek-Zimmer Lake areas and identified conductive units in both these areas.

Drilling to date on the KLS Project has intersected weak uranium mineralization. Most of the historical drilling took place prior to the development of basement-hosted mineralization models and tested only shallow targets, and only for a limited suite of elements.

Table 3: Summary of Historical Exploration Work by Previous Operators

Company	Year	Work Performed	Assessment Report Number
Yukon Geothermal Company Ltd.	1969	Airborne Radiometric Surveys and Ground Prospecting	74G01-0004
Inexco Mining Co.	1973	Airborne Radiometrics, Geological and Geochemical Survey.	74H-0011
Uranerz Exploration & Mining Ltd.	1973-1974	IP, Magnetism, EM, and Drilling	74H04-NE-0013 & 74H04-NE-0016
Uranerz Exploration & Mining Ltd.	1975-1976	Airborne and Ground EM and Magnetic Surveys, Lake Sediment and Water Sampling, Prospecting, Drilling and Radiometric Logs (SH-1 2, HG-1 to HG-5, BF-1 to BF-13)	74H-0013
Getty Minerals Company Ltd.	1976	Airborne Radiometric Survey, Prospecting, Geologic Mapping, Lake Water and Sediment Sampling, VLF-EM, Magnetic and Track-Etch. Surveys.	74H04-0033
Scurry – Rainbow Oil Ltd – Western Mines Ltd.	1976	Prospecting, Mapping, Lake Water and Sediment Sampling, VLF-EM and Magnetic Surveys	74H04-0027
Getty Minerals Company Ltd.	1977	VLF-EM, Magnetic, Geological Mapping, Lake Sediment, Radon Survey, Prospecting, Stripping and Trenching.	74H04-0034
Uranerz Exploration & Mining Ltd.	1977	Prospecting, Lake Water and Sediment Sampling, Muskeg Geochemistry, Track ETCH.	74H-0020
Scurry – Rainbow Oil Ltd – Western Mines Ltd.	1977	Ground EM and Magnetic Surveys, Deep Over Burden Drilling and Analyses	74H04-0035
E&B Explorations Ltd.	1977	Prospecting, VLF-EM, Magnetism, Lake Sediment Sampling	74G01-SE-0014
Denison Mines Ltd.	1977	Airborne EM, Magnetism, Drilling, EM, Radiometric Lake Sediment Sampling.	74H04-0025
Getty Minerals Company Ltd.	1977-1980	Summary Report (Geology, Geophysics and Drilling Activities)	74H04-SE-0064
E&B Explorations Ltd.	1978	Drilling (78-S-1 to 78-S-6)	74G01-SE-0015
E&B Explorations Ltd.	1978	EM and Magnetism	74G01-0016
Getty Minerals Company Ltd.	1978	Prospecting and Reconnaissance Geology	74A13-NW-0025
Scurry – Rainbow Oil Ltd – Western Mines Ltd.	1978	Diamond Drilling (CS-78-01 to CS-78-15), Airborne EM	74H04-0048
Scurry – Rainbow Oil Ltd – Western Mines Ltd.	1978	Prospecting, Geological Mapping, VLF-EM	74H04-0053
Denison Mines Ltd.	1978	Drilling, Ground EM, Max/Min, Magnetism, Radiometric Surveys, Prospecting, Geological Mapping, Lake Sediment Sampling	74H04-0028
Getty Minerals Company Ltd.	1978-1979	Ground EM and Magnetism	74H04-SE-0044
E&B Exploration	1979	Drilling, EM, Magnetism, Overburden Drilling	74G01-SE-0028
Getty Minerals Company Ltd.	1979	Overburden Drilling (HRN-79-82 to HRN-79-95 plus HRN-79-93A)	74H04-SE-0062
Scurry – Rainbow Oil Ltd – Western Mines Ltd.	1979	Diamond Drilling (CS-79-01 to CS-79-33)	74H04-0058
Uranerz Exploration & Mining Ltd.	1980-1984	Assays and Analysis Certificates	74G-0014
Uranerz Exploration & Mining Ltd.	1980-1984	Radiometric Prospecting	74G-0013
Uranerz Exploration & Mining Ltd.	1980	Overburden Drilling, Radiometric Prospecting, Trenching	74H04-0071
Uranerz Exploration & Mining Ltd.	1981	Doppler Satellite Survey	74G-0009
Scurry – Rainbow Oil Ltd – Western Mines Ltd.	1981	Diamond Drilling (CS-81-01 to CS-81-08)	74H04-0060
Uranerz Exploration & Mining Ltd.	1981	Drilling, VLEM, EM, HLEM, Max-Min, Gravity, Magnetism, Polonium Test Survey, Hydrocarbon Survey.	74H04-NE-0072
Uranerz Exploration & Mining Ltd.	1982	Airborne INPUT EM and Magnetic Survey	74G01-0040
Uranerz Exploration & Mining Ltd.	1982	Helicopter Airborne INPUT EM, TURAM, VLFEM, Max-Min, HLEM, VLEM, Magnetism, Radiometric and Gravity Surveys.	74H04-NE-0074

Company	Year	Work Performed	Assessment Report Number
Uranerz Exploration & Mining Ltd.	1982	Airborne Gravimeter and Magnetic Survey, Magnetic, Resistivity Sounding, IP, EM, and Trenching. Also Quaternary and Regional Geologic Mapping.	74H04-NE-0075
Uranerz Exploration & Mining Ltd.	1982	Maps for Assessment files 74H04-0074 and 0075	74H04-NE-0082
Uranerz Exploration & Mining Ltd.	1983	VLF-EM, Gravity, Resistivity, Resistivity Sounding, IP, VLEM, Magnetic, Geologic Mapping, Radiometrics.	74H04-NE-0077
Minatco Ltd.	1983-1984	Drilling, Track ETCH, Prospecting, and Mapping	74G01-SE-0032
Minatco Ltd.	1984	Prospecting, Gridline Radiometric Survey, EM, Magnetics	74G01-SE-0033
Minatco Ltd.	1984	Prospecting, Mapping, Ground Radiometric survey, Petrography.	74B16-NE-0045
Minatco Ltd.	1985	VLF-EM, Magnetics	74G01-SE-0034
Cameco Corp. and Uranerz Exploration and Mining Ltd.	1986	Airborne Radiometrics, Radiometric Prospecting, Lake Sediment Sampling and Airborne INPUT EM Surveys.	74H04-NE-0087
Cameco Corporation	1988	Drilling, Ground TDEM, and EM	74H-0045
Uranerz Exploration & Mining Ltd.	1989	Drilling, HLEM, TDEM, Boulder and Outcrop Sampling.	74H-0020
International Uranium Corporation	2004-2006	Airborne EM and Mag (AeroTEM)	74H04-0106
International Uranium Corporation	2005	Diamond Drilling (KS05-01 to KS05-09)	74H04-0103
International Uranium Corporation	2006	Diamond Drilling (KS06-10 to KS06-15)	74G01-0035
International Uranium Corporation	2006	Max-Min, Magnetics	74G01-0039
Denison Mines Corporation	2009	Airborne EM and Mag (VTEM)	74H04-0121
Denison Mines Corporation	2009	Line Cutting and Ground Geophysics	74H04-0119

Source: Zhou et al. 2018

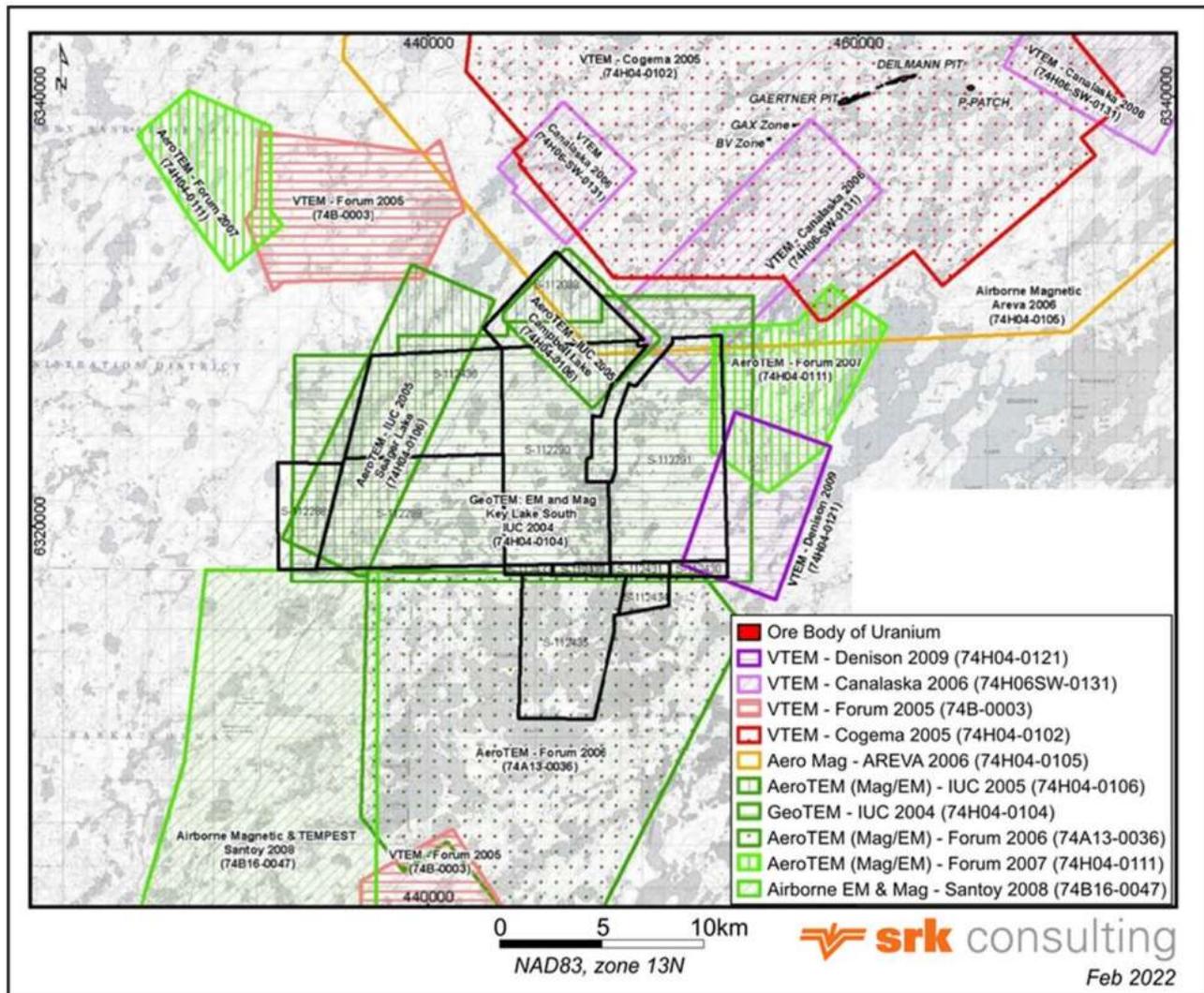
Geophysical Surveys

From 2004 to 2009, the Key Lake area was surveyed by various companies; an index map showing the type, date, company, and map outline of the various airborne surveys is provided in Figure 3.

The Key Lake area is also covered by airborne geophysical survey flown by Saskatchewan Industry and Resources (2006). Data generated from this survey includes an electromagnetic survey, providing the total magnetic and EM data illustrated in Figure 4 and Figure 5 and a gravimetric survey.

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Figure 4: Index Map of Historical Airborne Surveys



The Wollaston metasedimentary rocks are associated with a broad southwest-trending magnetic low (Figure 4). Most of the known uranium deposits in eastern Athabasca Basin are associated with this low, which corresponds to the eastern margin of the basin. The KLS Project is located in this low mag feature, on trend and trend with the known uranium deposits (Figure 4).

The EM survey identified strong linear conductors on the property, measuring an aggregate length of 55 kilometres (Figure 5). Some conductors wrap around a sigmoidal magnetic low on the west side of the property (claims S-112436, S-112289 and S-112288) as well as on the east side (S-112291 and S-112430). Of particular exploration interest is the contorted belt of EM conductors that transect the central portion of the property.

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Figure 5: Airborne Total Aeromagnetic Intensity Overlay by Deposits of the Athabasca Basin

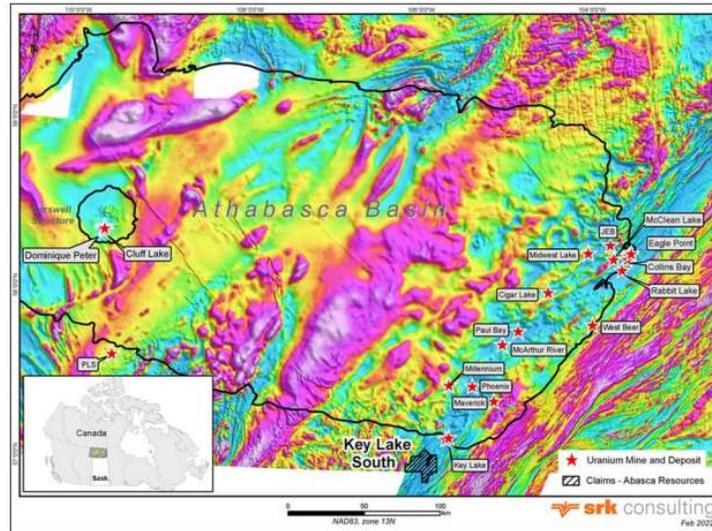
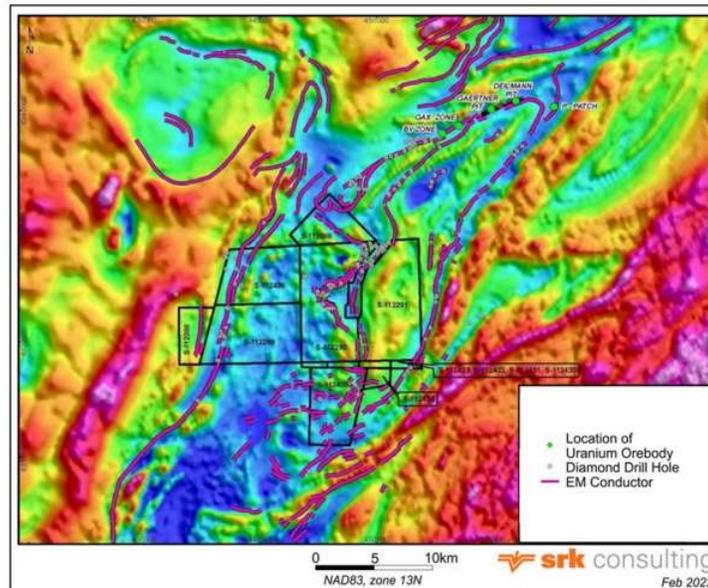


Figure 6: Total Magnetics, EM conductors, and Known Uranium Deposits of the Key Lake Area



A regional airborne radiometric survey was also flown over the project area by the Saskatchewan Industry and Resources in 2006. Large-scale anomalous features include contamination from the Key Lake mine area to the north and the granitic rocks within the centre of the KLS Project (S-112290 and S-112291). Not all of the rocks beneath the large uranium anomaly on S-112290 are granitic, especially where the historic hole collars are seen on the folded EM conductors within the centre of the claim and warrant further interpretation. More subtle features of note are the northern uranium anomalies on claim S-112088 that appear to be confined to the southwest side of the northwest trending EM conductor, possibly caused by down-ice glacial dispersion from the conductor/structure.

Historical Mineral Resource Estimates

There has been no mineral resource estimation conducted to date on the property, nor has there been any production.

GEOLOGICAL SETTING AND MINERALIZATION

Regional Geology

The following is modified from Saskatchewan Geological Survey Miscellaneous Report 2003-7 (2003).

The KLS Project is hosted by rocks of the Canadian Precambrian Shield, which underlies all of Saskatchewan, but is exposed in the northern third of the province as it is overlapped, further south, by subhorizontal Phanerozoic rocks of the Western Canada Sedimentary Basin.

The exposed Precambrian Shield in northern Saskatchewan is part of the western portion of the Churchill Structural Province which is in turn subdivided into the Archean Rae (west side) and Hearne (east side) provinces along the 3000 kilometres long Snowbird Tectonic Zone. In Saskatchewan, the exposed portions of the Snowbird Tectonic Zone include the Black Lake Shear Zone north of the Athabasca Basin and the Virgin River Shear Zone to the south (Figure 6).

The Hearne Province comprises the Virgin River, Mudjatik, Wollaston and Peter Lake domains, which are distinguished largely on the basis of structural style. The Virgin River, Wollaston and Peter Lake domains are essentially northeast-trending straight belts, the former resulting from deformation along the Virgin River Shear Zone and the latter two resulting from shortening associated with the Trans-Hudson Orogen. The centrally located Mudjatik Domain is characterized by arcuate regional structures resulting from late fold interference attributed to the Trans-Hudson Orogen.

The entire Hearne province is underlain by variably reworked Archean basement, which is dominated by foliated to gneissic granitoid rocks. Supracrustal rocks vary in extent and level of crustal exposure.

The Archean rocks and enclosed supercrustal rocks were deformed, altered, and metamorphosed to amphibolite to lower granulite facies during the Trans-Hudsonian Orogeny. This was followed by a long period of erosion, weathering, and the development of a paleo-weathering profile resulting in an altered and bleached regolith. The paleosurface is interpreted from red hematitic and bleached alteration which transitions down to chlorite alteration and then to fresh basement rocks. Multi-paleo-valleys were developed in late Paleoproterozoic.

The Archean Rae and Hearne provinces are, in part, unconformably overlain by the Late Paleoproterozoic (ca. 1.7 Ga) flat-lying sedimentary rocks of the Athabasca Basin, where thick sedimentary sequences, mainly fluvial, were deposited unconformably on the Paleoproterozoic basement. Approximately 1,500 metres of sandstone are preserved in the centre of the basin. The southern part of the basin once probably covered the KLS Project but has since been eroded. The world's largest high-grade uranium deposits are associated with this sub-Athabasca unconformity and most of the uranium occurrences of eastern Athabasca are located near the boundary between the Mudjatik and Wollaston domains. The entire area was deformed under brittle conditions after the deposition of the Athabasca Basin.

The KLS Project is located at the western boundary of the Wollaston domain, near its interpreted contact with the Mudjatik domain, only a few kilometres south of the southern boundary of the Athabasca Basin. As uranium mineralization is hosted in the Athabasca Group rocks as well as in those unconformably underlying them, these domains are briefly described.

Mudjatik Domain

The Mudjatik Domain of the central Hearne Province is characterized by having an arcuate map pattern resulting from regional dome-and-basin fold interference. The eastern boundary with the Wollaston Domain is placed somewhat arbitrarily at the transition into dominantly northeast-trending structures.

The Mudjatik Domain is dominated by variably migmatitic Archean orthogneisses, but also incorporates minor infolded supracrustal outliers of the Wollaston Supergroup in the east, the Ennadai and Hurwitz groups of the northern Mudjatik Domain in the north, and an undetermined sequence (Virgin Schist Group?) in the west. These pelitic to psammitic supracrustal rocks and mafic granulites, minor quartzites, calc-silicates, marbles and ultramafic rocks, and rare oxide-, silicate and sulphide-facies iron formations occur in narrow arcuate bands throughout, defining the dome-and-basin pattern.

South of the Athabasca Basin, TDM model ages from the orthogneiss indicate a crustal history beginning as early as 3.6 Ga, with extensive crust development by about 2.92 Ga (Bickford et al., 1994; Orrell et al., 1999). Uranium-lead zircon dates from rocks in the south and central parts of the domain suggest an Archean thermo-tectonic event at about 2.78 Ga, followed by widespread granitic plutonism in the 2.65 to 2.6 Ga range.

Metamorphic conditions peaked in the range of the low- to medium-pressure upper amphibolite to granulite facies transition.

Wollaston Domain

The Wollaston Domain is a northeast-trending and tightly folded belt of Archean granitoids and Paleoproterozoic metasedimentary rocks. The metasedimentary rocks are collectively termed the 'Wollaston Supergroup' and are interpreted as remnants of a rift-passive margin-foreland basin succession deposited along the eastern margin of the Hearne Craton.

In the south, the Needle Falls Shear Zone, a late Paleoproterozoic dextral fault system, separates the Wollaston Domain from the Wathaman Batholith and juvenile terranes of the Reindeer Zone to the east. Farther north, supracrustal rocks of the Wollaston Domain rest unconformably on Archean gneisses of the Peter Lake Domain. The western contact with the Mudjatik Domain is marked by a transition in structural style from a linear belt to one characterized by dome-and-basin fold interference. An increase in the proportion of Archean granitoid basement roughly coincides with this structural transition, but no tectonic break is apparent.

The Archean basement is dominated by relatively homogeneous, foliated granitic to tonalitic rocks, yielding 2.78 to 2.72 Ga and 2.65 to 2.57 Ga U-Pb zircon ages, but also includes minor mafic bodies.

Development of a consistent stratigraphic sequence for the Wollaston Supergroup is difficult due to the high metamorphic grade and complex deformation; however, supracrustal rocks in the Wollaston Domain can be broadly divided into two contrasting successions: a coarse clastic and bimodal volcanic rift succession and a younger clastic foreland basin succession.

Four phases of Paleoproterozoic ductile deformation affect the Wollaston Supergroup. The metamorphic grade within the Wollaston Domain exhibits a steep, westward-increasing gradient from upper greenschist to lower amphibolite facies, along parts of the eastern margin, to upper amphibolite and lower granulite facies farther west. Two thermo-tectonic events are distinguished and are attributed to the Trans-Hudson Orogen.

Reindeer Zone

To the east of the Hearne Province, the Reindeer Zone consists of arc assemblages related to the Trans-Hudson Orogen. The Hearne Province-Reindeer Zone boundary is marked by the Needle Falls and Parker Lake shear zones in the southwest, and the western contact of the Wathaman Batholith (ca. 1.86 to 1.85 Ga) in the northeast.

Athabasca Group

The Athabasca Basin covers an oval area measuring about 450 × 250 kilometres in northern Saskatchewan and northeastern Alberta and hosts the world's largest high-grade uranium deposits. The late Paleoproterozoic Athabasca Group unconformably overlies crystalline Archean to Paleoproterozoic rocks; these form a basement regolith up to 50 metres thick. The unconformity plays a significant role in the genesis of the uranium deposits. The Athabasca Group consists mainly of fluvial clastic sedimentary rocks which are about 1500 metres thick in the central part of the basin. Apart from faulting and local folding associated with thrusting or with the Carswell meteorite impact structure in the western portion of the basin, the flat-lying strata are undeformed.

The Athabasca Group comprises eight formations. Fine- to coarse-grained, partly pebbly or clay-intraclast-bearing quartz arenites predominate, but conglomerate, mudstone and dolostone are also minor components. The sandstones are primarily composed of quartz and clay with no remaining feldspar. Lithostratigraphy and paleocurrent patterns indicate deposition in seven depo-systems, reflecting shifting loci of uplift and/or subsidence over time.

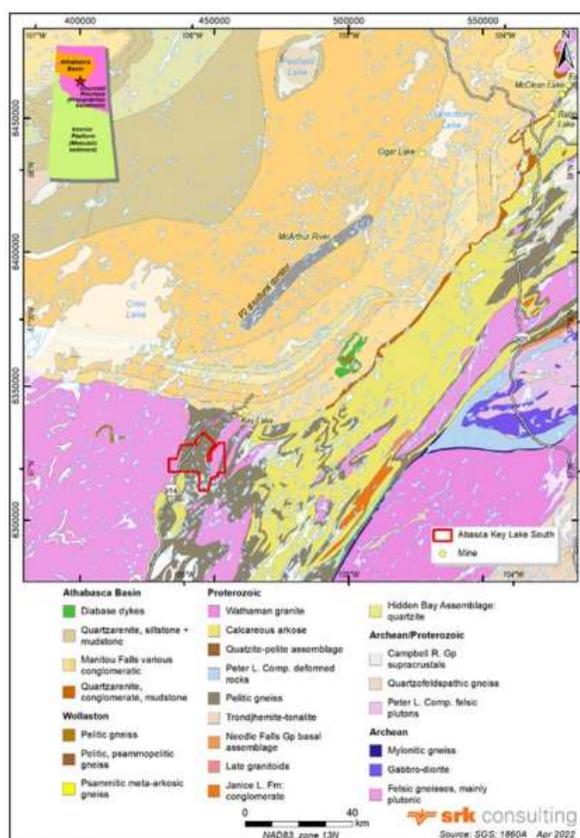
The Athabasca Group postdates the ca. 1.9 to 1.77 Ga Trans-Hudson Orogeny, and detrital zircons as young as 1.66 Ga have been recognized in the Wolverine Point Formation. The strata have undergone several episodes of diagenetic alteration, one of which precipitated 1.70 to 1.65 Ga fluorapatite, providing a further constraint on the minimum age for deposition.

Quaternary

The Laurentide ice sheet covered Saskatchewan during the Late Wisconsinian, with ice generally flowing to the south-southwest. In northern Saskatchewan, the rugged terrain consists primarily of glacially modified bedrock outcrops with a discontinuous cover of glacial sediments. The regional structural trends of the Precambrian Shield are oriented in a northeast-southwest direction, roughly parallel to ice flow. Glacial scouring has deepened and emphasized these bedrock features.

Glacial erosion over the Athabasca Basin encountered less resistant sandstone, resulting in an increased sediment load in the ice and a thicker glacial drift cover over the Basin than in the rest of the Shield region.

Figure 7: Regional Geology Map



Property Geology

A geological mapping program in 2014 expanded on the mapping done in 1976 and 1982 by previous operators. The results of mapping were compiled with results of recent geophysical surveys to produce the geology map provided in Figure 7.

The mapping identified seven different lithologies: pelites, psammo-pelites, psammites, granitic rocks, calc-silicates and pegmatites. Contacts between metasedimentary lithologies are gradual. The map patterns show an

overall northeastern trend with northwest-southeast and east-west trending fold closures, mainly defined by pelite/psammite contacts as well as contacts between metasedimentary and granitic rocks.

The eastern part of the project is underlain by the western flank of the 2.6 Ga Archean Zimmer Lake granite, which extends northeast to Key Lake mine. The Gaertner and Deilmann deposits at Key Lake are located near the northwestern flank of this granitic inlier. The far western part of the project area is underlain by Mudjatik granitoid gneiss, probably also of late Archean age. The central part of the project is underlain by metamorphic rocks of the Paleoproterozoic Wollaston Group. Pelites and psammites, with some calc-silicate rocks and pegmatites. Local hematite and chlorite altered gneiss outcrops are interpreted to be preserved "regolith," suggesting that the current topographic surface approximates the unconformity surface and that these rocks were once overlain by Athabasca Group sedimentary rocks.

The Wollaston metamorphic rocks are associated with a broad magnetic low trending southwesterly from Key Lake across the project. Most of the known uranium deposits in eastern Athabasca Basin are associated with this magnetic low zone, which extends across the basin. The EM conductors generally correspond to the pelite unit; drilling confirms that the EM anomalies are due to graphite. Locally, the metamorphic rocks are cut by uriferous pegmatites and mafic intrusions (Figure 7).

Extensive areas are covered by Quaternary glacial drift and outwash.

Photos of four primary rock types is provided in Figure 9. The main lithologies are described below.

Metasedimentary Rocks

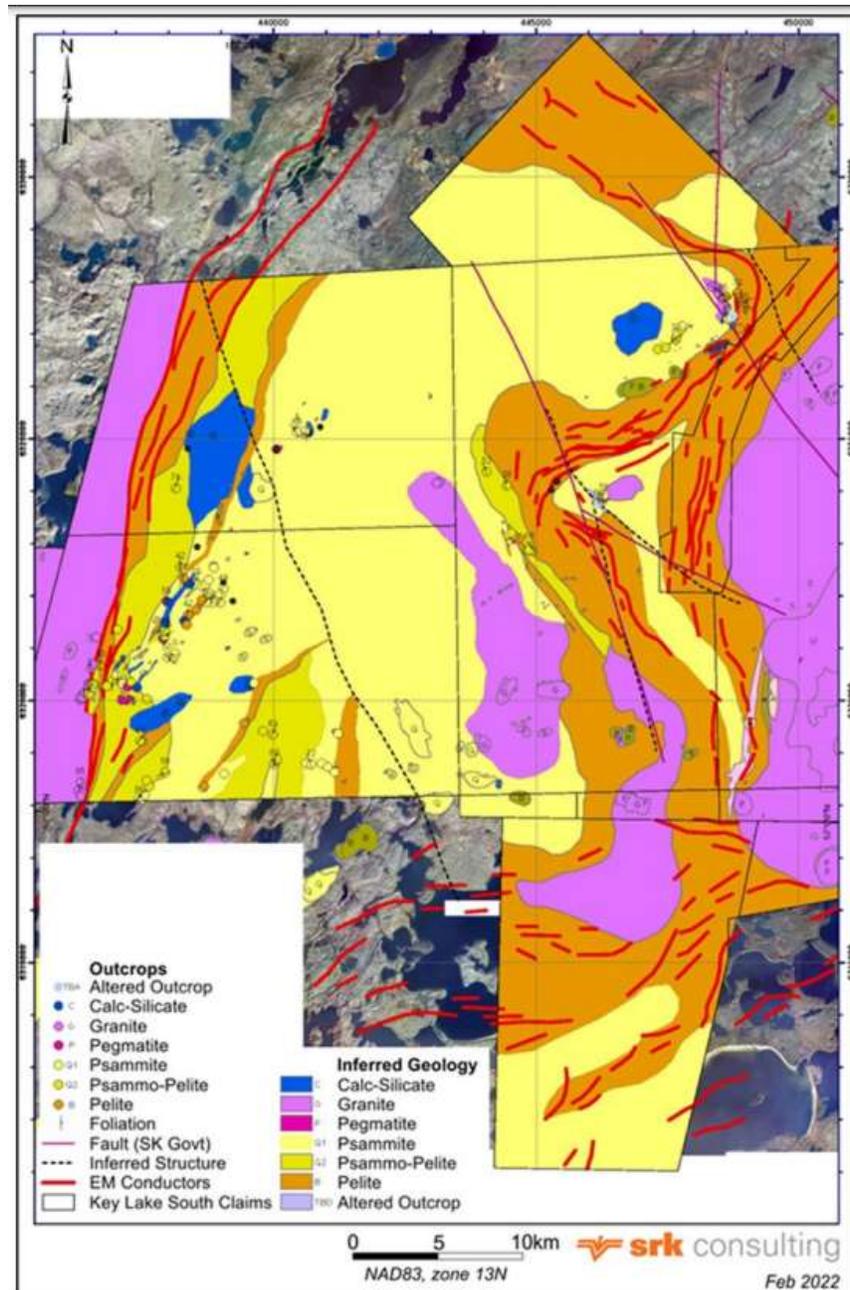
Pelite

The pelite unit is fine- to coarse-grained, mostly schistose, locally gneissic, is typically moderately to well foliated, and commonly display compositional banding (Figure 9.C). Metamorphic grade varies between outcrops. Outcrops are dark grey and weather recessively compared to other units.

This unit occurs mostly on the eastern edge of the property adjacent to the Zimmer Lake granite and corresponds to the EM conductors and corresponding magnetic lows detected by ground and airborne surveys. Being less dense than the psammites, outcrops of pelites typically correspond to areas of low airborne gravity response.

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Figure 8: Geology Map for the Key Lake South Uranium Project



Psammo-Pelite

The psammo-pelite unit is transitional between pelite and psammite. Varying metamorphic grade may cause segregation of biotite and quartz-feldspar in distinct thin bands, resulting in a cream and grey colour, and may also result in migmatites and leucosomes. Psammo-pelites are dominantly gneissic but can be schistose. Local-scale folds are observed locally. The majority of psammo-pelites are found on the western edge of the property near the large granite, where they appear to correspond to the western conductors.

Psammite

The psammite unit is pink to grey, medium to coarse grained, and displays a weak to moderate foliation (Figure 9.D). This resistant unit forms larger outcrops and ridges. It will have a higher gravity signature since it is slightly denser than the pelitic unit.

Calc-Silicate

The calc-silicate unit has more than 10% fine- to coarse-grained calc-silicate minerals such as tremolite, actinolite, calcite, and occasionally hornblende. It can be weakly foliated and displays gradational contacts with other meta-sedimentary units (Figure 9.A). As it does not appear to follow the paleo-stratigraphy, it may be a product of alteration. Due to its higher density, this unit has a high gravity signature, which agrees with field measurements.

Intrusive Rocks

Granite

Two large granitic bodies are found on the east and west side of the KLS Project and smaller bodies are mapped elsewhere on the property. The granites are typically composed of quartz, alkali feldspar, plagioclase feldspar, and biotite and generally correspond to a syeno-granite composition. The granites are usually medium grained and massive but locally display weak to strong foliation, grading into gneisses. They often form large outcrops (Figure 9.B).

The granites have the lowest density of all the rock units in the KLS Project and appear to have a low airborne gravity signature.

The contact between the granite and the host metasediments is sharp and irregular. The pelitic rocks at the contact have leucocratic melt, are strongly migmatized and deformed, and locally contain carbonaceous material and pale green actinolite.

Pegmatite

Pegmatite dykes and sills, found throughout the property, are medium to coarse grained, massive, and are typically composed of quartz, alkali feldspar, plagioclase, biotite, and occasionally tourmaline. Rarely, pegmatites are seen with well-defined graphic texture. Contacts meta-sediments are occasionally seen and are usually sharp.

The pegmatites typically have high scintillometer readings (up to 800 CPS) in contrast to the semi-pelitic rocks (20 CPS). Their small size and similar density to metasediments result in a lack of identifiable gravity or magnetic response.

Intensely Altered Rock

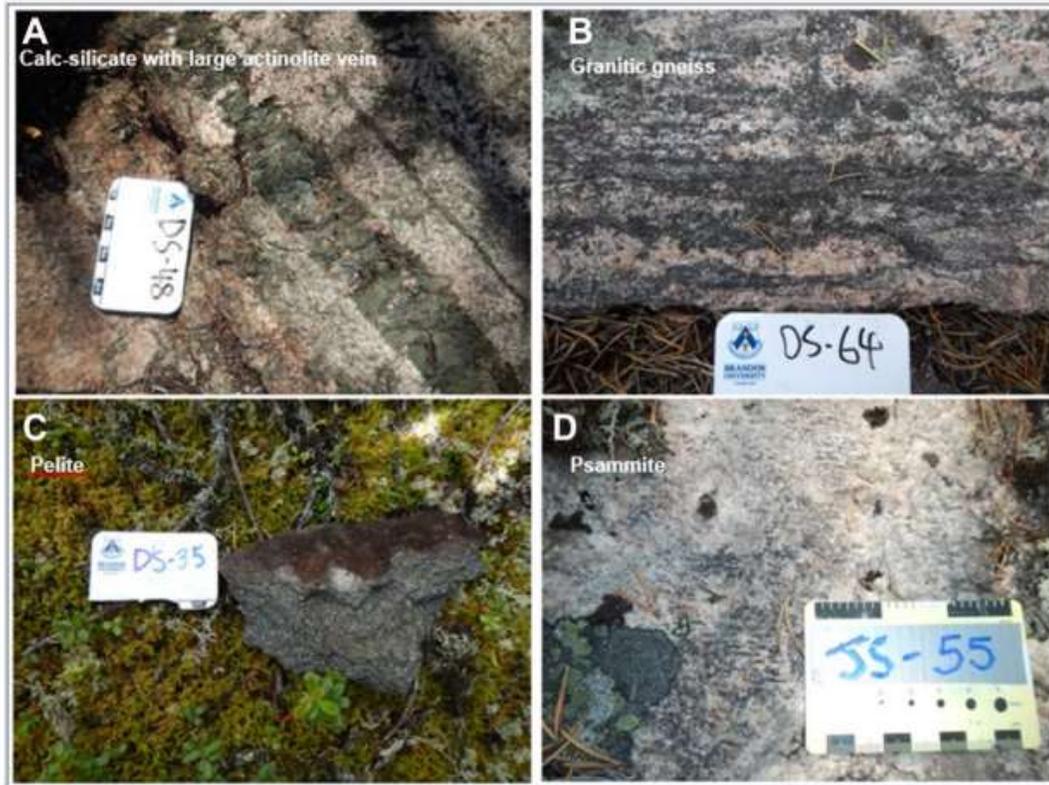
Only one intensely altered outcrop was mapped on the west shore of Triangle Lake; it is hematized and clay altered. The recessive nature of this rock type may be the reason for its poor exposure.

The highly altered outcrop has been historically called regolith (Fersen, 1978) and most likely displays a fault scarp. The outcrop is purple to dark red in colour and consists of very fine-grained hematite-altered dark red rock with yellowish-white grains, most likely clay and/or sericite. Vuggy quartz in veins and chert nodules are common, indicating possible silicification.

Although formally described as regolith, the alteration is probably from faulting and related hydrothermal alteration. This occurrence is located in a possible hinge of a fold determined from airborne magnetics and strike measurements in the area. Former operators had interpreted it as a large fault; a grab sample from this fault assayed 3.7 ppm uranium. In 1981, five drill holes were drilled in the vicinity but no significant mineralization was intersected.

In addition, a small area of outcrop displays textures and alteration minerals that suggest local higher temperature alteration. S. Frostad considers the rock to be a quartz feldspar porphyry containing round phenocrysts of quartz.

Figure 9: Photographs of the Main Rock Units



Structural Geology

In 2015, SRK conducted a structural interpretation of the KLS Project. All phases documented at the Key Lake Mine by Harvey and Bethune (2007), with the exception of D2, were documented in SRK's interpretation. Five sets of structures, as documented by SRK, are quoted from the SRK (2015) report:

1. Southwest-striking (i.e., northeast-trending) moderate- to steep-dipping D1-D3 shear zones that comprise the dominant generation of ductile structures in the KLS and surrounding areas. These shear zones act as an important control on the distribution of lithological units in the KLS property.
2. Property- to regional-scale, northeast-trending, tight to isoclinal F3 folds. These folds fold the metasedimentary rocks forming the core of the KLS property into an isoclinal geometry.
3. Property-scale, northwest-trending, open to tight F4 folds. These northwest-plunging folds can be seen refolding the metasedimentary rocks directly west of the Zimmer Lake granite.
4. Northeast-trending network of D5 brittle faults, which locally reactivate D1-D3 shear zones. These brittle faults are directly related to uranium mineralization at the nearby Key Lake Mine.
5. Regional-scale, north-northwest to northwest-trending D6 brittle faults. These brittle faults post-date all other phases of deformation (including uranium mineralization).

MINERALIZATION

Regional Mineralization

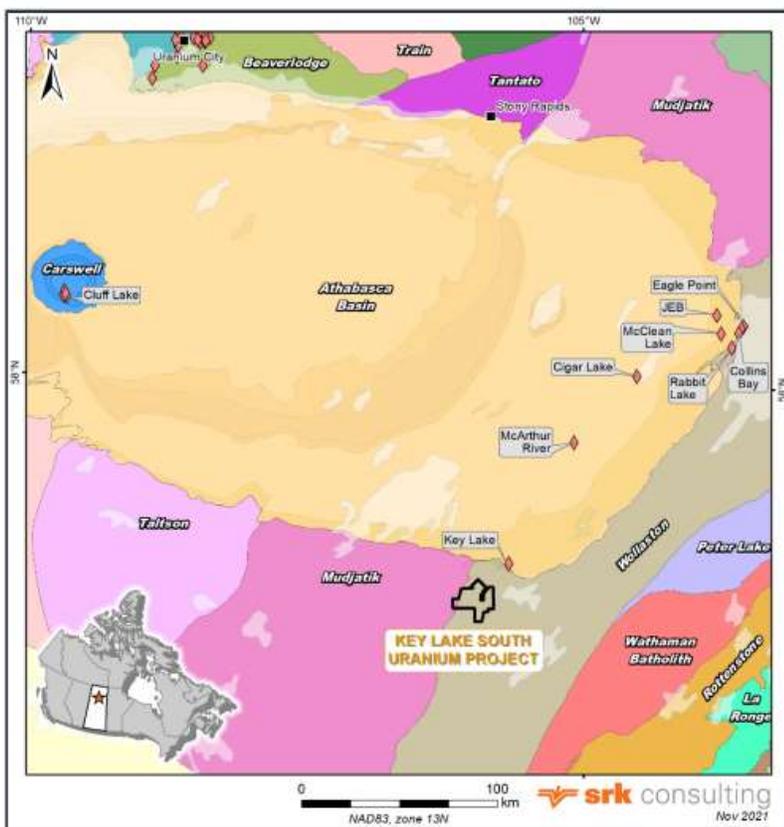
Uranium mineralization in the Athabasca Basin is generally of Helikian age. Geochronological studies have determined that most deposits were formed in a time interval between 1,330 and 1,380 million years (Ma)

(Cumming and Krstic, 1992), and as early as 1,590 Ma at the Millennium Deposit (Cloutier et al, 2009) and 1,521 Ma at the McArthur River Mine (Cameco Corporation, 2012) with ages of remobilization near 1,350 Ma. Uranium deposits generally occur at the unconformity between the lowermost Athabasca Group and the underlying crystalline basement rocks and are commonly localized to the intersection of faults and the unconformity, or at a paleotopographic basement ridge.

An unusual number of important unconformity-related uranium deposits, such as the McArthur Lake, Cigar Lake, and Key Lake mines, occur at the eastern margin of the Athabasca Basin where its basal section unconformably overlies the Wollaston Domain near its contact with the Mudjatik Domain (Figure 10). The deposits are related to the unconformity and to complex faulting and alteration of rocks on either side of the unconformity. The majority of the Athabasca Basin deposit are hosted within, or immediately above the Paleoproterozoic graphitic metapelites of the Wollaston Domain and are related to reverse faulting and graphitic zones.

The KLS Project is located in the southern strike extent of these deposits and in the same regional low-mag structure that hosts them (Figure 10). The presence of alteration on the property that suggests the development of a regolith suggests that the area may have once been covered by rocks of the Athabasca Basin.

Figure 10: Location of Key Lake South Uranium Deposit Relative to other Athabasca Basin Uranium Deposits



The uranium mineralization consists of sooty pitchblende with coffinite rims, altered from primary gersdorffite, bravoite, and rammelsbergite and associated Fe-chlorite and kaolinite in the fault zone. Accessory galena and sphalerite are also present.

Several phases of hydrothermal alteration, associated with initial mineralization and remobilization, overprint the assemblage interpreted as weathered regolith at the unconformity. Chlorite-illite alteration occurs within tens of metres of the main mineralized reverse fault. In the Athabasca sandstone, extensive illitization is overprinted by fault-related kaolinitisation and bleaching, including a zone of intensive bleaching within metres of the main fault zone (PorterGeo Database 2005).

Uranium exploration on the KLS Project is targeting basement-hosted deposits associated with reverse faults and graphitic zones. Other deposits in the district that are also hosted in basement rocks and are controlled by faulting structures and graphitic zones are the recently discovered Triple R deposit, the Arrow deposit, and the P-Patch deposit at Key Lake Mine.

Property Mineralization

The Key Lake Mine, located at the southernmost tip of the Athabasca Basin and only 15 kilometres north of the project, produced over 200 million pounds of uranium at a grade averaging 2.3% U₃O₈ between 1983 and 1997, from mineralization hosted in both the Athabasca sandstone and the basement gneiss. The lithologies and structures hosting the mineralization at Key Lake Mine provide pertinent exploration targets for KLS Project as both projects share a similar geological setting.

At Key Lake Mine, the sub-Athabasca basement consists of Archaean gneissic granitoid rocks (Zimmer Lake inlier), flanked by early Paleoproterozoic pelites and psammo-pelites with variable graphite content, along with lesser psammitic and calc-silicate-bearing metasedimentary rocks of the Wollaston Group. The orebodies are controlled by the intersection of the ENE-trending Key Lake Fault Zone with the unconformity surface and are located within 100 metres of the unconformity surface. Although the host rocks and structures are interpreted to extend onto the KLS Project, the qualified person is unable to verify the information described for the adjacent Key Lake Mine and cautions that this information is not necessarily indicative of the mineralization on the property that is the subject of the technical report.

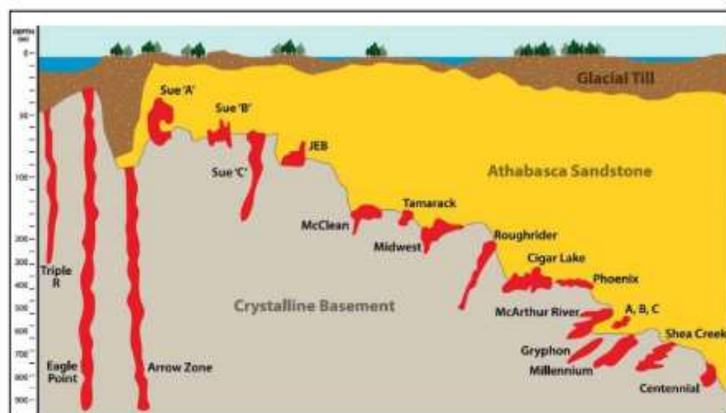
DEPOSIT TYPES

This section is modified from Ruzicka (1996), MacMillan (1998), and company reports.

The Athabasca Basin hosts the world's largest high-grade uranium deposits and is the type locality for unconformity-related uranium deposits. Significant examples include the Rabbit Lake, Key Lake, Cluff Lake, Midwest Lake, McClean Lake, McArthur River, Cigar Lake, and Maurice Bay deposits. Some deposits also occur in Nunavut, NWT, Québec, and Australia.

Uranium mineralization at the KLS Project are show characteristics of both unconformity-type and basement-hosted deposits. Uranium mineralization in the Athabasca Basin is generally of Helikian age. Geochronological studies have determined that most deposits were formed in a time interval between 1,330 and 1,380 Ma (Cumming and Krstic, 1992), and as early as 1,590 Ma at the Millennium Deposit (Cloutier et al, 2009) and 1,521 Ma at the McArthur River Mine (Cameco Corporation, 2012) that have ages of remobilization near 1,350 Ma. A Schematic section showing the setting of the Athabasca Uranium Deposits is provided in Figure 11.

Figure 11: Schematic Setting of Athabasca Basin Uranium Deposits



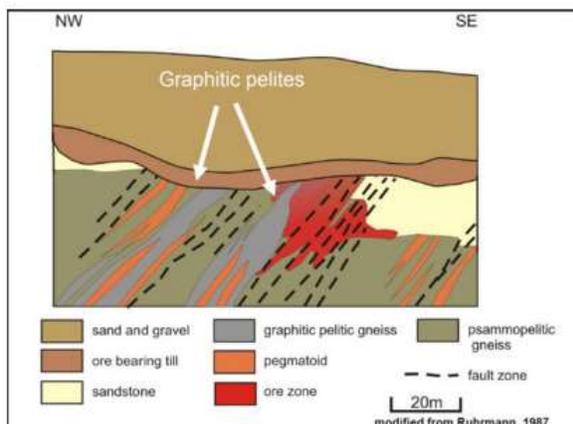
Unconformity-related uranium deposits are typically located at the base of a Proterozoic sandstone sequence where it unconformably overlies a basement of metamorphic rocks that commonly include graphitic units. The unconformity marks the site of prolonged erosion and weathering, resulting in the development of an altered regolith.

The geological setting of the Athabasca deposits includes these key features:

- The basement under the Athabasca Basin is composed of strongly deformed and variably metamorphosed Archean and Paleoproterozoic rocks of the Wollaston Domain. These include amphibolite- to granulite-facies metasedimentary rocks and granitic rocks. The granitic rocks commonly form elongate domes that are flanked by the folded metasedimentary strata; pelites are key favourable lithologies.
- The basement rocks were subjected to prolonged erosion and weathering and to the development of a regolith prior to the deposition of the Middle Proterozoic Athabasca Group sediments. These consist of unmetamorphosed and flat-lying fluvial and marine sandstone and conglomerate with redbed affinity.
- Mineralization is associated with local and regional fault zones that intersect the unconformity.
- Paleotopography may be a control on mineralization.

Some deposits occur at the unconformity, others occur below or above it. Orebodies may be tabular, pencil-shaped or irregular, extending up to a few kilometres in length. Most deposits have a limited depth potential below the unconformity of less than 100 m; however, the Jabiluka and Eagle Point deposits are concordant within the Lower Proterozoic host rocks and extend for several hundred metres below the unconformity (Figure 11). Figure 12 shows a cross section of one of the deposits at the Key Lake Mine.

Figure 12: Schematic Cross-Section of the Gaertner Deposit, Key Lake Mine



Uranium minerals, generally pitchblende and coffinite, occur as fracture and breccia fillings and disseminations in elongate, prismatic-shaped or tabular zones hosted by rocks located below, above, or across the unconformity. Some deposits are monomineralic (uranium only) with only pitchblende and coffinite, while others are considered polymetallic and contain cobalt-nickel arsenides and other metallic minerals. Other minerals can include uranophane, thucolite, brannerite, iron sulphides, native gold, Co-Ni arsenides and sulpharsenides, selenides, tellurides, vanadinites, jordesite (amorphous molybdenite), vanadates, chalcopyrite, galena, sphalerite, native silver, and PGE minerals.

Most deposits fill pore space or voids in breccias and vein stockworks. Some Saskatchewan deposits are exceptionally rich with areas of “massive” pitchblende/coffinite. Features such as drusy textures, crustification, banding, colloform, botryoidal and dendritic textures are present in some deposits. The main alteration types include chloritization, hematization, kaolinization, illitization, and silicification.

EXPLORATION

Various compilation reports and interpretations of historical data were undertaken by SaskCo in 2011, 2012, and 2013, resulting in target definition and recommendations for future exploration work.

Field programs were conducted by the company in 2014, 2015, and 2016 and are described below according to the type of work. Table 4 outlines the work programs conducted during each of those years.

Table 4: Summary of Exploration Work Completed by SaskCo

Year	Work Performed
2014	Geological Mapping Survey
	Soil Sampling Survey and Soil Radon Surveys
	Lake Sediment Geochemistry Surveys
	Soil Radon Survey
	HelifALCON Airborne Gravity Gradiometer Survey
2016	Gravity survey
	Drilling

Data Compilations

Since 2011, several reviews of historical data were conducted and the results of later field surveys were also compiled with historical data, both in-house and by contractors. Data included airborne and ground geophysical results, geological mapping, geochemical surveys, and overburden and diamond drill programs.

In 2013, R. Koch compiled geophysical and geological information that was in the public domain to define target areas and recommend further work. The datasets included a Fugro GEOTEM survey data, AeroQuest AEROTEM data, government high-resolution magnetic data, and Saskatchewan Geological Survey geology maps. The compilation defined three magnetic domains; the strongest magnetic responses were attributed to felsic gneisses and intrusive rocks, non-magnetic responses were assumed to correspond to pelitic and psammopelitic gneisses, and weakly magnetic responses assigned to psammite, meta-arkose and calc-silicate rocks. A map of interpreted geology summarized the results.

Based on interpretation of geophysical and geological data and historical drilling results, Frostad's March 2015 assessment report proposed 14 target areas and describes them in detail; these are listed in Table 5, illustrated in Figure 27, and summarized under the heading Exploration Targets below.

Table 5: Tabulation of Exploration Target Areas

Claim number	Targets
S-112088	Loki, Campbell
S-112288	Jaschinsky
S-112289	Mustang
S-112290	Reed, Twin, Hart, Zimmer, Graham
S-112291	Graham
S-112430	Sky
S-112434	Costigan North
S-112435	Costigan North, Costigan South
S-112436	Seager, Seager North

In 2015, Bingham Geoscience conducted a geophysical interpretation of the Loki (Campbell), and Hart areas based on a historical AeroTEM survey (2005) and a ground MaxMin Horizontal Loop EM survey (2009). A total of seven targets were identified (A to G).

Following the 2014 gravity survey, CGG Airborne Surveys (2015) compiled the following data provided by SaskCo:

- 2004 GEOTEM – time domain EM + magnetics
- 2005 AEROTEM – time domain EM + magnetics
- 2006 AEROTEM – time domain EM + magnetics
- 2014 HeliFALCON – gravity gradient
- Government regional geophysical data and geological maps

Geology, gravity, and alteration were interpreted from the data. Three magnetic domains were defined: a high response over what had been mapped as granites or calc-silicates, a moderate response over pelites, and a low response over psammites. The gravity responses were not found to correlate well with the interpretation from magnetic data, suggesting that the density responses were quite variable within units, as was demonstrated in the associated field density measurements (Table 6).

Zones of silicification and de-silicification were interpreted near EM conductors and a list of 57 targets were proposed.

In 2015, SRK Consulting (Canada) Inc. conducted a structural study, geological compilation and targeting exercise. At least five sets of structures and related phases of deformation were identified. Graphitic pelitic units, ductile shear zones, and D5 brittle faults were identified as favourable to mineralization. The target areas identified in Frostad (2015) were ranked according to priority and 23 drill holes were proposed.

In 2016, Bingham Geoscience conducted an interpretation of the 2016 ground gravity survey that was conducted by MWH Geo-Surveys Ltd. in three areas of the Mustang trend. Residual gravity lows were detected in the Mustang South (MS1 to 4), Seager Central (SC 1 to 3) (or Mustang Central, MC1 to 3), and Seager North (SN1 to 4) (or Mustang North, MN1 to 4) sectors. These gravity low anomalies may be indicative of zones of alteration, clay development, and potential uranium mineralization along electromagnetic (EM) conductors. Anomalies MS1, SC3, and SN1 have coincident (or nearby) well-defined reinterpreted MaxMin conductors and are ranked as priority targets. The most significant conductor in the Mustang conductor trend is the eastern conductor. The gravity anomalies along this conductor (MS1, MC1, MC3, MN2, MN1, and possibly MS2) are highest priority. These areas are considered as high priority for future drilling programs. Several of the anomalies (MS1, MC3 and MN1) have coincident (or nearby) well-defined reinterpreted MaxMin conductors and can be readily drill targeted. The other anomalies are of lower priority and do not have current EM surveys and are located based on historical EM, which may or may not be accurately locate.

Geological Mapping

Between July 9 and 15, 2014, a geological mapping program was conducted by four SaskCo geologists. The field work was conducted from a camp constructed at kilometre 185 on Highway 914. Although the Graham Lake skidder trail provided ATV access into the central area of the property, most locations were only accessible by foot due to dense tree cover, muskeg, and steep topography. The mapping program was successful in locating most of the key outcrops as well as discovering additional outcrops. However, due to the limited access to the property, not all historical outcrops were visited.

The purpose of the mapping program was to validate historical mapping, to improve on the density of mapping and to create an updated lithological map by compiling the field results with recent airborne magnetic and gravity surveys. The resultant property geology map is presented in Figure 8 and the lithologies are described under Property Geology above.

The 2014 mapping program identified seven lithologies. The nomenclature used in historical maps was considered and integrated in the geological compilation map. The metasedimentary sequence was dominant in the mapped area. The electromagnetic (EM) conductors detected by ground and airborne surveys correspond with the pelites and psammo-pelites and foliation measurements closely related to magnetic fabrics. Large granitic bodies were mapped on the eastern and western margins of the project. The resulting interpretation map is shown in Figure 8.

Samples of each rock type were collected and used for specific gravity measurements to aid in interpreting the results of the airborne gravity survey. Calc-silicates were the densest unit averaging 2.76 g/cm³ while granite was the least dense averaging 2.61 g/cm³. The specific gravity of the metasediments was in between these two rock units with an average density of 2.67 g/cm³.

Table 6 summarizes these results.

Table 6: Summary of Field-Specific Gravity Survey

Rock Type	No. Samples	Specific Gravity (g/cm ³)			
		Mean	Median	Min	Max
Granite	2	2.60	2.60	2.63	2.57
Archean Granite	4	2.61	2.60	2.65	2.58
Pelite	43	2.66	2.69	2.96	1.30
Pegmatite	7	2.67	2.59	3.08	2.49
Psammite	14	2.68	2.66	3.01	1.59
Calc-Silicate	11	2.76	2.77	2.93	1.56
Total	81				

Soil Geochemical Survey

Soil Sampling Programs

A soil survey was conducted in 2014; a total of 804 samples were collected in two separate areas of the property:

- A grid at the north end, subdivided into Area A (on claim S-112088) and Area B (on claims S-112088 and S-112290), covered a zone where an EM conductor, untested by diamond drilling, coincides with an airborne gravity low and a magnetic low (Figure 7 and Figure 8).
- A grid in the southwest corner of the property, Area C, is located on claim S-112289 (Figure 15). This grid covered a structurally complex area, as evidenced from geophysics, where two parallel north-south trending EM conductors display a break/offset of 400 to 700 metres.

Sampling grids were designed to cover portions of a previously established cut and picketed grid having a line-spacing of 200 metres and stations marked every 50 metres. Sample location coordinates were uploaded into the GPS units that were used to navigate to the sample sites.

The samplers chose a suitable sample location close to the GPS coordinates for that sample site and collected the black A1 organic soil layer by hand or with a spade. The samples were collected in Kraft paper sample bags and labelled with the predetermined sample ID.

The A1 horizon was occasionally just below the plant litter and could be easily scraped up. Elsewhere, the A1 horizon was most easily accessed by pulling up the surface vegetation by hand and collecting the black soil at the root base. Where identified, the A1 horizon varied in thickness from 1 to 6 cm. At lower elevations where a distinct A1 soil horizon could not be identified, peat samples were taken in lieu of soil. All samples were described for colour, sand content, and the percentage of peat.

Figure 13: Areas A and B: Nickel in Soils

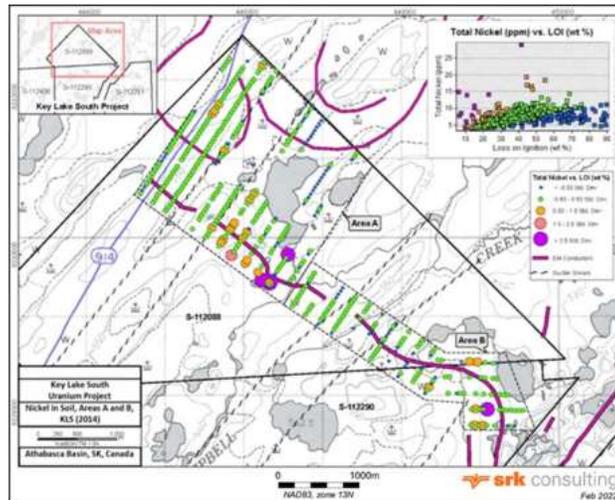


Figure 14: Areas A and B: Uranium in Soils

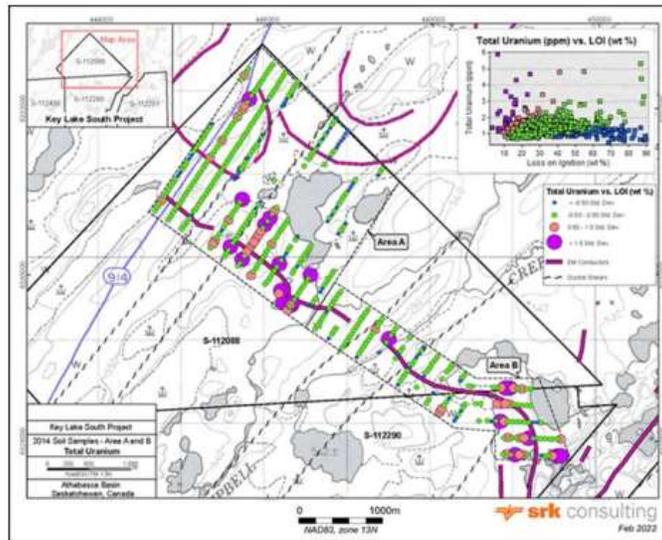
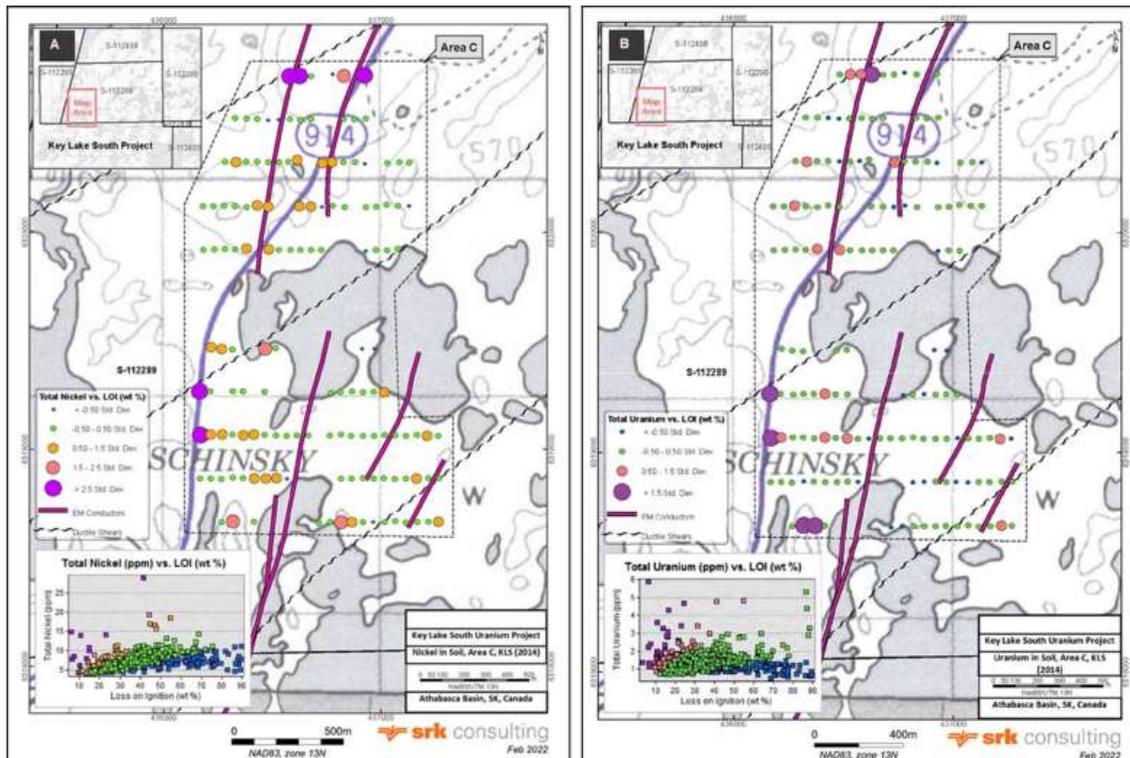


Figure 15: Area C: (A) Nickel in Soils; (B) Uranium in Soils



Soil Survey Results

The samples containing peat have high values for Loss on Ignition (LOI). Samples with high LOI values (therefore high in organics) generally have higher values for most elements, except for boron, cobalt, and uranium; those elements weren't as affected by high LOI values. The influence of LOI was not affected by the type of digestion,

whether using partial or total digestion. Figure 16 shows plots of Nickel, Uranium, Vanadium, and Zinc Assays vs. Loss on Ignition (LOI).

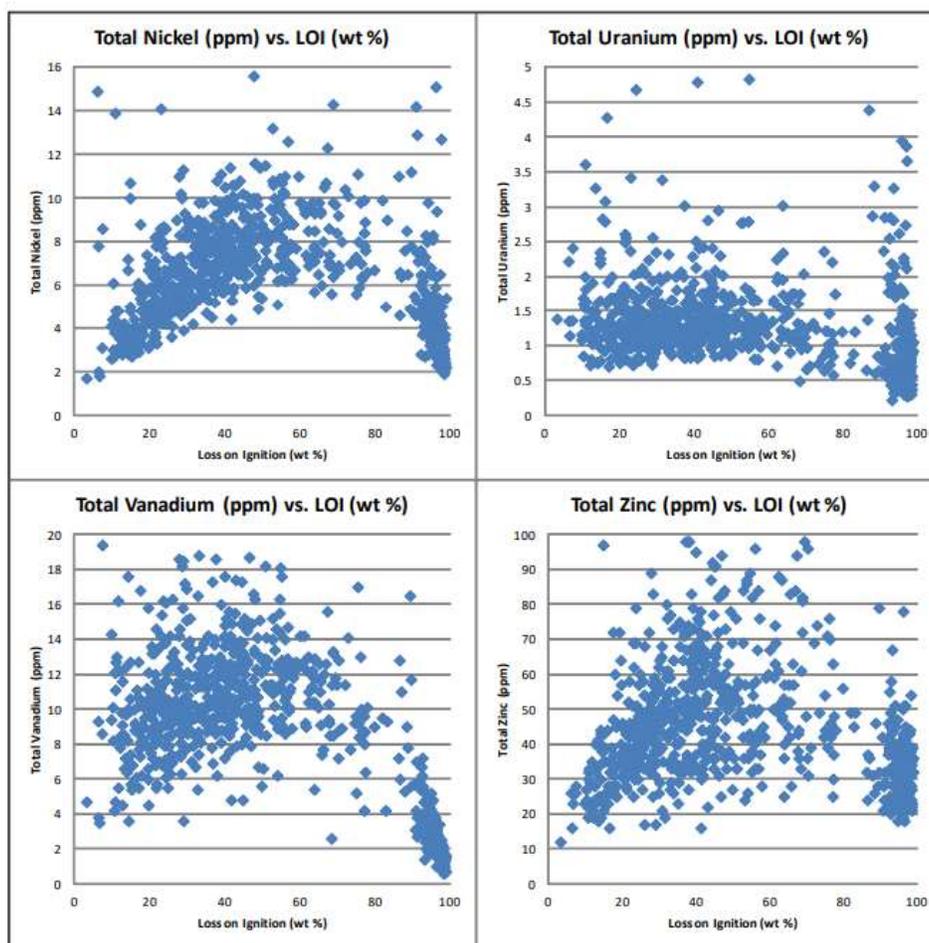
Based on a review of the plots for each element, it was decided to treat the geochemistry results as two groups:

- Samples with < 85% LOI were classified as soils and
- Samples with $\geq 85\%$ LOI were classified as peat, except for area C where only three samples had $\geq 85\%$ LOI.

To remove the LOI influence, each assay was normalized by the corresponding LOI result, the standard deviation was calculated, then the data was sorted based on the third standard deviation percentile.

The treatment of the samples is considered appropriate since the survey procedure could have distinguished soil samples from vegetation (peat) samples using the field notes. However, initially plotting all the samples with LOI allowed for a quantitative separation of soil and vegetation samples.

Figure 16: Nickel, Uranium, Vanadium, and Zinc Assays vs. Loss on Ignition (LOI)



Interpretation of Soil Survey Results

The geochemical interpretation considered the following as elements of interest: As, B, Co, Cu, Pb, Mo, Ni, U, V, and Zn.

In Areas A and B, a compilation of the soil geochemical results returned four prominent multi-element anomalies, S1 to S4, which are shown in Figure 18. Anomalies S1 and S2 (Campbell target) are considered strong exploration targets due to the coincidence of high metal content with favourable geophysics and interpreted structures. Four anomalies in what were classified as peat samples are also outlined but are not considered reliable.

In Area C (Mustang target), the soil geochemical results returned five prominent multi-element anomalies, S5 to S9, which are shown in Figure 24. Anomaly S7 constitutes a high-priority target due to its coincidence with geophysics and a nearby lake sediment anomaly.

Figure 17: Plan Locations of the Targets Defined by Geophysics that were Tested by Soil Geochemistry
Source: Abasca (2018)

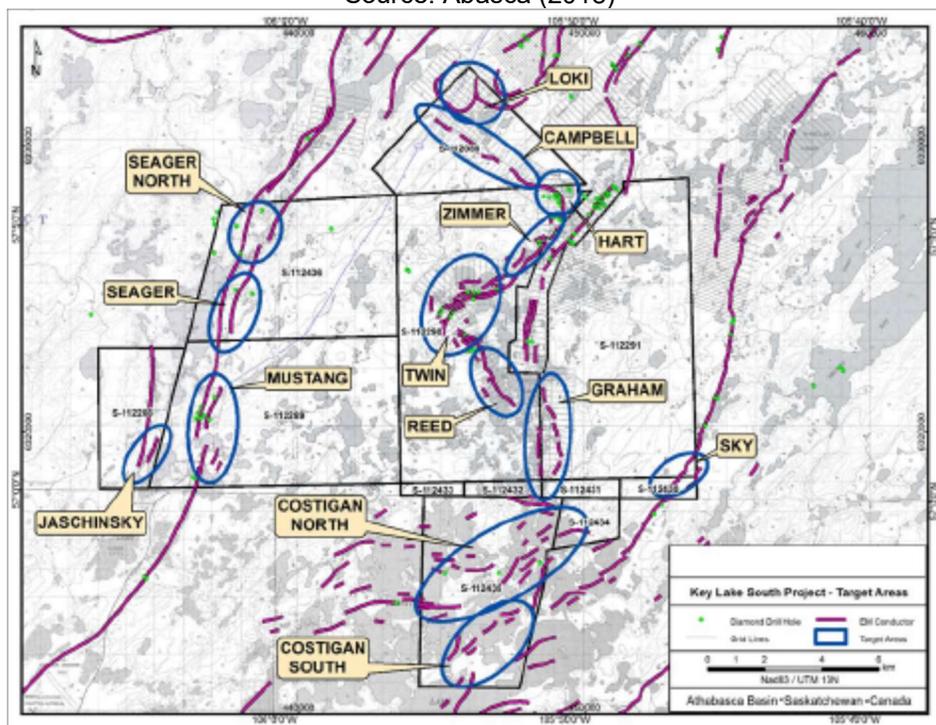


Table 7 shows the element associations for each interpreted anomaly by Frostad (2015) and Table 8 summarizes their characteristics.

Table 7: Element Association Defining Soil and Peat Anomalies

Soil/Peat Anomaly ID	Area	Anomalous Element Concentration									
		As	B	Co	Cu	Pb	Mo	Ni	U	V	Zn
S1 (North)	A										
S1 (South)	A										
S2	A										
S3	A										
P1	A										
P2	A										
S4	B										
P3	B										
P4	B										
S5	C										
S6	C										
S7	C										
S8	C										
S9	C										

The geochemical anomalies were selected by noting groups of samples with higher concentrations of numerous elements above what was considered background for each area. A definition of anomalous concentration for each element was not made and a ranking of the soil/vegetation anomalies based on concentrations was not attempted.

Table 8: Summary of Soil Geochemical Anomalies

Area	Name	Size	Orientation	Intensity	Geophysical Correlation	Geological Correlation	Geochemical Signature
A	S1	2 km × 75 m	N-S	Strong	Strong airborne magnetic and gravity structure		North: B, Mo, Ni, V South: Cu, Mo, Ni, Pb, V, Zn
	S2	400 m	Round		Significant bend and break in the EM conductor that lies on the south side of a magnetic high.	Magnetic high may represent granite	Highest U values of the survey: up to 104 ppm U (project average= 1.5 ppm U. All elements of interest are elevated except Pb.
	S3	150m	Round		None	Anomaly may be associated with a N-S fault or may be due to topographic low capturing metals from S2 anomaly.	All elements of interest are elevated with the exception of copper and zinc. Strongly anomalous at 18.6 ppm U.
	P1 and P2	Soil samples w >85% LOI, anomalies not considered reliable as may be distal from source					
	S4	700 m × 200 m	Arcuate	Strong	coincident large-scale bend in an EM conductor, a magnetic low, and a gravity low.	Near hole CS-78-11 that intersected 167 ppm U over 3.7 metres in a clay-altered fault zone.	All elements of interest are elevated.
B	P3 and P4	Soil samples w >85% LOI, anomalies not considered reliable as may be distal from source					
C	S5	400 m × 50 m × 100 m	N-S	Strong	Along an EM conductor and coincident with a strong magnetic low and a moderate gravity low response.		Elevated in all elements of interest with the exception of lead and zinc.
	S6	600 m	N-S	Strong	Same orientation as nearby EM conductor. Located along the eastern edge of a magnetic high as well as the eastern edge of a small gravity high response.	Coincides with an interpreted NE-trending fault.	Elevated in all elements of interest. Coincides with highway so may be due to contamination.
	S7	1 km × 100 m	N-S		Parallel to EM conductors. Within a magnetic low that sits between the major break of the EM conductors.	May be showing where hydrothermal alteration of graphite has suppressed an EM response.	All elements of interest have elevated concentrations except As.
	S8	~ 800 m × 50 m	N-NW		Cross-cuts two EM conductors. At the western edge of a magnetic high and a gravity high.	Interpreted to be associated with a fault.	
	S9	400 m × 50 m × 100 m			Weak	At the southern terminus of an EM conductor	Anomalous in Co, Mo, Ni, U and V.

Lake Sediment Survey

A lake sediment sampling survey was conducted in 2014 in Area C, on claim S-112289, proximal to the 2014 soil sampling grid. A total 65 samples were collected (Figure 19).

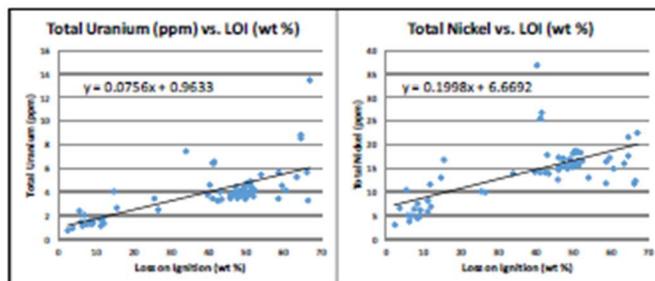
A lake bottom sampling grid was designed to cover areas hosting known EM conductors. The average distance between samples over the conductors was 50 metres and additional infill samples to cover the lake were taken between 100 and 150 metres apart. Sample coordinates were uploaded into GPS units prior to the field collection. The GPS units were then used to guide the sampling teams to each preselected and pre-named sample site on the lake. An anchor was lowered, and the boat was allowed to steady its position, allowing for two samples to be collected from the same spot if the sample size from the initial sample was not sufficient.

An Ekman Bottom Grab sampler was utilized for collecting the sediment samples from the soft sediment at the bottom of the lakes. As the sampler is lowered, two hinged upper lids swing open to let water pass through and close upon retrieval, preventing sample washout. When the sampler reaches the bottom, a messenger is sent down the line, tripping the overlapping spring-loaded scoops. The samples were then placed with 12 inches × 18 inches sediment sample bags that allowed for water to drain.

Lake Sediment Survey Results

The concentrations of the two elements of interest, uranium and nickel, were plotted against LOI for all lake sediment samples (Figure 18). Nickel and uranium values were higher in samples with higher percentages of LOI. Based on a review of these two plots, the anomalous values for uranium and nickel were divided into three groups: i) anomalous, ii) weakly anomalous and iii) background. Results for nickel and uranium are illustrated in Table 9.

Figure 18: Uranium and Nickel vs. LOI in Lake Sediment Samples



Source: SaskCo, 2018

Three lake sediment anomalies were identified (L1 to L3) and are shown in purple on the compilation map in Figure 19. Characteristics of these anomalies are summarized in Table 9.

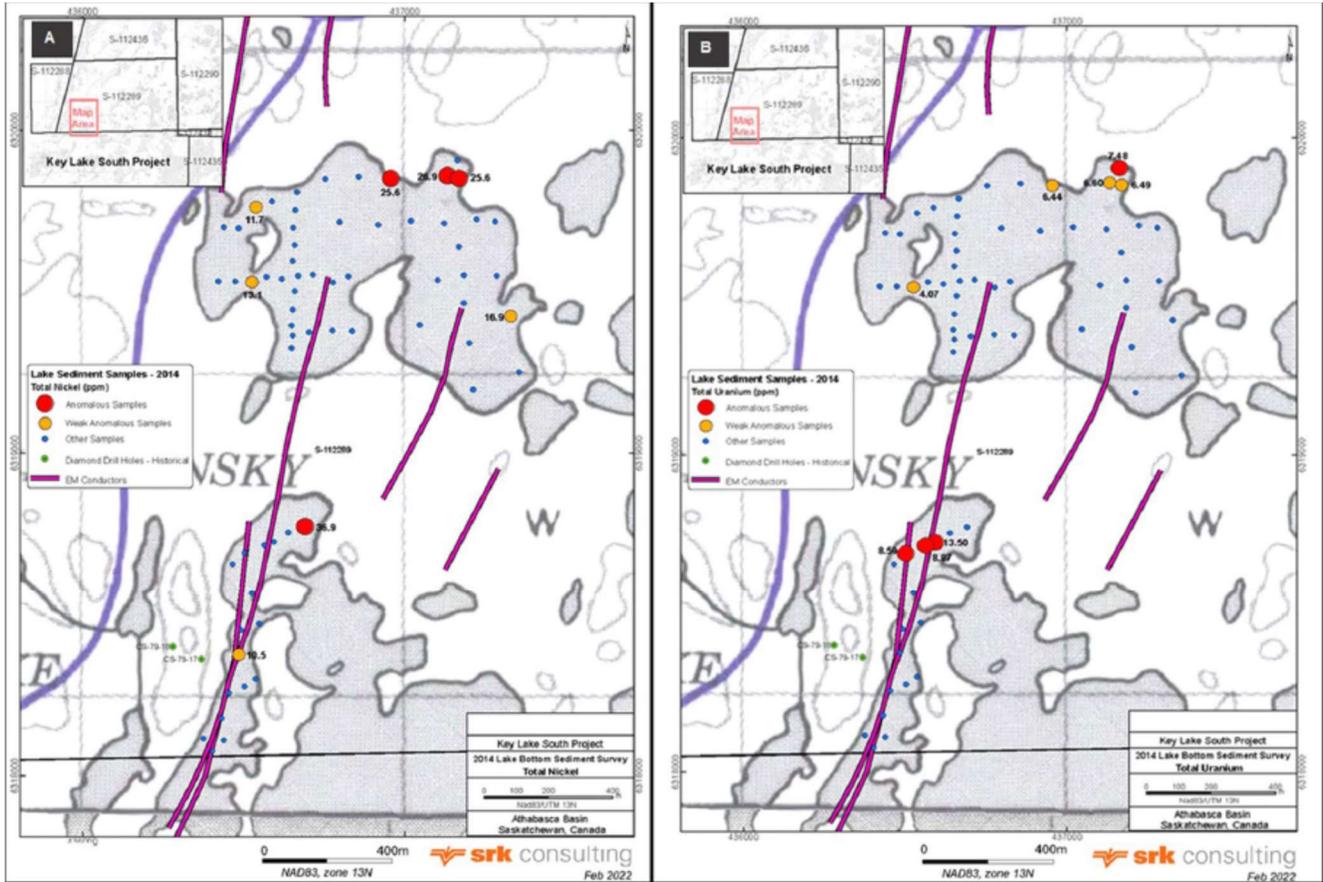
Table 9: Summary of Lake Sediment Anomalies

Area	Anomaly	Intensity	Geophysical Correlation	Other Correlations	Geochemical Signature
	L1	Strong U; moderate Ni	Near the terminus of an EM conductor; coincident with a magnetic low and a gravity low response	Between soil anomalies S7 and S9.	From 8.6 to 13.5 ppm U over a distance of approximately 100 metres; one of these samples also had the highest nickel concentration at 36.9 ppm Ni.
C	L2	Strong U and Ni	No EM correlation but is located on the western edge of a coincident magnetic high and a gravity high response.	May relate to a lithological contact	> 25 ppm Ni and > 6.4 ppm U
	L3	Weak U and Ni	Coincides with a moderate magnetic high and a moderate gravity high.	At northern extension of the S7 soil anomaly.	> 11 ppm Ni and > 4 ppm U

Source: SaskCo, 2018

Anomaly L1 is considered the most encouraging lake sediment anomaly, as its high concentrations of uranium and nickel are coincident with favourable geophysics and interpreted structures (Table 9).

Figure 19: Area C: (A) Nickel in Lake Sediments; (B) Uranium in Lake Sediments



Radon-in-Soil Survey

Sampling Procedure

In 2014, a radon sampling survey over Area A (disposition S-112339) was conducted in conjunction with the previously described soil sampling survey.

The radon sampling survey involved the collection of 282 readings using a Pylon AB6A Monitor with Lucas-style scintillation cells. The Pylon AB6A Monitor measures radon and thoron by detecting the alpha particles from the gases as they decay. Each reading location recorded the background radon, the soil radon reading, and a scintillometer measurement of total gamma recorded.

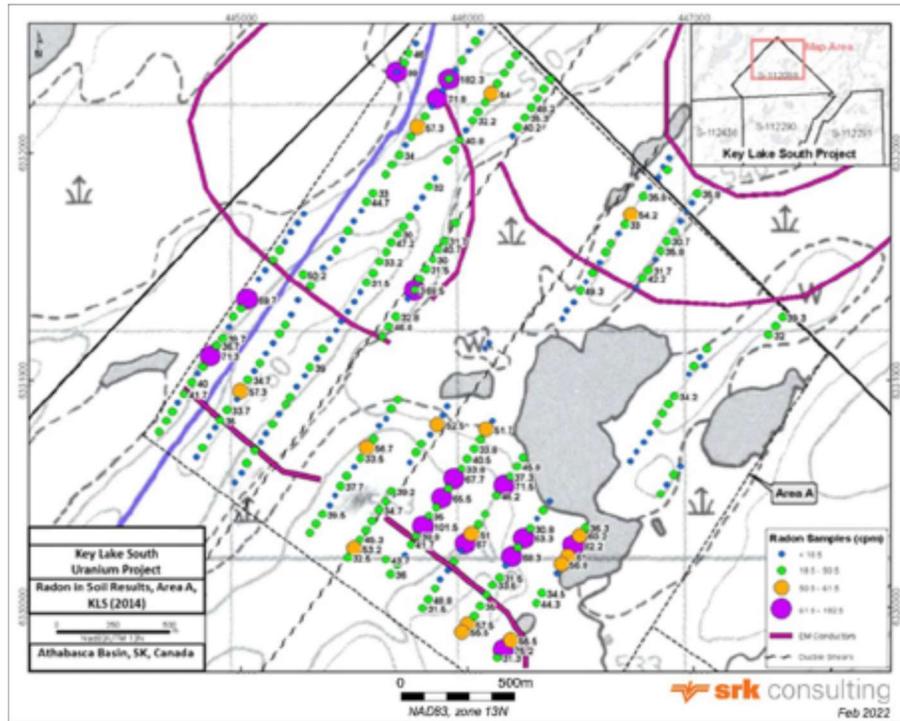
A sampling grid was designed to utilize the historical cut grid having a line-spacing of 200 metres and picketed stations every 50 metres. Sample coordinates were uploaded to GPS units which were then used to navigate to the predetermined sample site. After choosing a suitable sample location close to the GPS sample coordinate, a battery powered drill with a 3/4-inch ship auger bit was used to drill a hole 18 inches deep. The radon probe was then placed in the hole and connected to the scintillation cell with a vacuum hose. A 15 inHg vacuum is created in the cell using a handheld vacuum pump with the valve on the vacuum hose closed. The AB6A is turned on and the date, location, and the hand scintillometer measurement is recorded before the measurements begin. The first three intervals are recorded with the cell under vacuum. When the third interval is complete, the flow valve is opened until the vacuum pressure in the cell reaches zero inHg. This draws the gases from the soil into the cell. Intervals four, five and six then measure the decay of the gas in the cell. The measurements are saved internally in the AB6A. When the measurements are complete, the cell is then flushed for 25 seconds using the vacuum pump.

Radon Results

The radon samples were collected sites that were also sampled for soils; results are shown in Figure 20. To ensure that peaty terrain was not influencing the radon-in-soil readings, LOI from the soil sampling results were plotted against the measured radon concentrations (Figure 21).

The plot suggests that the peat-rich content (i.e., with LOI > 90%) does not influence the radon measurements.

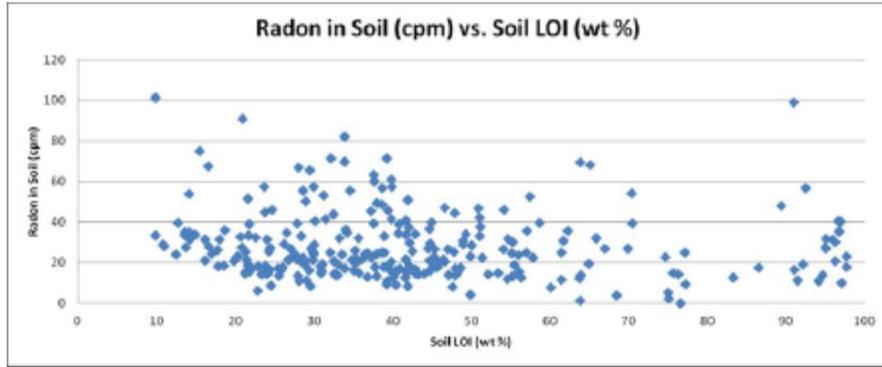
Figure 20: Radon Survey Results Area A



Five radon-in-soil anomalies were identified, R1 to R5, and are plotted on the geochemical compilation map for areas A and B (Figure 22). High radon concentrations were measured proximal to strong soil anomalies within the Campbell target area. Although the radon-in-soil anomalies appear discordant to the underlying geology, the anomalies are interpreted to be migrating downhill from their source. The anomalies are summarized as follows:

- Anomalies R1 and R2 appear related as they occur at opposite ends of an arcuate EM conductor located in the northern corner of the sampling grid.
- Anomaly R2 is coincident with the northern portion of the S1 soil anomaly.
- The R3 and R4 radon-in-soil anomalies are associated with the S1 soil anomaly but trend east-west. The R3 and R4 anomalies are interpreted to share a similar uranium source, located where the S1 soil anomaly crosses a break the EM conductor. The anomalies are interpreted to disperse downhill from this topographic high towards the central lake.
- The R5 radon-in-soil appears to be associated with the S2 soil anomaly, the strongest soil anomaly in the program. Again, the elongate east-west trending anomaly may be suggesting migration away from a radon source near or beneath the S2 soil anomaly.

Figure 21: Radon in soil (cpm) vs. soil LOI (wt %)

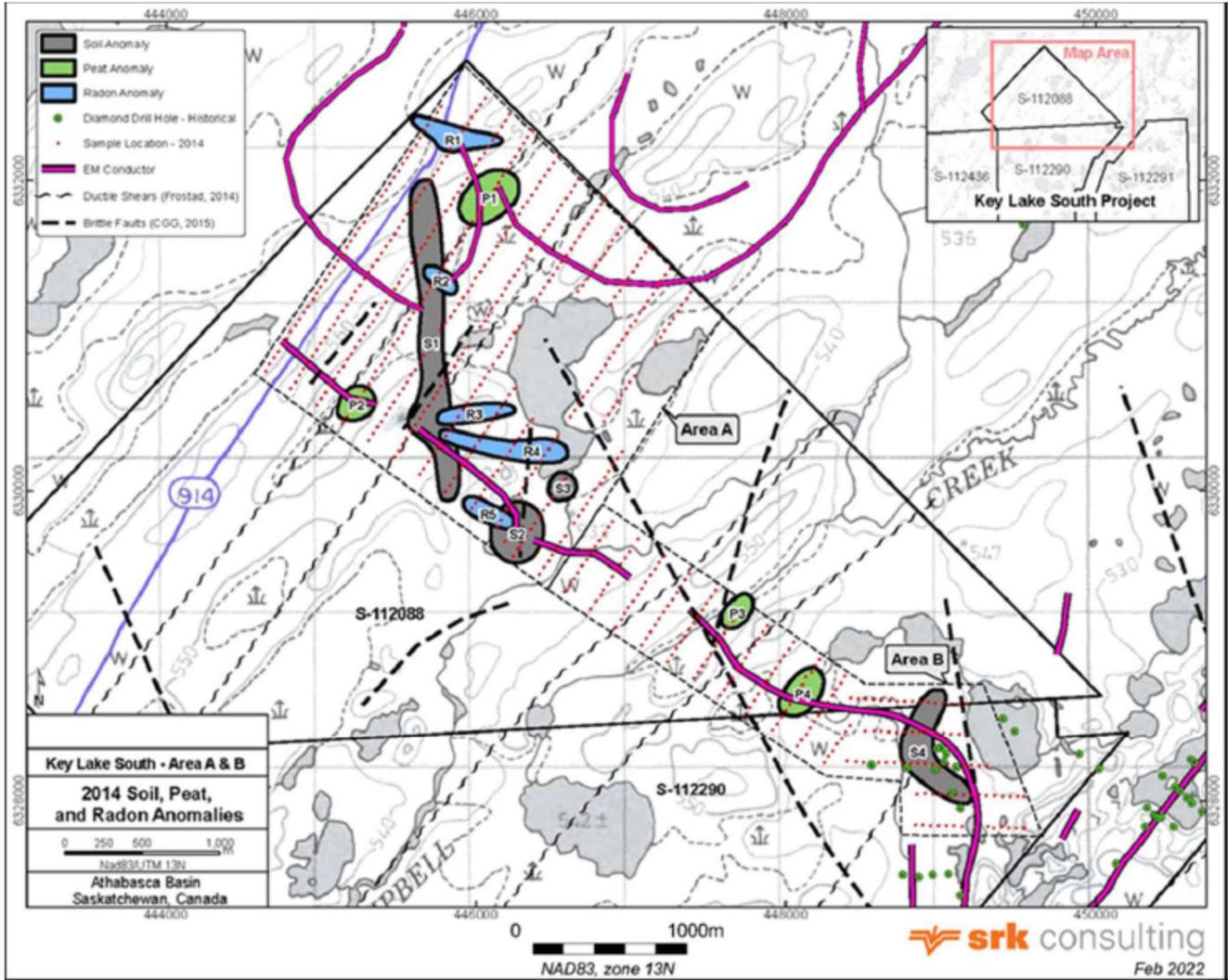


Geochemical Compilation

Figure 22 shows the distribution of geochemical anomalies in areas A and B whereas Figure 23 shows those of Area C.

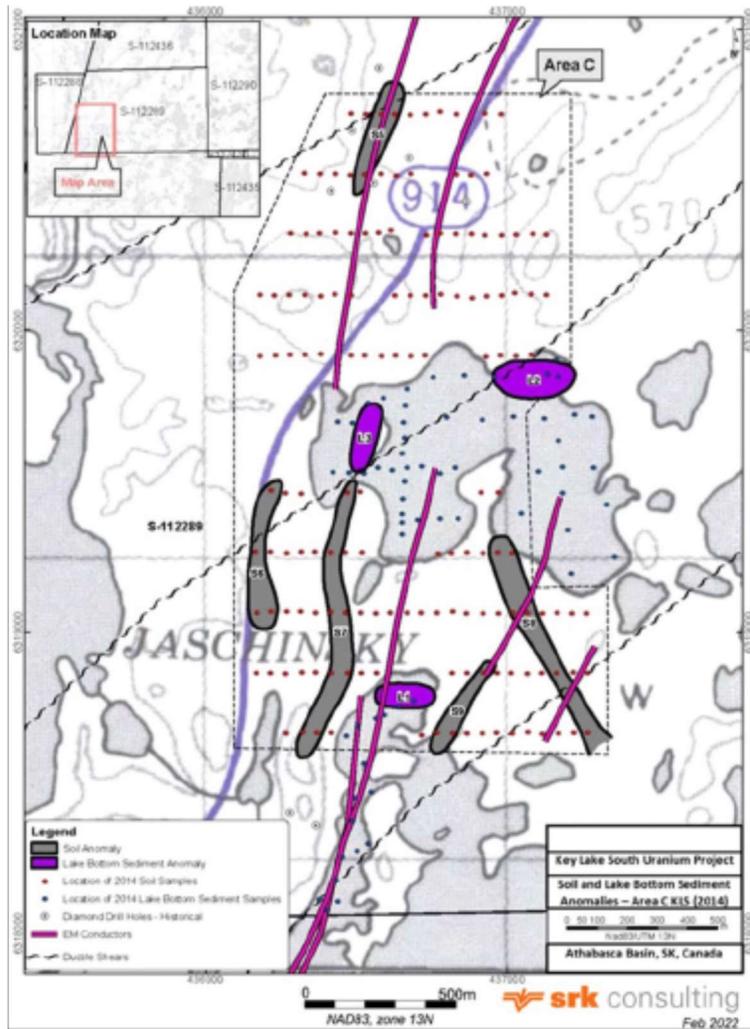
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Figure 22: Area A and B: Compilation of Soil, Peat, and Radon Anomalies



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Figure 23: Compilation of Soil and Lake Sediment Anomalies



Geophysics

2014 Airborne Gravity Survey

In April and May 2014, CGG Ltd. conducted a high-sensitivity HeliFALCON® Airborne Gravity Gradiometer (AGG) survey over all 12 claims of the KLS Project (CGG 2014). The survey was carried out using a Eurocopter AS350-B3. A total of 25 production flights were flown for a combined total of 2,995 line-kilometres of data.

Final data processing was completed from the Perth, Australia office of CGG Ltd. in June 2014.

The KLS Project was flown in an east-southeast to west-northwest direction (117°/297°) with a traverse line spacing of 100 metres and a tie line spacing of 2,000 metres at 027°/207°.

During the survey of the KLS Project, the helicopter was maintained at a mean height of 35 metres above the ground with a nominal survey speed of 150 kilometres/hour. Terrain clearance was provided by the radar altimeter at interval of 0.1s.

Terrain clearance for the survey averaged slightly above the nominal clearance of 35 metres, having a mean value of 45.3 metres across the survey area.

The survey specifications are summarized in Table 10.

Table 10: 2014 Airborne Gravity Survey Specifications

Key Lake South Uranium Project Survey Specifications	
Total Delivered Kilometres (km)	2995
Clearance Method	Barometric
Nominal Terrain Clearance (m)	35
Traverse Line Direction (deg.)	117/297
Traverse Line Spacing (m)	100
Tie Line Direction (deg.)	027/207
Tie Line Spacing (m)	2000
Real-Time Differential GPS	Novatel OEMV L-band Positioning
GPS Base Station Receiver	Novatel OEM4 L1/L2
Altimeters	King KRA405 Radar Altimeter
	Rosemount 1241M Barometric Pressure Sensor
Laser Scanner	Riegl LMS-Q140I-80

Terrain corrections were derived from the digital terrain model grid for every data point in the survey. A terrain density of 1.00 g/cm³ was used to compute the terrain correction channels, which were then multiplied by the chosen correction density before being subtracted from the data.

Airborne Gravity Results

Since the KLS Project is located outside of the Athabasca Basin, a standard density of 2.67 g/cm³ was applied (a correction density of 2.00 g/cm³ is typically selected for the Athabasca Basin's sandstone cover). The transformation of the results into Vertical Gravity (gD) and Vertical Gravity Gradient (gDD) was accomplished using two methods: Fourier domain transformation and the Method of Equivalent Sources.

The Fourier domain transformation method upward continues data to a horizontal surface on which the transformation is applied. The transformed data are then continued downward to the computation surface. A low-pass filter is applied to improve the signal to noise ratio by removing artifacts of the continuation process and other information which is known to be beyond the sampling resolution. A cut-off wavelength of 200 metres was used in the low-pass filter.

The Method of Equivalent Source transformation utilizes a smooth model inversion to calculate the density of a surface of sources followed by a forward calculation to produce gD and GDD. It was possible to closely match the short to medium wavelength characteristics of the Fourier results by placing the sources at a depth of 100 metres.

Both transformations use a smoothed surface onto which the output data are projected. For the Fourier transformation, this surface is a smoothed equivalent of the actual flying surface. For the equivalent source transformations, the surface is parallel to and at a constant height above the terrain.

After reviewing the results, the best representation of the gD and gDD data for the KLS project was selected as the Fourier result (density 2.67 g/cm³), illustrated in Figure 24 (gD) and Figure 25 (GDD) with a structural interpretation overlay.

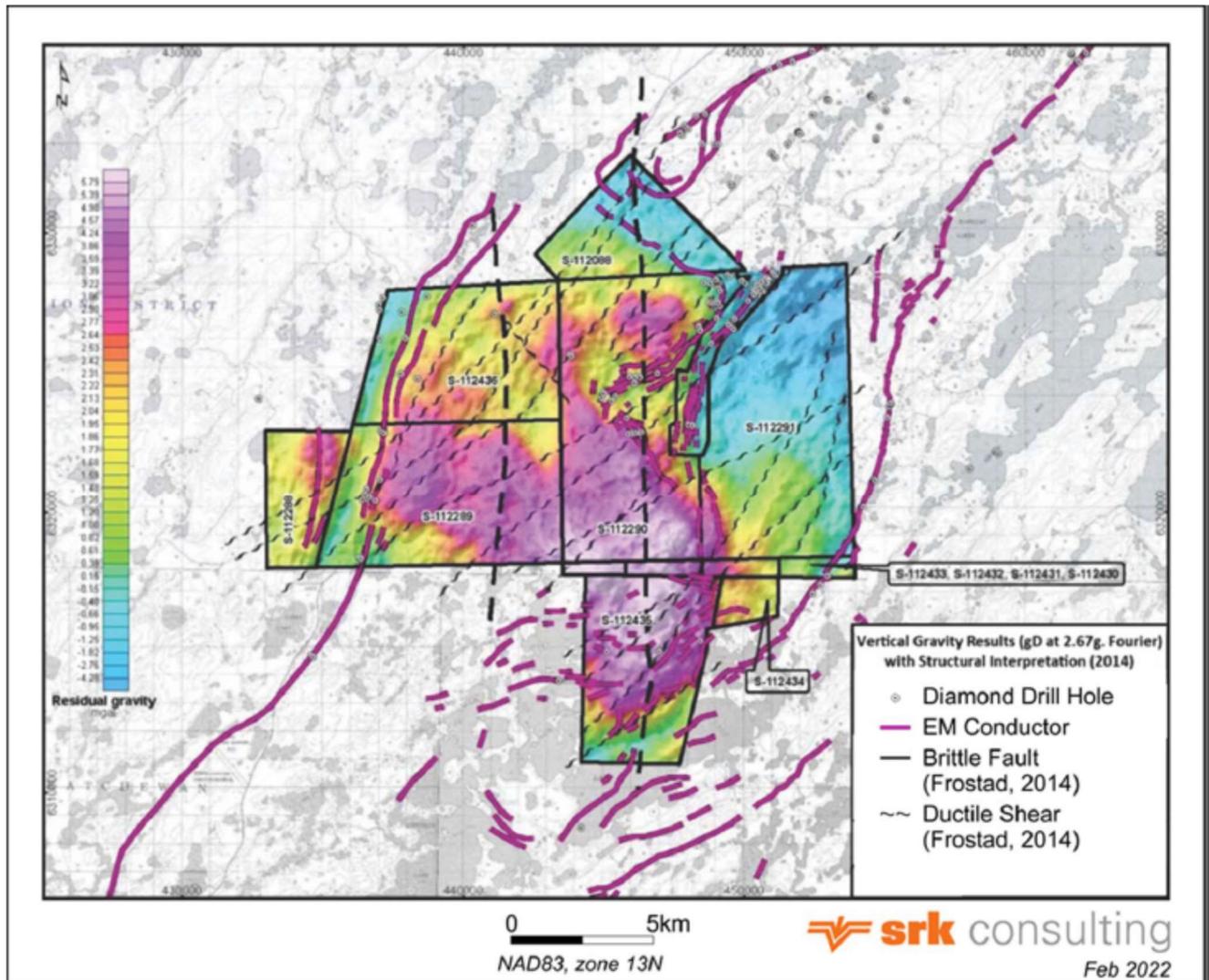
The 2014 helicopter-borne high-sensitivity HeliFALCON® Gravity Gradiometer survey provided a new layer of project-wide data and allowed for an initial interpretation of major basement lithologies, structures, and possible zones of hydrothermal alteration.

Data interpretation by CGG Airborne (2015) identified small gravity highs and lows in the vicinity of EM conductors and proposed them as possible zones of hydrothermal alteration. The Gzz (and shallow depth slice of Gz) response was used to identify the small gravity anomalies thought to be derived from the small density changes due to alteration. CGG considers the high number of small Gzz anomalies to be a result of density variations within the pelite and psammite units, which may mask the subtle ± 0.2 g/cc variations expected from silicification and desilicification alteration.

The large gravity high seen in the vertical gravity results (Figure 24) is interpreted as a dense rock mass, less amenable to the development of structures required to control uranium-rich hydrothermal fluids. The conclusion decreases the prospectivity of conductors present within the northern portion of claim S-112435 until further analysis suggests otherwise. On the other hand, the potential of the northeast-trending conductors occurring along the southern boundary of the gravity high is heightened by this interpretation, since a structure marking a competency contrast may provide a favorable conduit for hydrothermal fluids.

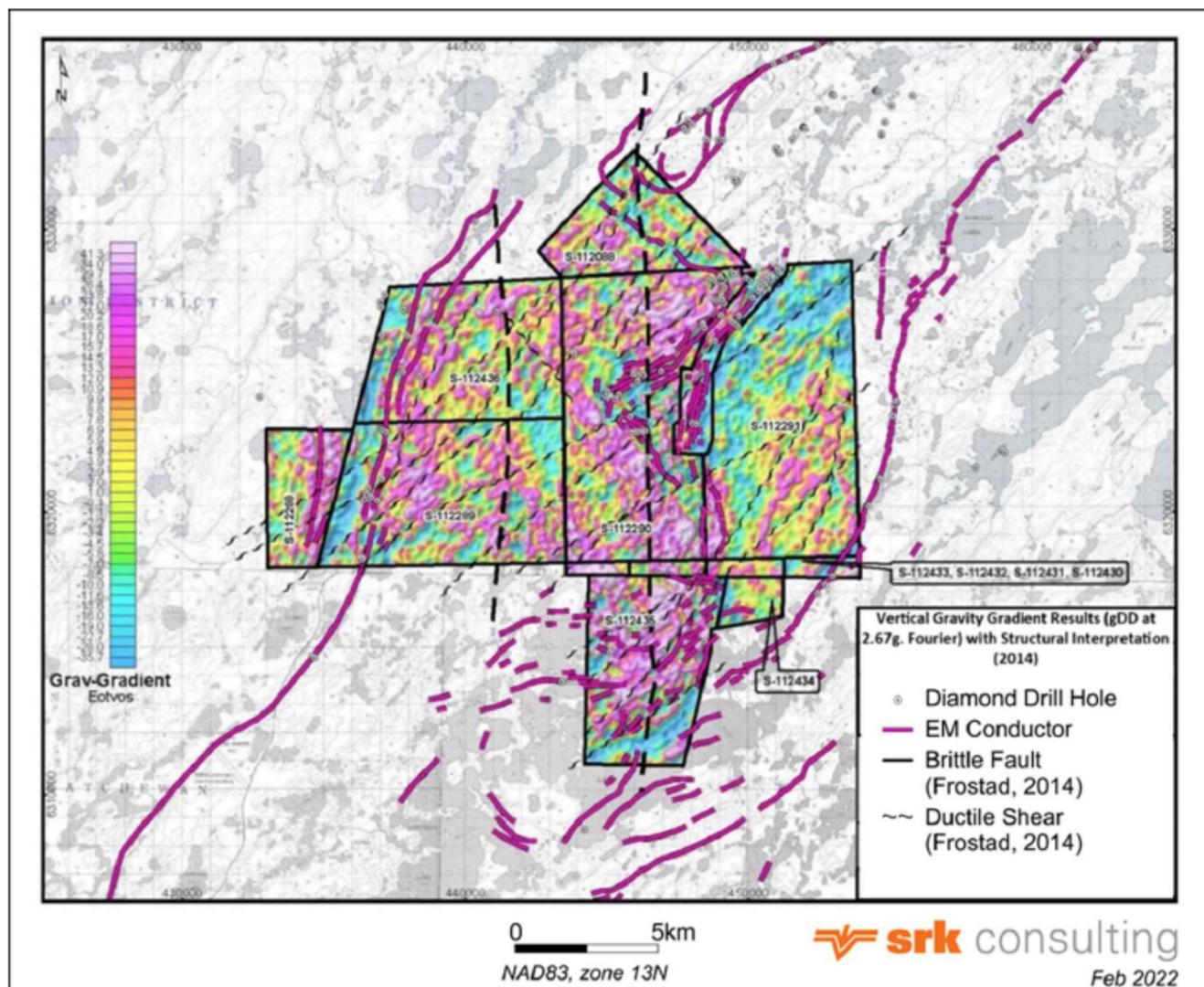
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Figure 24: 2014 Vertical Gravity Results (gD) with Structural Interpretation



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Figure 25: 2014 Vertical Gravity Results with Structural Interpretation



The gravity survey has also outlined gravimetric lows along areas of EM conductors not previously tested by diamond drilling. The gravity lows may be due to hydrothermal alteration and they are considered to be highly prospective for uranium mineralization.

2016 Ground Gravity Survey

In March 2016, MWH Geo-Surveys was contracted to carry out a ground gravity survey on three grids spanning the Mustang trend: Mustang South, Seager Central, and Seager North. A total of 1,027 stations at ~ 100 metres spacing were surveyed.

The following field procedures are taken from the logistics report (MWH 2016):

LaCoste & Romberg gravity meters serial numbers 371, 697 & 792 were used on this project. These meters are electronically nulled, are equipped with highly accurate electronic levels and feature one micro-gal resolution. Data is sent via a Bluetooth wireless link to a hand-held field PC running proprietary GControl gravity data logging software. GControl collects a gravity reading sample every 2 seconds and subsequently averages the collected samples to mitigate the effects of high frequency noise caused by wind and ice motion. All gravity readings were taken within

loops to and from a gravity base established at the Abasca campsite. To determine the absolute gravity value of the new Abasca base, multiple ties were made between the new base and through a series of intermediate sites, the Canadian Gravity Standard Network base in LaRonge (bas e# 9547-1977; value: 981,380.330).

A total of 971 unique stations and 56 repeats (not including base ties) were collected on 3 grids; Mustang, Seager Central and Seager North during 9 survey production days. Access to gravity sites was by snowmobile and on foot.

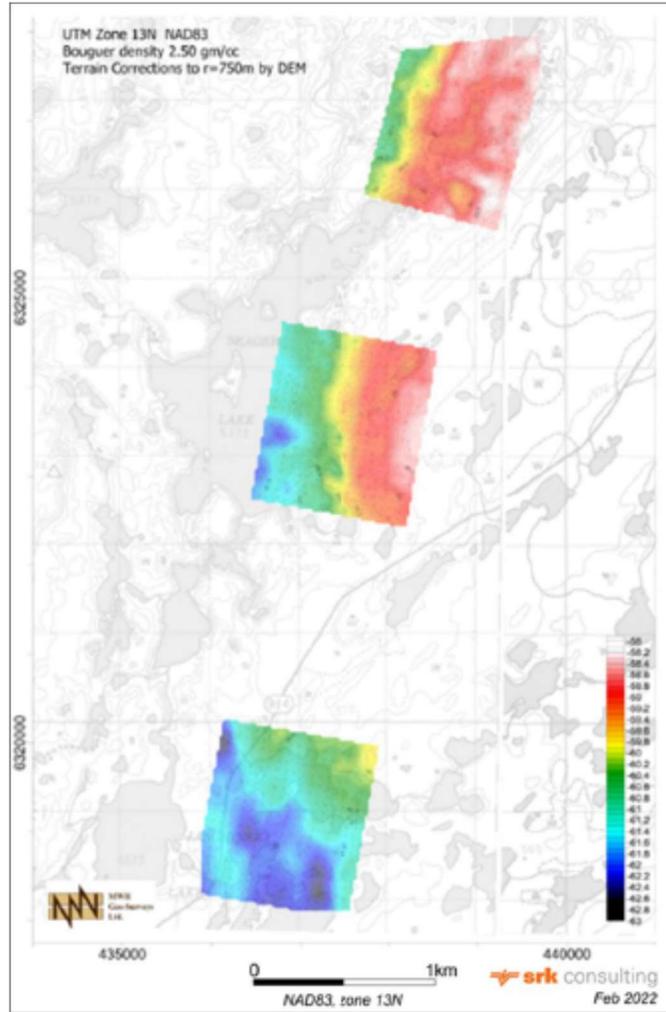
The Bouguer slab gravity at a density of 2.5 was used for this project.

In 2016, Bingham Geoscience conducted an interpretation of the 2016 ground gravity survey that was conducted in three areas of the Mustang trend. Residual gravity lows were detected in the Mustang South, Seager Central, and Seager North sectors. These gravity low anomalies may be indicative of zones of alteration, clay development, and potential uranium mineralization along electromagnetic (EM) conductors. Anomalies MS1, SC3, and SN1 have coincident (or nearby) well-defined reinterpreted MaxMin conductors and are ranked as priority targets.

Figure 26 shows the Bouguer Gravity results for the three surveyed grids.

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Figure 26: Bouguer Gravity Results of 2016 Ground Gravity Survey



Source: MWH (2016)

Exploration Targets

Frostad (2015) defined 14 exploration targets and described them in detail with accompanying geophysical maps. Subsequent compilations that integrated results of later surveys further confirmed and refined these targets.

A structural interpretation and targeting exercise conducted by SRK (2015) generally agreed with Frostad's assessment and concluded with a priority ranking of the targets. The rankings as well as the characterization of the various parameters are relative to other targets within the dataset and are not to be interpreted as absolute values. The description and ranking of these targets are summarized in Table 11 and illustrated in Figure 27.

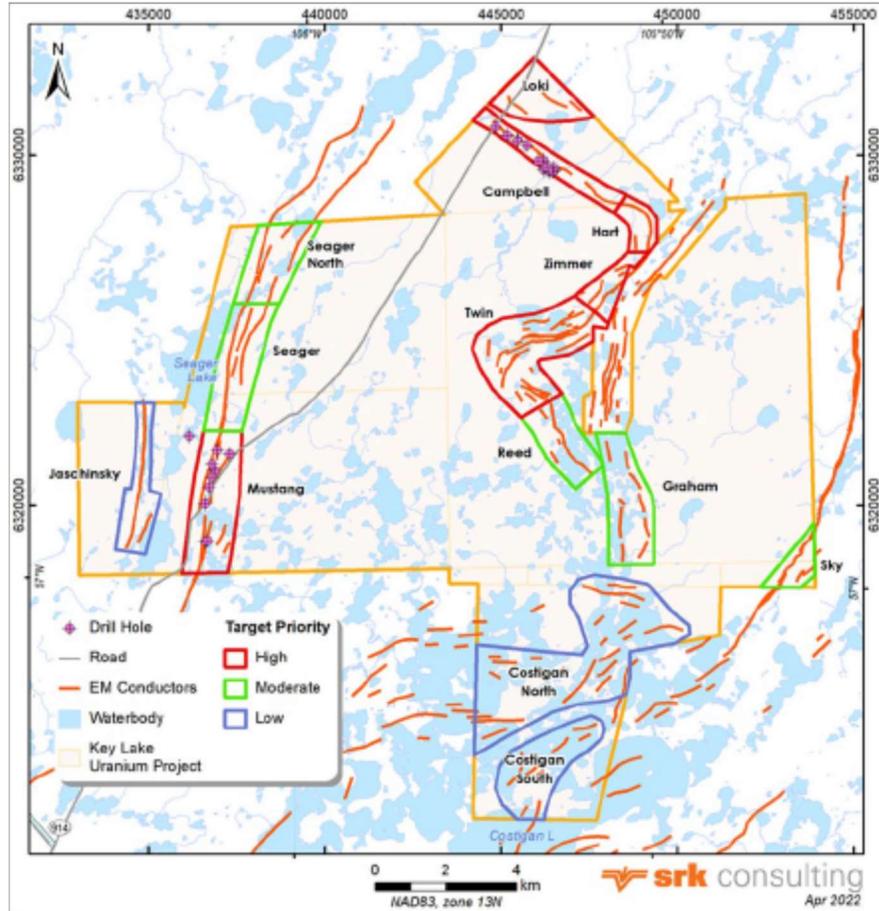
Table 11: Exploration Targets

Target/Priority Ranking	Significant Historical Exploration	Anomalous Radiometric Signature	Geochemical Signature	Geology	EM Signature	Structure	Geophysical Indicators of Alteration	Conclusions
Loki LOW to HIGH	Extension of the Key Lake Mine conductor?	Strong	U, radon	Conductors are interpreted as graphitic	Conductor in hinge of F3 fold; corresponds to broad mag low	Conductors are folded and faulted.	Gravity low	High potential due to possible correlation with Key Lake Mine conductor.
Campbell HIGH		Moderate	U, radon		5 kilometres long narrow low-mag conductor forms boundary with radiometric high	Conductor is folded, faulted (brittle D5), and parallel to a D6 fold.	Gravity low coincident with conductor	
Hart HIGH	Considerable historical drilling for U: graphitic pelites, kaolinite	Strong	Strong U, moderate radon,		Very strong conductor coincident with the boundary of a gravity low	Conductor in F4 hinge intersected by NE D5 brittle fault.		
Zimmer HIGH	Sparse drilling, best targets not tested.	Strong			Semi-continuous relatively linear low-mag sub-parallel conductors	Conductor parallel to NE D5 fault.	Linear gravity low, contiguous with conductor	Graphitic pelites with complex geometries, ductile deformation with evidence of later brittle reactivation, and anomalous geochemical, radon, radiometric and/or gravity surveys
Twin Lake HIGH	Historical drilling w few minor U anomalies.	Strong	U, moderate radon	Northern conductor: graphitic. Southern conductor: massive sulphide.	Series of semi-continuous relatively linear conductors	Conductors and subparallel D1-D3 shear zones are folded by F4 fold. D5 and D6 faults bisect the core of the fold.	Gravity low	
Mustang HIGH	Previous drilling but did not test best targets.	Moderate		Graphitic pelites overlying a granite	Semi-continuous linear conductors (graphitic)	Conductors = D1-D3 shear zones, crosscut by NE D5 faults and NW D6 faults.	Broad gravity low in south	
Reed MODERATE		Moderate	Moderate radon		3 kilometres continuous linear high mag conductor	Conductor is parallel to D1-D3 shear zones and a D6 brittle fault and is cut by a D5 brittle fault.	Gravity and mag lows	
Graham Lake MODERATE	Historical lake sediment survey	Strong	Moderate radon		Multiple semi-continuous linear conductors, potentially truncated by E-W conductors in the south.		Gravity low	
Sky MODERATE		Moderate	Moderate U, moderate radon		Curvilinear conductor straddling the contact with Zimmer Lake granite	Conductor is parallel to D1-D3 shear zones and is folded or faulted.	Gravity low	Structural and stratigraphic settings of these target areas may be favourable but more detailed work is needed.
Seager MODERATE	Drilling intersected graphite, graphitic pelites, and uraniferous pegmatites. Granite/metased contact is between two conductors. Radioactive boulders.	Strong	Moderate U, moderate radon					
Seager North MODERATE		Moderate	Moderate radon	Faults and conductors mark the marking the granite/metased contact.	Continuation of Mustang conductors	Conductors are along D1-D3 faults.	Gravity low	
Costigan North LOW						Conductors are parallel to D1-D3 shear zones which are tightly folded (F4). Cut by D5 fault and multiple D6 faults.		
Costigan South LOW			Moderate radon		Shorter and disjointed EM conductors		Gravity low	EM conductors that may represent thin packages of metasedimentary rocks overlying granite bodies
Jaschinsky LOW		Strong						

Source: Frostad (2015)

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Figure 27: Exploration Targets



Source: SRK (2015)

DRILLING

Background

A diamond drilling program was carried out in 2016 to test geological features interpreted by the previous exploration data, mainly the 2014 surveys of HeliFALCON Airborne Gravity Gradiometer Survey, EM surveys, geochemistry surveys, and geological mapping.

Two separate drilling programs were conducted in the winter and the summer. A total of 4,550 metres were drilled comprising 26 NQ holes in two target areas: 15 holes totalling 2,742 metres in the Campbell Creek area and 11 holes totalling 1,809 metres in the Mustang Ridge area (Table 12, Figure 29 and Figure 30.)

The diamond drilling rig was equipped with automated rod handler, NQ in tools and ancillary equipment to carry out the drilling, coring, and marking the orientation on drill cores. Core was oriented.

Downhole surveys were conducted using a Reflex survey instrument (REFLEX ACT III™) with its running gear, and orientation coring was conducted via an Ace Tool system. Downhole survey data was collected approximately at 50 metre intervals.

Every hole was gamma logged when a hole was finished. Hole was washed, sampling was done every 10cm both descending and ascending. The following probe equipment was used:

- Mt Sopris Winch, Model 4MXA-1000, nominal 500 m cable S/N 2101
- Mt Sopris Matrix Logging Console S/N 747
- Mt Sopris HLP-2375 Probe S/N 169
- Mt Sopris HLP-2375 Probe S/N 439
- Mt Sopris HLP-2375 Probe, short crystal S/N 4172
- Panasonic Toughbook Laptop Computer, Model CF-30 S/N 7HKSA60188
- Honda Motor Generator, Model EP2500CX S/N EAHC 131678

Drill sites were accessed by pickup trucks via Highway 914. Access trails and drill sites were cleared by bulldozer except for those within 100 metres of waterbodies, in which case the clearing was done using hand tools. Trails were properly snow packed where possible to mitigate damage to the muskeg.

The drillhole azimuths of the 2016 drilling programs were generally designed to intersect EM conductors perpendicularly, though this varied due to ground conditions and locations of other drill holes. Drillhole dip angles were -60 degrees or less.

Losses were due to overburden and regolith on top of coherent basement bedrock. There were occasional issues reported with voids, faults, or sand seams, but nothing consistent.

Figure 28: Drilling Setup Activities During the Winter 2016 Program



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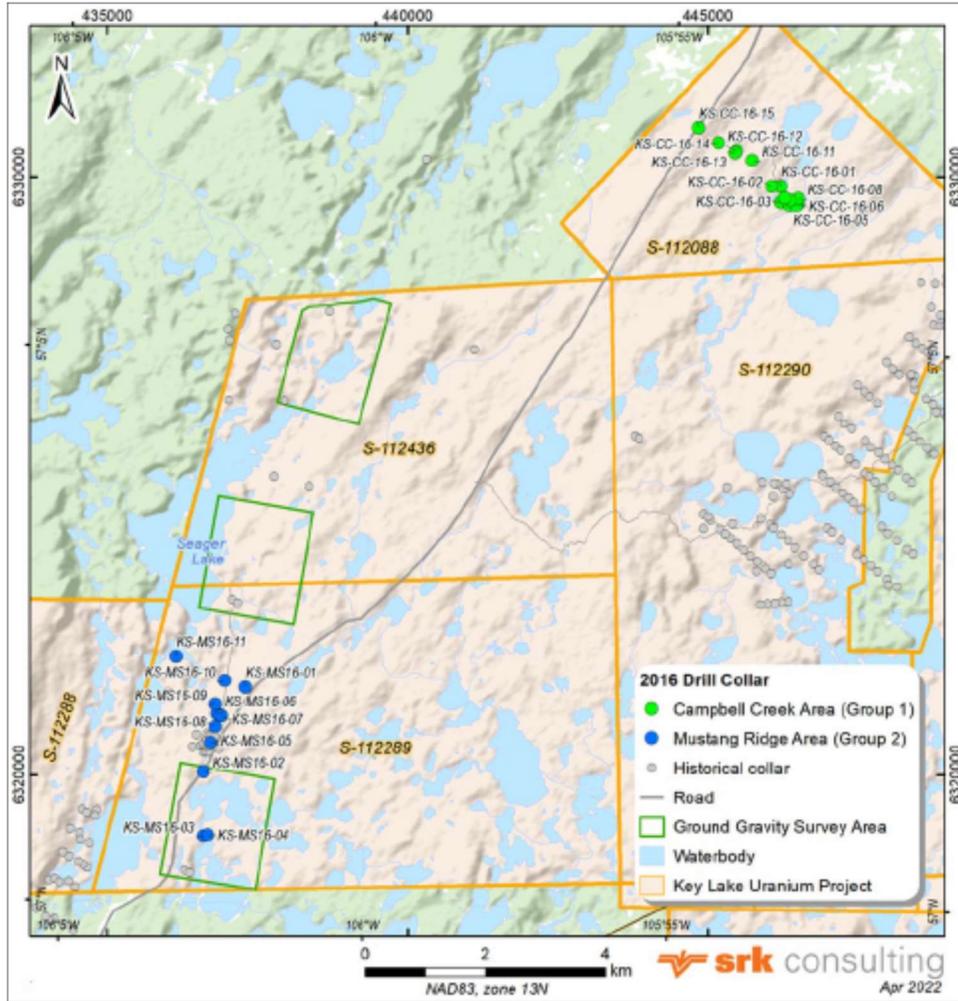
Table 12: Diamond Drilling Specifications for the 2016 Drill Program

Group	Drillhole ID	Claim Number	UTM Zone	Easting	Northing	Elevation	Azimuth	Dip	Depth (m)	Length (m)
Campbell Creek Area (Group 1)	KS-CC-16-01	S-112088	13N	446210	6329835	540	90	-60	181.0	141.1
	KS-CC-16-02	S-112088	13N	446060	6329835	539	90	-50	181.0	126.8
	KS-CC-16-03	S-112088	13N	446210	6329570	538	45	-50	262.0	226.2
	KS-CC-16-04	S-112088	13N	446430	6329570	536	50	-60	169.0	134.9
	KS-CC-16-05	S-112088	13N	446360	6329510	536	50	-60	265.0	231.4
	KS-CC-16-06	S-112088	13N	446510	6329545	535	50	-60	184.0	159.0
	KS-CC-16-07	S-112088	13N	446475	6329515	535	50	-60	184.0	56.0
	KS-CC-16-08	S-112088	13N	446506	6329635	535	230	-60	166.0	123.0
	KS-CC-16-09	S-112088	13N	446370	6329600	535	50	-60	172.0	144.0
	KS-CC-16-10	S-112088	13N	446280	6329640	538	45	-60	181.0	150.0
	KS-CC-16-11	S-112088	13N	445740	6330270	556	30	-60	157.0	97.5
	KS-CC-16-12	S-112088	13N	445480	6330425	558	45	-60	165.5	98.5
	KS-CC-16-13	S-112088	13N	445448	6330394	557	45	-60	169.0	108.0
	KS-CC-16-14	S-112088	13N	445180	6330560	546	45	-60	133.0	87.3
	KS-CC-16-15	S-112088	13N	444850	6330810	562	45	-60	172.0	102.0
Total Meters of Group 1									2,471.5	2,086.0
Mustang Ridge Area (Group 2)	KS-MS16-01	S-112289	13N	437300	6321460	569	300	-60	126.7	110.7
	KS-MS16-02	S-112289	13N	436606	6320050	569	283	-60	177.0	163.5
	KS-MS16-03	S-112289	13N	436600	6318970	566	286	-60	144.0	111.0
	KS-MS16-04	S-112289	13N	436675	6318988	566	290	-60	207.0	183.0
	KS-MS16-05	S-112289	13N	436720	6320525	569	300	-50	206.0	186.4
	KS-MS16-06	S-112289	13N	436840	6321020	571	290	-60	159.0	140.5
	KS-MS16-07	S-112289	13N	436903	6320983	570	290	-60	174.0	162.0
	KS-MS16-08	S-112289	13N	436805	6320803	570	290	-60	153.0	145.0
	KS-MS16-09	S-112289	13N	436800	6321180	570	290	-60	132.0	114.0
	KS-MS16-10	S-112289	13N	436958	6321569	569	290	-60	153.0	132.0
	KS-MS16-11	S-112289	13N	436150	6321973	559	290	-60	177.0	154.8
Total Meters of Group 2									1,808.7	1,603.0
Total 2016 Drilling Meters									4,550.2	3,688.6

Fifteen drill holes (KS-CC16-01 to KS-CC16-15) were designed to test the EM anomalies of a NW-NWW portion of the folded NE structural EM anomaly zone and structural features in the Campbell Creek Area (Group 1), and eleven drill holes (KS-MS16-01 to KS-MS16-11) tested the northeast EM anomalies and structural features in Mustang Ridge Area (Group 2).

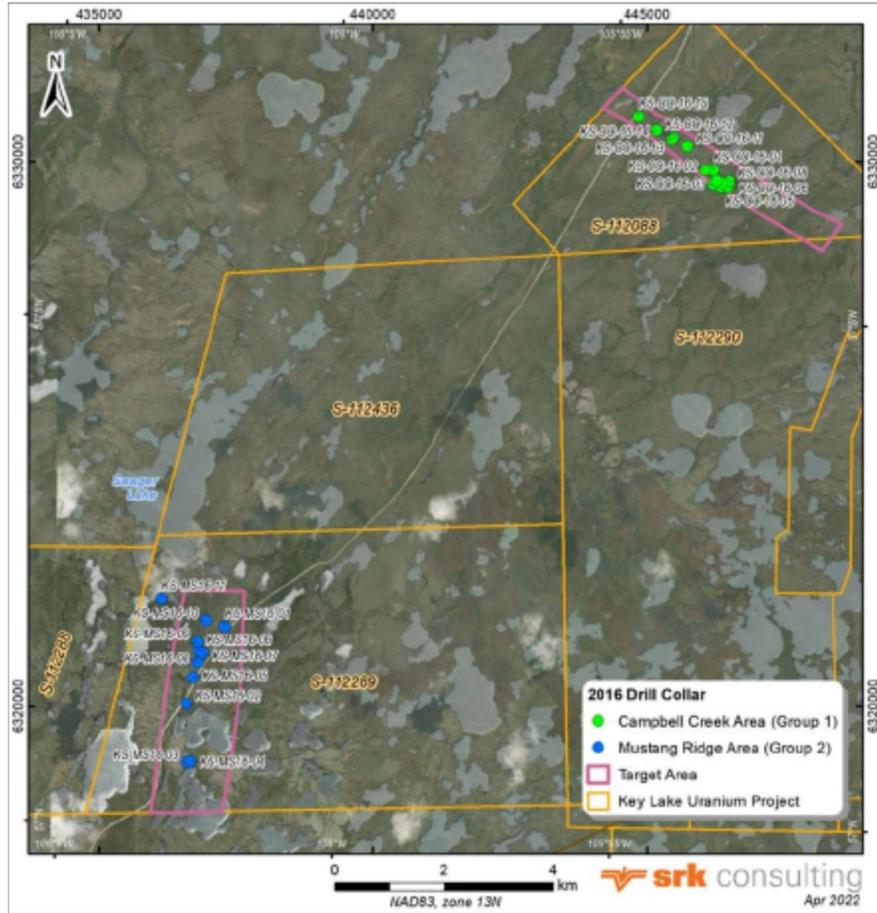
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Figure 29: 2016 Drill hole Location Map Showing Project Infrastructure



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Figure 30: 2016 Drill hole Location Map Showing Drill Target Areas



Drilling Methodology

The overburden was cased into bedrock.

Drill core was measured by placing a marker in the box in the correct position when the core barrel was emptied in the core box (Figure 31). The meterage recorded on the marker was to be determined by measuring the rod advance.

Downhole gamma surveys were carried out before drill holes were cemented.

The core was transported from drilling sites to a core workshop set up at the temporary work camp at least twice a day for review, fabric orientation measurement, and logging.

The SaskCo 2016 drill core is stored on the property at UTM NAD 83 Zone 13N coordinates 446165E and 6330520N.

Logging Procedures

Core handling and logging procedures were conducted according to protocols established in SaskCo's core logging procedure manual. The geotechnical and core logging steps that are followed when the core arrives at the core logging facility are summarized as follows:

Geotechnical Logging Procedures

- Labelling of core boxes and securing ID tags to box ends.
- Reassembling of core, marking the core with metre marks, and marking location of metre blocks.
- Surveying of all the core with a spectrometer/scintillometer, recording the average CPS on the core box and entering the average for each 3-metre run (between blocks) in an excel database.
- Surveying of the core with magnetic susceptibility meter and conductivity monitor on each metre run and entering values in the database.
- Measuring of recovery and RQD for each 3-metre run, entering the values in the database as lengths in metres, not percentage figures.

Figure 31: Drill Core from KS CC 16-3 131.7 to 146.7m



Core Logging / Sampling Procedures

An Access database was used with several sheets showing collar/drill information, survey information, major and minor lithologies, orientation/structure, etc. The following steps are defined in the core logging procedure manual.

- Logging of lithology, alteration, structure, mineralogy according to predetermined codes and using specific notations on the core.
- Measuring of structures with respect to core axis or to orientation line
- Sampling
 - Systematic sampling of all basement rocks by taking one 0.5-metre sample (half-core) at every 10 metres, respecting lithological boundaries.
 - Additional sampling of hydrothermal alteration, areas of anomalous radioactivity, and intersections of perceived economic minerals (uranium, sulphides, etc.).
 - Any samples of clay alteration or potential economic mineralization must be sampled as contiguous half-core. Minimum sample size is 0.3 metres. Maximum sample size is 1.5 metres.

- Composite samples may be taken to sample extensive areas of pervasive or homogenous units. Minimum composite sample interval is 2 metres and maximum composite sample interval is 5 metres, collecting material randomly throughout the interval to a total volume measuring roughly two fist-size lumps.
- Marking the sampled intervals on the core according to the procedure manual.
- Inserting blanks and duplicates, each at every 25th sample, both blanks and duplicates at every 25th sample, or sequentially, therefore at every 50 samples as described in Core Drilling Sampling QC Procedures below. Samples were duplicated/blanks used every 25 samples but some duplicates were occasionally missed. All sample information is available in the drillhole database.
- Photographing the core, both dry and wet, after it's been marked logging and sampling information (Figure 31).
- PIMA samples were taken where clays of interest were noted. No on-site analysis was done, all PIMA samples results are available in the dataroom under PIMA results.

After logging, 702 core samples were systematically taken. All samples were cut where possible, split where the rock quality dictated or mechanical issues with the saw occurred, labelled, bagged and shipped to SRC Analytical Lab for assay. A total of 95 analyses were conducted for clay mineralogy.

Drilling Results

A total of 3,689 metres of drill core were recovered from 4,550 metres of drilled length (average 80% recovery). Overburden has almost no recovery and accounts for the vast majority of unrecovered core. Otherwise, clay and poorly consolidated units are the main reasons for core loss. Targeting high fluid flow in graphite conductors often led to very soft materials that easily washed away.

Overburden thickness in the Campbell Creek area ranges from 25 to 70 metres, with an average of 44 metres. In the Mustang Ridge area, overburden thickness averages 19 metres, ranging from 8 to about 20 metres, except for one drillhole at 33 metres.

The top portion of most drill holes shows obvious bleaching and oxidation which is interpreted as evidence of a paleo-weathering surface between the basement gneiss rocks and the now eroded Athabasca Group sandstones. Gneisses (mainly biotite, quartz, and feldspar gneiss and migmatite) were the dominant lithology intersected in drill core, with numerous intersections of graphite and significant alteration zones. Granodiorite gneiss and migmatite likely represent the Archean Mudjatik Group.

The programs were successful in testing areas prospective for uranium as targeted by previous exploration data. Targets focused on areas where gravity lows coincide with EM anomalies and structural features. Most drill holes intersected graphite zones and encountered alteration zones consisting of bleaching, chlorite, de-silicification, silicification, hematite, and clays, locally very extensive. Significant assay intersections encountered during the core drilling program are summarized in Table 13.

All intervals are measured along the length of the hole and are considered apparent widths of the structure they describe, as the information to date does not allow to establish true widths with certainty.

Table 13: Summary of Significant Assay Results for Core Boreholes Completed at Key Lake South Uranium Project

Hole ID	NAD83 13N		Claim #	Depth		Length (m)	Uranium (%)
	Easting	Northing		from (m)	to (m)		
FF-BN17-01	446210	6329835	S-112088	73.7	74.0	0.3	0.01%
KS-CC16-02	446060	6329835	S-112088	122.5	123.0	0.5	0.03%
KS-CC16-03	446210	6329570	S-112088	139.7	140.0	0.3	0.05%
KS-CC16-03	446210	6329570	S-112088	162.8	163.0	0.2	0.03%
KS-CC16-04	446430	6329570	S-112088	74.3	74.4	0.1	0.08%
KS-CC16-04	446430	6329570	S-112088	58.1	58.3	0.2	0.03%
KS-CC16-05	446360	6329510	S-112088	70.2	70.7	0.5	0.06%
KS-CC16-06	446510	6329545	S-112088	51.0	51.3	0.3	0.06%
KS-CC16-06	446510	6329545	S-112088	71.3	71.7	0.4	0.06%
KS-CC16-06	446510	6329545	S-112088	73.5	73.8	0.3	0.20%
KS-CC16-09	446370	6329600	S-112088	32.2	36.7	4.5	0.01%
KS-CC16-13	445448	6330394	S-112088	141.0	141.2	0.2	0.22%
KS-CC16-14	445180	6330560	S-112088	89.5	89.7	0.2	0.06%
KS-CC16-15	444850	6330810	S-112088	94.0	94.6	0.6	0.02%
KS-CC16-15	444850	6330810	S-112088	118.5	119.0	0.5	0.03%
KS-MS-16-06	436940	6321020	S-112289	69.3	69.7	0.4	0.01%

A tabulated summary of drilling results for the Campbell Creek and Mustang Ridge areas is provided in Table 14 and Table 15, respectively.

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Table 14: Summary of Campbell Creek Core Boreholes

Campbell Creek DDH	Target	Results
KS-CC16-01 and KS-CC16-02	Gravity low portion of the Campbell Creek EM anomaly	<ul style="list-style-type: none"> Gravity explained by bleaching, chlorite, epidote, carbonate and hematite alteration zones and de-silicification zones. EM explained by the intersection of graphitic rocks.
KS-CC16-03 and KS-CC16-10	Gravity low portion of the Campbell Creek EM anomaly	<ul style="list-style-type: none"> Gravity explained by clay and hematite alteration. EM explained by the intersection of graphitic rocks. Magnetite-rich zones in both holes. Pyrite associated with magnetite in KS-CC16-03.
KS-CC16-04, KS-CC16-05, and KS-CC16-08	Large gravity low portion of the Campbell Creek EM anomaly	<ul style="list-style-type: none"> Gravity explained by bleaching, chlorite, epidote, carbonate and hematite alteration zones and de-silicification zones over tens of metres. EM explained by the intersection of graphitic rocks.
KS-CC16-06 and KS-CC16-07	Gravity low portion of the Campbell Creek EM anomaly	<ul style="list-style-type: none"> Gravity explained by bleaching, chlorite, epidote, and hematite alteration zones and de-silicification zones. EM explained by the intersection of graphitic rocks.
KS-CC16-09	Gravity low portion of the Campbell Creek EM anomaly	<ul style="list-style-type: none"> Gravity explained by de-silicification, bleaching, and chlorite and hematite alteration zones. EM explained by the intersection of graphitic rocks.
KS-CC16-11	Gravity low portion of the Campbell Creek EM anomaly	<ul style="list-style-type: none"> Gravity explained by a 42-metre zone of bleaching and clay alteration. EM explained by the intersection of 31 metres graphite zone.
KS-CC16-12 and KS-CC16-13	Gravity low portion of the Campbell Creek EM anomaly	<ul style="list-style-type: none"> Gravity explained by 50 to 90-metre zones of alteration, such as bleaching, chlorite, carbonate, and clay alteration and de-silicification. EM explained by several 10s of metres of graphitic rocks.
KS-CC16-14	Gravity low portion of the Campbell Creek EM anomaly	<ul style="list-style-type: none"> Gravity explained by 41 metres zone of bleaching, clay alteration, and de-silicification. EM explained by same 41 metres zone containing massive graphite.
KS-CC16-15	Gravity low portion of the Campbell Creek EM anomaly	<ul style="list-style-type: none"> Gravity explained by 41 metres zone of bleaching, clay alteration. EM explained by same 41 metres zone of containing massive graphite.

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Table 15: Summary of Mustang Ridge Core Boreholes

Mustang Ridge DDH	Target	Results
KS-MS16-01	Large gravity low area and an EM anomaly	<ul style="list-style-type: none"> • Gravity explained by tens of metres of bleaching, chlorite, carbonate and hematite alteration and de-silicification zones. • EM explained by the intersection of graphitic rocks.
KS-MS16-02	Gravity low area and an EM anomaly	<ul style="list-style-type: none"> • Gravity explained by 90 metres of weak bleaching. • EM explained by the intersection of small graphite seam.
KS-MS16-03 and KS-MS16-04	Large gravity low area and an EM anomaly	<ul style="list-style-type: none"> • Gravity explained by extensive bleaching, de-silicification and chlorite, carbonate, and hematite alteration. (zones 10 to \geq 100 metres). • Gravity explained by > 100 metres of chlorite, carbonate, and hematite alteration.
KS-MS16-05	Gravity low area and an EM anomaly	<ul style="list-style-type: none"> • Gravity explained by > 100 metres of chlorite, carbonate, and hematite alteration.
KS-MS16-06 and KS-MS16-07	Large gravity low area and an EM anomaly	<ul style="list-style-type: none"> • Gravity explained by tens of metres of bleaching, chlorite, carbonate and hematite alteration and de-silicification zones. • EM explained by the intersection of graphitic rocks.
KS-MS16-08	Gravity low area and an EM anomaly	<ul style="list-style-type: none"> • Gravity was explained by tens of metres of chlorite, clay, and hematite alteration. • EM explained by the intersection of graphitic rocks.
KS-MS16-09	Large gravity low area and an EM anomaly	<ul style="list-style-type: none"> • Gravity was explained by tens of meters of bleaching, chlorite, carbonate, and hematite alteration. • EM explained by the intersection of graphitic rocks.
KS-MS16-10	Gravity low area and an EM anomaly	<ul style="list-style-type: none"> • Gravity was explained by tens of meters of chlorite, clay, and hematite alteration and zones of de-silicification. • EM explained by several intersections of graphitic rocks.
KS-MS16-11		<ul style="list-style-type: none"> • Gravity was explained by tens of meters of chlorite alteration.

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SRK Comments

In the opinion of the QP, the drilling, core logging and sampling procedures used by SaskCo are consistent with generally accepted industry best practices and are, therefore, adequate for an exploration project. The QP concludes that the samples are representative of the source materials and there is no evidence that a sampling bias was introduced by the applied drilling and sampling process.

SAMPLE PREPARATION, ANALYSES, AND SECURITY

Sample Preparation and Analyses

Sample preparation methods and quality control measures are employed before the dispatch of samples to an analytical or testing laboratory, the method or process of sample splitting and reduction, and the security measures are undertaken to ensure the validity and integrity of samples taken.

Drill core was transported from the drilling rig to a core shack in camp for the program twice a day for review, fabric orientation measurement, and logging. After logging, the drill core was photographed in dry and wet. Assay samples are systematically taken, labeled, and bagged. There were 7,02 samples collected and sent to the independent SRC Analytical Laboratory in Saskatoon, Canada (SRC) for major and trace element analysis. All steps are detailed in the Core Logging Procedure which was provided to KLS Report Authors for review.

Core Sampling Analytical Methods

The drill core samples were sent for assay to SRC. Drill core samples were analyzed by various multi-element packages (Table 16).

The following analytical procedures were adopted by SRC:

- MSTD: ICP analyses Total Digestion
- PD: ICP MS partial digestion
- TD: ICP MS total digestion 37 elements

Table 16: Summary of Preparation and Assay Methodologies

Element	Method Code	Detection Limit	Digest	Instrumentation
46 elements	ICP1 (Total Digestion)	Varies, see Table 10-1	HF + HNO ₃ + HClO ₄ hot digest plus HNO ₃ leach	ICP-OES
16 elements	ICP1 (Partial Digestion)	Varies, see Table 10-1	HNO ₃ + HCl in hot water bath	ICP-OES
U ₃ O ₈	ICP4	0.001%	Aqua Regia (3:1 HCl: HNO ₃)	ICP-OES

Total of 702 drill core samples were sent to SRC for major and trace element analysis. The samples were jaw crushed and split out using a sample riffler. The subsample was pulverized using a puck and ring grinding mill. The pulp was transferred to a barcode labeled plastic snap top vial. For partial digestion, an aliquot of pulp was digested in a digestion tube, in a mixture of HNO₃:HCl, in a hot water bath, and was then diluted with deionized water; for total digestion, an aliquot of pulp was digested to dryness in a hot block digestion system using a mixture of concentrated HF: HNO₃:HClO₄. The residue was dissolved in diluted HNO₃.

The analytical instruments used for the analysis of both partial and total digestion was ICP-ES, PerkinElmer Optima 8300DV which was calibrated using certified commercial solutions. SRC added a quality control sample into the preparation and analysis of each batch of samples. One in every 40 samples was analyzed in duplicate. All quality control results must be within specified limits otherwise corrective action is taken. SaskCo also added several secret repeat samples to their shipments to SRC. All quality control results must be within the specified limits otherwise, corrective action is taken. The lower detection limits for oxides were between 0.01% and 0.1-1 ppm for various trace elements.

Figure 32: Detection Limits For Analysis by ICP-OES

DETECTION LIMITS					
Lithium Metaborate Fusion by ICP-OES					
Element	Symbol	Detection Limit	Element	Symbol	Detection Limit
Aluminium	Al ₂ O ₃	0.01%	Potassium	K ₂ O	0.01%
Calcium	CaO	0.01%	Scandium	Sc	2 ppm
Chromium	Cr	2 ppm	Silica	SiO ₂	0.1%
Iron	Fe ₂ O ₃	0.01%	Sodium	Na ₂ O	0.01%
Magnesium	MgO	0.01%	Titanium	TiO ₂	0.01%
Manganese	MnO	0.01%	Vanadium	V	2 ppm
Phosphorous	P ₂ O ₅	0.01%			

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Figure 33: Detection Limits For Trace Element Analysis by ICP-MS

Trace Elements by ICP-MS					
Element	Symbol	Detection Limit	Element	Symbol	Detection Limit
Antimony	Sb	1 ppm	Lutetium	Lu	0.01 ppm
Arsenic	As	0.1 ppm	Mercury	Hg	0.1 ppm
Barium	Ba	1 ppm	Molybdenum	Mo	0.1 ppm
Beryllium	Be	0.1 ppm	Niobium	Nb	1 ppm
Bismuth	Bi	0.1 ppm	Neodymium	Nd	0.1 ppm
Cadmium	Cd	0.1 ppm	Nickel	Ni	1 ppm
Cerium	Ce	1 ppm	Praseodymium	Pr	0.01 ppm
Cesium	Cs	0.1 ppm	Rubidium	Rb	0.1 ppm
Cobalt	Co	0.1 ppm	Selenium	Se	1 ppm
Copper	Cu	0.1 ppm	Samarium	Sm	0.01 ppm
Dysprosium	Dy	0.01 ppm	Silver	Ag	0.1 ppm
Erbium	Er	0.01 ppm	Strontium	Sr	1 ppm
Europium	Eu	0.01 ppm	Tantalum	Ta	0.01 ppm
Gadolinium	Gd	0.01 ppm	Terbium	Tb	0.01 ppm
Gallium	Ga	0.1 ppm	Tellurium	Te	0.1 ppm
Germanium	Ge	0.1 ppm	Tin	Sn	0.1 ppm
Hafnium	Hf	0.1 ppm	Thorium	Th	0.01 ppm
Holmium	Ho	0.01 ppm	Thulium	Tm	0.01 ppm
Lanthanum	La	1 ppm	Tungsten	W	1 ppm
Lead	Pb	0.02 ppm	Uranium	U	0.01 ppm
Lead ²⁰⁴	²⁰⁴ Pb	0.01 ppm	Ytterbium	Yb	0.01 ppm
Lead ²⁰⁶	²⁰⁶ Pb	0.02 ppm	Yttrium	Y	0.01 ppm
Lead ²⁰⁷	²⁰⁷ Pb	0.02 ppm	Zinc	Zn	1 ppm
Lead ²⁰⁸	²⁰⁸ Pb	0.02 ppm	Zirconium	Zr	1 ppm

Field Density Measurements

Specific gravity measurements were undertaken by using a scale to measure the weight difference of a rock in air versus when suspended in water. This was undertaken with a few rock and core samples.

Soil Sample Analytical Methods

All samples were sent to Saskatchewan Research Council (SRC) in Saskatoon, Saskatchewan, for ICP-MS analysis. SRC is accredited to ISO 17025:2005 by the Standards Council of Canada, laboratory number 537, including the determination of U₃O₈ weight percent in solid samples by ICP-MS.

Samples were air dried, pulverized, then sieved to 180 microns. Initial samples were analyzed after both partial and total digestion. Partial digestion was suggested as a means of avoiding interference that arise from conducting ICP-MS on totally digested samples. For partial digestion, a 0.250 g pulp was digested with 2.25 ml of 8:1 ultrapure HNO₃:HCl for 1 hour at 95°C. For total digestion, a 0.125 g pulp was gently heated in a mixture of ultrapure HF/HNO₃/HClO₄ until dry and the residue dissolved in dilute ultrapure HNO₃.

Lake Sediment Sample Analytical Methods

All samples were sent to SRC for ICP-MS analysis using both partial and total digestion. The same procedure was used as the one for soil and peat samples.

Core Drilling Sampling

Samples are cut and split according to the marks placed on the core by the logging geologist. Samples are placed in plastic bags doubly labelled with the sample number, with the corresponding sample tag inserted in the bag.

Samples with > 500 cps are cut, not split, as cutting wet core controls radioactive dust.

Quality Assurance and Quality Control Programs

Quality control measures are typically set in place to ensure the reliability and trustworthiness of the exploration data. These measures include written field procedures and independent verifications of aspects such as drilling, surveying, sampling and assaying, data management, and database integrity. Appropriate documentation of quality control measures and regular analysis of quality control data are important as a safeguard for project data and form the basis for the quality assurance program implemented during exploration.

Analytical control measures typically involve internal and external laboratory control measures implemented to monitor the precision and accuracy of the sampling, preparation, and assaying process. They are also important to prevent sample mix-up and to monitor the voluntary or inadvertent contamination of samples.

Assaying protocols typically involve regularly duplicating and replicating assays and inserting quality control samples to monitor the reliability of assaying results throughout the sampling and assaying process. Check assaying is normally performed as an additional test of the reliability of assaying results. It generally involves re-assaying a set number of sample rejects and pulps at a secondary umpire laboratory.

Certified reference materials used by SaskCo are summarized in Table 17. A single reference material, DCB01, was used for a most of the analytes determined by the lab. Additionally, reference materials BL, BSM and BM were used for Boron analysis and CAR110 was used for LOI analysis. All reference materials were sourced directly from SRC.

Table 17: Summary of Certified Reference Materials Used by SaskCo for Major Variables

Material	Analytes	Methods	Inserts
DCB01	Ag, Be, Bi, Cd, Co, Cs, Cu, Dy, Er, Eu, Ga, Gd, Hf, Ho, Mo, Nb, Nd, Ni, Pb, Pr, Rb, Sc, Sm, Sn, Ta, Tb, Th, U, U, W, Y, Yb, Zn; Al ₂ O ₃ , Ba, CaO, Ce, Cr, Fe ₂ O ₃ , K ₂ O, La, Li, MgO, MnO, Na ₂ O, P ₂ O ₅ , Sr, TiO ₂ , V, Zr, S	ICP-MS (Partial and Total); ICP (Total) + S	106
BL	B		23
BSM	B		21
BM	B		28
CAR110	LOI		34

Core Drilling Sampling QC Procedures

SaskCo implemented an analytical quality assurance and quality control program for core samples involving the use of blanks and certified reference material samples. SaskCo also relies on pulp duplicate testing carried out as part of the internal laboratory quality control program routinely maintained by SRC to monitor analytical results on an ongoing basis.

A field duplicate is taken every 25th sample at predetermined number in the sample sequence. The procedure consists of splitting the half-core into two quarter-core samples, one quarter-core becoming the original sample and the other quarter-core becoming the duplicate of that original sample. Therefore, half the core remains in the core box.

A blank sample is inserted in the sample stream at every 25th sample. The blank sample is prepared by collecting some quartz material from the large bag labelled "Blank" and putting it in a labelled bag and inserting the predetermined sample tag. Blank material was purchased from Deptuck's Landscaping and Supplies in Saskatoon.

Soil Sampling Survey

The SRC laboratory used two different standards during sample analyses. A total of 54 standards were inserted in the soil sample stream (804 samples):

- 30 samples of standard DCB01/BL/CAR110
- 24 samples of standard DCB01/BM/CAR110

Lake Sediment Survey

The SRC laboratory inserted two different standards in the analytical sample stream (65 samples): one sample of standard DCB01/BL/CAR110 and one sample of standard DCB01/BM/CAR110. Their assay values were one to two orders of magnitude higher than the average assay for lake sediments and therefore too high to validate the trace metal concentrations.

Radon in Soil Survey

Data quality was controlled during the field survey with the following precautionary measures:

- The detector is very sensitive to sunlight which may influence the radon results. Dark garbage bags and jackets were used to minimize the AB6A's exposure to sunlight and to maintain confidence in the results.
- Background measurements with values over 10 CPM were re-run with a spare Lucas cell.
- After each sample was measured, the cell was flushed to remove radioactive radon daughters which may attach to surfaces and release decay products.

Sample Storage and Security

Project core is located at the camp site used during the 2016 drilling program. Historic core is stored elsewhere. The site is accessible by Highway 914, located approximately 1.5 km to the west. Access is relatively good, but core storage location is not visible from the highway. The core is cross stacked or racked, with the 2016 core cross stacked and covered by ventilated tarps (Figure 34). In all cases the core is well protected and in excellent physical condition. No evidence of core tampering was observed during a site visit by qualified person Dave Billard on November 9, 2021. Historic geochemical pulps are stored at the SRC facilities in Saskatoon under secure protocols.

Figure 34: Current On-Site Storage of 2016 Drill Core



SRK Comments

In the opinion of SRK, the sampling preparation, security and analytical procedures used by SaskCo are consistent with generally accepted industry best practices and are, therefore, adequate.

DATA VERIFICATION

Verifications by SaskCo

SaskCo did not implement any external quality control reference materials for sampling but relied upon the reference materials inserted and repeat analysis performed by SRC.

Verifications by SRK

Site Visit

Mr. Dave Billard, PGeo visited the KLS Project on November 9, 2021. The purpose of the site visit was to review outcrop, validate evidence of past exploration activity, examine drill core and to collect all relevant information for the compilation of a technical report.

SRK was given full access to relevant data and conducted interviews with SaskCo personnel to obtain information on the past exploration work, to understand procedures used to collect, record, store and analyze historical and current exploration data.

All aspects that could materially impact the integrity of the exploration database (like core logging, sampling, and database management) were reviewed with SaskCo staff. SRK was able to interview exploration staff to ascertain exploration procedures and protocols.

Mr. Billard travelled to the KLS Project via a Bell 206 helicopter from La Ronge on November 9, 2021. Arrival was at approximately 11 am at the project core storage area for a site visit of roughly 2 hours duration. Due to flight limitations because of daylight hours the visit was limited in duration. Mr. Billard examined core from KDCC16-15 and found that the logging information accurately reflects actual core. The lithology contacts generally correlate with information reported in the core logs.

The author subsequently independently researched the publicly available data from the Government of Saskatchewan MARS system on December 6, 2022 to verify that no new work has been recorded since the date of the site visit of November 9, 2021, therefore no material change of a technical nature is evident.

Independent Verification Sampling

A total of six samples from hole KSCC16-15 were collected for comparison / verification purposes with the previous results from the 2016 drilling program (Table 18). Selection and collection of samples was limited by time and accessibility of the stacked core (Figure 35). Due to the limited facilities and freezing weather, sampling consisted of collecting visually representative sections of previously split core. Equipment limitations precluded quarter-splitting of the core, therefore sampling consisted of collecting alternate representative pieces of broken core in the box and emplacing them in labelled and secure sample bags. The resulting samples were submitted to the SRC in Saskatoon for their standard ICPMS2 basement package with additional B analysis as described in Sample Preparation and Analyses. The analytical procedures used were identical to those used in the original sampling program in 2016.

Figure 35: KSCC16-15 Core Prepared for Verification Sampling



The results of the re-sampling were as expected by the qualified person. Due to the method of sample selection and collection undertaken, the results were not directly comparative, with some obvious, occasionally significant, discrepancies between the original and verification samples.

Table 18: Verification Sampling Results for Path Finder Elements for KDCC16-15

Sample	From	To	U ppm	B ppm	Ni ppm	Co ppm	Cu ppm	As ppm	V ppm	
1	098813	118.5	119.0	0.63	86.0	344.0	90.5	336.5	0.8	360.0
	098813 DB21			1.58	54.0	498.0	100.0	417.5	1.8	309.0
2	098814	120.5	121.0	2.61	36.0	28.0	8.5	97.8	0.4	76.0
	098814 DB21			2.62	33.0	24.2	6.0	61.8	0.3	54.7
3	098816	121.5	122.0	1.48	29.0	16.4	6.2	87.6	0.3	70.9
	098816 DB21			2.10	19.0	19.4	5.3	74.6	0.2	89.7
4	098820	137.5	138.0	0.92	43.0	56.2	17.0	38.8	0.4	40.1
	098820 DB21			1.05	32.0	65.8	16.8	74.6	0.2	55.0
5	098821	140.0	140.5	3.22	13.0	0.95	0.4	0.9	0.4	1.3
	098821 DB21			8.05	11.0	1.75	0.4	1.5	0.22	1.7
6	098824	169.5	170.0	1.68	8.0	2.81	3.6	2.0	0.2	15.2
	098824 DB21			1.95	<2	3.65	3.6	1.8	0.2	17.6

098813 = Original Assay, 098813 DB21 = Verification Assay

These discrepancies were wholly expected given the sampling limitations. Individual samples would vary in composition because an exact match of the specific lithologies in the 2016 and 2021 samples was not possible. It should be noted that specific values for elemental analysis between the two-sample series could either be higher

or lower than the original result, indicating that no specific bias exists for the respective samples. The sample with the best repeatability was 098814 and 098814DB21, as illustrated by their respective U, B and Ni values, since the sampled lithology was more homogenous (graphitic fault) and less variable.

Verifications of Analytical Quality Control Data

SRK analyzed the available analytical quality control data produced by SaskCo on KLS Project between 2014 and 2016. All data was provided in Microsoft Excel spreadsheets. SRK aggregated the assay results of the analytical control samples for further analysis, plotting the significant variables analyzed. Control samples (blanks and certified reference materials) were summarized on time series plots to highlight their performance. Paired data (coarse reject assays) were analyzed using bias charts, quantile-quantile, and relative precision plots.

The external analytical quality control data produced for the KLS Project are summarized in Table 19.

Table 19: Summary of Analytical Quality Control Data Produced by SaskCo on the Key Lake South Uranium Project

	Core	(%)	Lake Seds	(%)	Soil	(%)	Total	(%)	Comments
Sample Count	685		1,070		22		1,777		
Blanks	14	2.04%	0	0.00%	0	0.00%	14	0.79%	
QC samples	42	6.13%	62	5.79%	2	9.09%	106	5.97%	
DCB01/BL	22		-		1				
DCB01/BSM	20		-		1				
DCB01/BM/CAR110	-		28		-				
DCB01/BL/CAR110	-		34		-				
Pulp Replicates	9	3.21%	34	3.18%	1	4.55%	57	3.21%	
Field Duplicates	5	0.73%	-	0.00%	-		5	0.28%	
Total QC Samples	83	12.12%	96	8.97%	3	13.64%	182	10.24%	

Core Sampling Analysis

Overall, the standards analyzed by SRC performed excellently, with no recorded failures for the major variables analyzed, namely uranium, cobalt, arsenic, nickel and vanadium. SRK detected no obvious evidence of analytical bias.

In general, analysis of blank samples revealed little to no evidence of contamination, with no samples analyzing over 10 times the detection limit of the laboratory for uranium. The sample size was small for core samples, with only 14 blank samples analyzed during 2016 (approximately 2% of core sample data).

Paired pulp repeat data suggests that SRC laboratory had no difficulty in reproducing assay results, with ranked half absolute difference (HARD) plots suggest that 100% of repeats had a HARD below 10% for most elements analyzed. There is no obvious evidence of analytical bias. However, only 22 pulp reject duplicate pairs are in the database provided to SRK, thus limiting the reach of the interpretation.

Soil Sampling Analysis

The results for each standard were averaged for the 11 elements of interest, namely As, B, Co, Cu, Pb, Mo, Ni, U, V, Zn and LOI and were visually inspected against the average to estimate the variance. The repeatability of the standards is shown to be quite good with minimal variation. The results were typically one to two orders of magnitude greater than the average KLS Project sample results, except for B and LOI, and therefore too high to validate the trace metal concentrations.

Internal laboratory duplicate analysis show good reproducibility between pulp replicates.

Lake Sediment Sampling Analysis

The SRC lab duplicates provided good repeatable results for the elements of interest, namely LOI, total nickel and total uranium:

- For Loss on Ignition: duplicates pairs were 8.0 vs. 8.4 and 26.2 vs. 26.5.
- For nickel, duplicate results were 4.5 vs. 4.6 ppm and 10.1 vs. 10.0 ppm.
- For uranium duplicate results were 1.51 vs. 1.54 ppm and 2.50 vs. 2.52 ppm.

INTERPRETATION AND CONCLUSIONS

Considerable exploration activity by multiple operators has occurred on the property prior to SaskCo acquiring ownership of the property. Uranium mineralization at the KLS Project show characteristics of both unconformity-type and basement-hosted deposits.

Exploration drilling on the KLS Project by SaskCo has leveraged on historical exploration results and has included strategic applications of geological mapping, soil sampling, lake sediment geochemistry, soil radon surveys, electromagnetic and gravity surveys and diamond drilling. Two separate drilling programs were conducted in the winter and the summer of 2016. A total of 4,550 metres were drilled comprising 26 NQ holes in two target areas: 15 holes totaling 2,742 metres in the Campbell Creek area and 11 holes totaling 1,809 metres in the Mustang Ridge area.

The geological setting, character of the uranium mineralization delineated to date, and encouraging exploration results to date are of sufficient merit to justify additional exploration expenditure to further define the uranium mineralization footprint on the KLS Project.

SaskCo has employed best practice exploration procedures which are in conformity with generally accepted Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Exploration Best Practices Guidelines. In the opinion of the QP, the drilling, core logging and sampling procedures used by SaskCo are consistent with generally accepted industry best practices and are, therefore, adequate for an exploration project. The QP concludes that the samples are representative of the source materials and there is no evidence that a sampling bias was introduced by the applied drilling and sampling process.

The exploration results to date have been integrated and considered in the generation of a two-phase exploration drilling program which tests several target areas defined by structural and alteration interpretation and modeling from airborne magnetic, airborne electromagnetic, radiometric and gravity gradiometer surveys, ground electromagnetic and gravity surveys as well as soil and lake sedimentary geochemistry surveys and drilling results. The KLS Report Authors consider this proposed exploration program to be well-designed and recommend that this be undertaken to assess the potential and spatial continuity of uranium mineralization on the property.

The KLS Report Authors are not aware of any significant risks and uncertainties that could be expected to affect the reliability or confidence in the early-stage exploration information discussed in the KLS Technical Report.

RECOMMENDATIONS

The geological setting, character of the uranium mineralization delineated, and exploration results to date are of sufficient merit to justify additional exploration expenditure to further define the uranium mineralization footprint on the KLS Project. The authors of this report support a proposed two-phase exploration program for the KLS Project which is focused on assessing uranium mineralization targets and defining the uranium mineralization footprint on the property.

A two-phase exploration drilling program is recommended which tests several target areas defined by structural and alteration interpretation and modeling from airborne magnetic, airborne electromagnetic (EM), radiometric and gravity gradiometer surveys, ground electromagnetic (EM) and gravity surveys as well as soil and lake sedimentary geochemistry surveys and drilling results. Phase 1 focusses on the Mustang, and Seager North Targets, whereas

Phase 2 focusses on the Hart, Zimmer and Twin Targets (Figure 36). The two phases of exploration focus on different areas of the KLS Project, with advancing to Phase 2 not being contingent on the results of Phase 1.

Each of the Phase 1 and 2 uranium exploration targets are summarised as follows:

Phase 1

Mustang

The Mustang area is the southernmost extent of the Seager Lake conductor corridor on the property. It is defined by prominent parallel conductors that have been disrupted by later faulting. Several drill campaigns have been conducted in the area; however, the previous drilling has been limited to shallow targets. Previous drilling has shown a promising structural setting for uranium mineralization that may still hold undiscovered down-dip or parallel structures and deposits that have not been tested.

Eleven drillholes have been planned to test the conductors and parallel structures at depth, focusing on follow-up of promising brittle-reactivated fault and shear zones (Table 20).

Seager North

The Seager North area has been defined as a separate target area due to the prominent structural break and offset of the main conductor corridor. Minimal drilling has been done in this area and no significant anomalous radioactivity has been documented.

Three drillholes are planned in this area. Two drillholes have been designed to test the conductor at a deflection point that is coincident with a Key Lake trending (East-West) lineament and a gravity low defined in the 2014 HeliFalcon gravity data. The third drillhole is designed to test a gravity low that is situated along a prominent northeast-trending lineament that is parallel to the main conductor corridor. This third drillhole planned to the East of the previously defined target area (Table 20).

Phase 2

Hart

The Hart area is defined by a folded conductor that extends northwest toward the Campbell area and southwest toward the Zimmer area. This area has been previously drilled in 1978 and 1979, although the folded geometry of the conductor was not recognized at the time and only shallow drilling was done.

Two drillholes are planned in this area, both targeting the fold nose that also corresponds to a gravity low. The drillholes are designed to drill under previous drilling that reported anomalous radioactivity and favorable structure and alteration for uranium mineralization (Table 20).

Zimmer

The Zimmer area is defined by a northwest-trending conductor corridor that connects to the Hart area to the north and the Twin area to the south. Gravity low anomalies are located along the conductor corridor and the conductors appear to have been disrupted by late faulting. Previous drilling has been done in 1978 and 1979, although it was shallow.

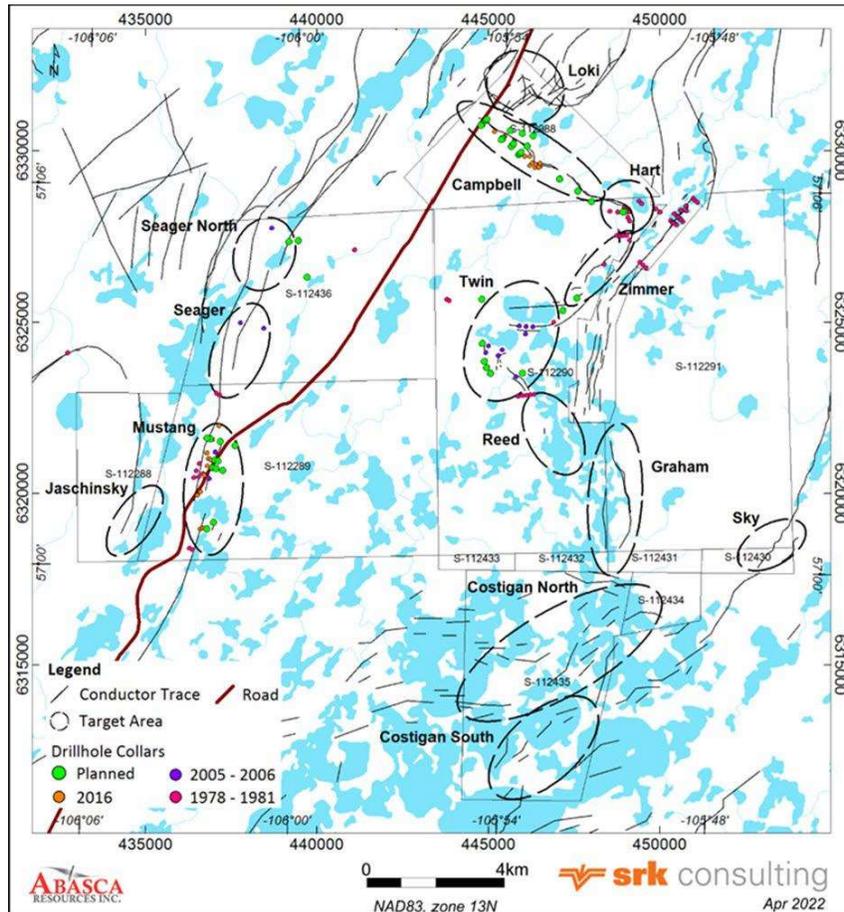
Two drillholes are planned in the southern part of the area where there are coincident gravity low anomalies (Table 20).

Twin

The Twin (Lake) area is defined by a folded conductor corridor that has been subsequently faulted. The area has been drilled in 1978 and 2005, although limited in depth.

Six drillholes are planned for the Twin area, with a focus on drilling the conductor where there are gravity low responses (Table 20).

Figure 36: Key Exploration Target Areas at the Key Lake South Uranium Project



Exploration Budget

Details of the proposed two-phase exploration program are tabulated in Table 20. The exploration budget for each of these programs is provided in Table 21. A combined total budget of \$4,069,155 is estimated for the two phases of exploration.

Table 20: Summary Exploration Drilling Metrics for the Proposed Key Lake South Uranium Project Phase One Drilling Program

Drilling Metrics	Phase 1	Phase 2	Combined
	Mustang, Seager N	Hart, Zimmer, Twin	
Drillholes	14	10	24
Drill Metres	5,700	4,000	9,700
Drill Rigs	1	1	
Camp Days	104	73	
Personnel	14	14	

Table 21: Proposed Drilling Exploration Budget by Target Area for the Key Lake South Uranium Phase One Drilling Program

Target Area Metrics	Phase 1	Phase 2	Combined
	Mustang, Seager N	Hart, Zimmer, Twin	Total
Drilling Details			
Drillholes	14	10	24
Drill Metres	5,700	4,000	9,700
Drill Rigs	1	1	
Camp Days	104	73	
Personnel	14	14	
Cost Item by Target Area			
Field Camp	316,709	234,182	550,891
Technical Staff	119,182	83,636	202,818
Transportation	62,182	43,636	105,818
Fuel	184,473	129,455	313,928
Geochemical Assays	133,380	93,600	226,980
Hyperspectral	21,245	14,909	36,154
Geophysical Surveys	31,591	22,318	53,909
Core Logging and Storage	32,617	22,889	55,506
Drilling	1,247,773	905,455	2,153,228
Program Subtotal	2,149,151	1,550,080	3,699,232
Contingency (10%)	214,915	155,008	369,923
Total	2,364,066	1,705,088	4,069,155

SRK is unaware of any other significant factors and risks that may affect access, title, or the right or ability to perform the exploration work recommended for the KLS Project.

PART V – INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section only includes information respecting the Resulting Issuer that is materially different from information provided earlier in this Filing Statement. Following the Completion of the Transaction, the Resulting Issuer will carry on the business of exploring the KLS Project. See the various headings under “Part II - Information Concerning AMV” and “Part IV - Information Concerning the KLS Project” for additional information regarding AMV and the KLS Project, respectively.

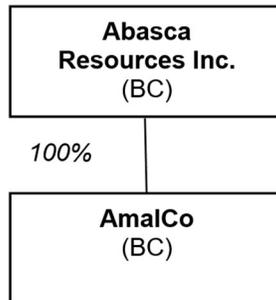
Corporate Structure

Name and Incorporation

The corporate name of the Resulting Issuer will be “Abasca Resources Inc.”, or such other name as may be determined by AMV and SaskCo subject to applicable Exchange approval. The Resulting Issuer will be governed by the *Business Corporations Act* (British Columbia). It is expected that, following the Completion of the Transaction, the Resulting Issuer’s registered office will be located at 2300, 550 Burrard Street, Vancouver, British Columbia V6C 2B5, and its head office will be located at #208 – 311 4th Avenue North, Saskatoon, Saskatchewan S7K 2L8.

Intercorporate Relationships

Following the Completion of the Transaction, the Resulting Issuer will hold 100% of AmalCo and AmalCo will thereby be a wholly-owned subsidiary of the Resulting Issuer. The chart below represents the anticipated corporate structure of the Resulting Issuer.



Narrative Description of the Business

Stated Business Objectives

After Closing, the Resulting Issuer will continue to be a mineral resource company engaged in the exploration, development and operation of mineral properties, with its focus on the KLS Project. See section titled “*Information Concerning the KLS Project*” in this Filing Statement.

AMV expects that the Resulting Issuer will use its available working capital to finance the exploration and development of the KLS Project, to identify, evaluate and acquire other economic mineral resource opportunities, pursue business development opportunities, and for general working capital. AMV expects that the Resulting Issuer will conduct the recommended work program for the KLS Project. See section titled “*Part IV - Information Concerning the KLS Project*” in this Filing Statement for additional information. The Resulting Issuer may, in the future, seek to complete additional property acquisitions.

The Resulting Issuer will own two mineral property assets, all 100% owned, with only the KLS Project under active exploration.

The proposed key milestones for the Resulting Issuer in 2023 include:

1. Carry out Phase I of the recommended work program for the KLS Project property, as set forth in the KLS Technical Report; and
2. Complete the detailed planning of Phase II of the recommended work program for the KLS Project Property, as set forth in the KLS Technical Report.

KLS Project

Key milestones in 2023 for the KLS Project are as follows:

1. Complete the recommended Phase I work program for the KLS Project property, as set forth in the KLS Technical Report;
2. Assess the Phase I work program results; and
3. Complete the detailed planning of Phase II of the recommended work program for the KLS Project Property, as set forth in the KLS Technical Report.

The Resulting Issuer will explore and develop the KLS Project according to the recommendation in the KLS Technical Report. See section titled “Part IV – Information Concerning the KLS Project – Recommendations” in this Filing Statement.

New Opportunities

The Resulting Issuer will evaluate new opportunities on an ongoing basis. The Resulting Issuer may, in the future, seek to complete additional property acquisition.

See also “Available Funds” and “Principal Purposes”.

Description of the Securities

Upon Completion of the Transaction, the authorized capital of the Resulting Issuer will continue to be the same as the current authorized capital of AMV. See “Part III – Information Concerning AMV – Description of the Securities”. AmalCo will be a wholly-owned subsidiary of the Resulting Issuer.

Selected Pro Forma Consolidated Capitalization

The following table sets forth the share capital of the Resulting Issuer following the Completion of the Transaction:

Designation of Security	Amount authorized or to be authorized	Amount outstanding after giving effect to the Transaction
Common Shares	Unlimited	46,137,370
Stock Options	4,613,737	2,130,000
Shareholders’ (deficit) equity	n/a	(600,461)
Short Term Debt	n/a	Nil
Long Term Debt	n/a	Nil

Fully Diluted Share Capital

Upon Completion of the Transaction the issued and outstanding securities of the Resulting Issuer are expected to consist of 46,137,370 Resulting Issuer Shares in the amounts set out in the below table:

Securities	Number	Approximate % Fully Diluted
Common Shares		
Held by AMV Shareholders	12,819,644	24.49%
Held by SaskCo	25,639,288	48.99%
Held by the incorporator of FinCo	500	0.00%
Held by participants of the Offering by FinCo	1,880,138	3.59%
Held by participants of the Flow-Through Private Placement	5,797,800	11.08%
Total Common Shares	46,137,370	88.15%
Convertible Securities		
Resulting Issuer Options	2,130,000	4.07%
Resulting Issuer Warrants ⁽¹⁾	4,069,104	7.77%
Total Convertible Securities	6,199,104	11.84%
TOTAL	52,336,474	100%⁽²⁾

Notes:

- (1) consists of 2,898,900 Resulting Issuer Warrants forming part of the FT Units, 940,069 Resulting Issuer Warrants exchanged from the FinCo Warrants and 230,135 Finder's Warrants.
(2) figures do not add up to 100% due to rounding.

Available Funds

The following table sets forth the funds anticipated to be available to the Resulting Issuer on a consolidated basis after giving effect to the Transaction:

Source of Funds	Amount of Funds
Net proceeds from Financings	\$3,632,650.10 ⁽¹⁾
Estimated working capital deficiency of AMV ⁽²⁾	(\$107,938.24)
Total Estimated Funds Available	\$3,524,711.86 ⁽³⁾

Notes:

- (1) Net of Finders' Fees. Includes proceeds from the sale of both Subscription Receipts and Units.
(2) As at November 30, 2022
(3) Does not include expenses incurred in connection with the Transaction.

Principal Purposes

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 12 months following Completion of the Transaction:

Uses of Funds	Amount
Phase 1 Drilling – KLS Project	\$2,364,066
Transfer agent fees and regulatory fees	\$20,300
Salaries and director fees	\$73,501
Transaction costs	\$75,000
Audit and legal fees	\$50,000

Uses of Funds	Amount
General Corporate and communication	\$12,000
Unallocated working capital	\$929,845 ⁽¹⁾
TOTAL	\$3,524,712

Note:

(1) Includes \$534,834 of flow through funds.

The Resulting Issuer intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives or to pursue other opportunities that management believes are in the interests of the Resulting Issuer.

Dividends

There will be no restrictions in the Resulting Issuer's articles or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to Completion of the Transaction; however, the Resulting Issuer does not anticipate paying dividends in the foreseeable future. The Resulting Issuer Board will determine if, and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid on a per share basis.

Principal Securityholders

To the knowledge of the directors and senior officers of AMV, as of the date of this Filing Statement, upon Completion of the Transaction, the following persons are anticipated to beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Resulting Issuer:

Name and municipality of residence of shareholder	Type of ownership	Number of Resulting Issuer Shares and percentage owned after giving effect to the Transaction and the Financings
Dawn Zhou Calgary, AB	Direct and indirect ⁽¹⁾	29,389,788 ⁽¹⁾ (63.70%)

Note:

(1) Of these Resulting Issuer Shares, 500,500 are held directly by Dawn Zhou, 25,639,288 indirectly through SaskCo, 2,750,000 indirectly through 9169601 Canada Inc. (a private company in which Dawn Zhou owns 34% of the common shares and 100% of the preference shares), 500,000 indirectly through CSIT Consulting Inc. (a company wholly-owned by Dawn Zhou).

Directors, Officers and Promoters

The following are the names and municipalities of residence of the individuals who will hold office as directors and officers of Resulting Issuer upon Completion of the Transaction, their proposed positions and offices with the Resulting Issuer, the number and percentage of Resulting Issuer Shares that the proposed director or officer will own, or over which control or direction will be exercised following the Completion of the Transaction and their principal occupations during the last five years. The term of office of the directors to expire on the date of the next annual general meeting of the shareholders of the Resulting Issuer.

Name, Expected Position and Municipality of Residence	Principal Occupation for the Previous Five Years	Number and Percentage of Resulting Issuer Shares after giving effect to the Transactions and % of Class Held or Controlled
Dawn Zhou ⁽²⁾⁽³⁾ Calgary, Alberta President, Chief Executive Officer and Director	Certified General Accountant since 1999 and geologist since 1988; founder and Executive Chair of Athabasca Potash Inc. (TSX: API), a potash mining company, from 2006 to 2010.	29,389,788 ⁽⁴⁾ (63.70%)
David Billard ⁽²⁾ Saskatoon, Saskatchewan, Canada Chair and Director	Professional Geoscientist; President and owner of Cypress Geoservices Ltd., a geological consulting firm based in Saskatoon since 1999; director of Bessor Minerals Inc. (formerly Troymet Exploration Corp.), a TSXV-listed mineral exploration company, from May 2007 to Sep 2022.	20,000 (<1%)
Qiang Sean Wang Whistler, British Columbia, Canada Director	Chartered Financial Analyst; President and CEO of AMV from May 1, 2018 to present; Partner, China Youth Holding Group from January 2018 to January 2019; Chief Investment Officer, Sun Seven Stars Investment Group, December 2016 to December 2017; Managing Director, Beijing Nanbel Huijin Investment Company Limited, from January 2015 to November 2016; CEO and Managing Director, DragonTech Ventures Management Limited from March 2000 to December 2014.	3,710,000 (8.04%)
Brett Kagetsu West Vancouver, British Columbia, Canada Director	Corporate Finance and Securities Lawyer since 1996, former vice-chair of the Corporate Finance, M&A and Private Equity Practice Group and current firm trustee of Gowling WLG (Canada) LLP, an international law firm.	150,000 (<1%)
Denis Arsenault ⁽²⁾ Racine, Quebec, Canada Director	Chartered Professional Accountant, Chartered Accountant; Chief Financial Officer and Senior Vice-President of Troilus Gold Corp. since December 2017; Director of Thompson Creek Metals Company Inc. since 2005; former director of Stonegate Agricom Ltd., MBAC Fertilizer Corp. and Thompson Creek Metals Company.	Nil
Erik H. Martin Burlington, Ontario, Canada Chief Financial Officer and Corporate Secretary	Chartered Professional Accountant; Chief Financial Officer of Murchison Minerals Ltd. since June 2007; Chief Financial Officer of E2Gold Inc., December 2020 to July 2022.	20,000 (<1%)
Brian McEwan Montreal, Quebec, Canada Vice President, Explorations	Chief Geologist of the KLS Project since 2022; Senior Geologist and Operations Manager, NexGen Energy Ltd. from May 2015 to October 2020.	150,000 (<1%)

Notes:

- (1) Upon Completion of the Transaction, will be appointed the Audit Committee of the Resulting Issuer. Mr. Arsenault will be appointed Chair of the Audit Committee.
- (2) The terms of all directors of the Resulting Issuer will expire on the date of the first annual meeting of the shareholders of the Resulting Issuer.
- (3) A Promoter of SaskCo.
- (4) Of these Resulting Issuer Shares, 500,500 are held directly by Dawn Zhou, 25,639,288 indirectly through SaskCo, 2,750,000 indirectly through 9169601 Canada Inc. (a private company in which Dawn Zhou owns 34% of the common shares and 100% of the preference shares), 500,000 indirectly through CSIT Consulting Inc. (a company wholly-owned by Dawn Zhou).

Upon Completion of the Transaction, the Resulting Issuer Shares beneficially owned, directly or indirectly, by all Promoters, Insiders, directors and executive officers of the Resulting Issuer, as a group, will be 33,439,788 Resulting Issuer Shares (72.48%) on a non-diluted basis or 37,199,788 Resulting Issuer Shares (72.48%) on a fully-diluted basis.

Biographies of Management and Directors

Dawn Zhou – President, Chief Executive Officer and Director

Ms. Zhou obtained her Master of Sciences in Geology from China University of Geosciences, Beijing, China in 1988. Her academic activities were focused on stratigraphy and sedimentary mineral reserves. She taught in a coal mining college for three years and conducted research in tertiary geology in both the South China Sea oil field and the Canadian arctic islands. Ms. Zhou founded CSIT Consulting Inc. to provide business, trade and project consulting to local and international clients in 1993. She received her Certified General Accountant designation in 1999 and has completed the Canadian Securities Institute course. Dawn is currently a Chartered Professional Accountant in Canada. In recent years, Ms. Zhou has been actively engaged in the exploration of Saskatchewan potash and oil resources. She has consulted and set up a resource exploration and development company for an overseas client in Saskatchewan and advised many other Canadian and overseas clients to invest in Saskatchewan. In 2006, she founded Athabasca Potash Inc. (TSX: API) which was the pioneer for new potash project advancement in Saskatchewan, Canada in the early 21st century and brought one of its potash projects from an exploration permit to a mining lease. Dawn led API from grassroots exploration to the development stage when API was acquired by BHP Billiton for \$341 million in early 2010. Since 2011, Dawn successfully acquired and explored several resource projects in Canada, including the KLS Project in Athabasca Basin, the polymetallic Mazenod Project in Great Bear Magmatic Zone and the VMS base metal project in Fliin Flon Greenstone Belt. Dawn has contributed several scholarships and research funds in Canada, China and US. She has volunteered in many cultural and community organizations. She cherishes cultural diversity and is proud of her Chinese heritage. Working with her fellow committee members, Dawn initiated, donated and led the design and construction of a traditional Chinese Ting which has become a landmark of Saskatoon's downtown river bank in Canada.

David Billard – Chair and Director

Mr. Billard is a Professional Geoscientist (P. Geo) registered with the Association of Professional Engineers and Geoscientists of Saskatchewan. He currently works as a geological consultant based in Saskatoon, Saskatchewan. David possesses over 35 years of mineral exploration and development experience, searching for uranium, gold and base metals in western Canada and the western United States. David was the Chief Operating Officer, Vice President Exploration and Director for JNR Resources Inc., a TSX Venture Exchange listed company, from 2007 until its acquisition by Denison Mines Corp. in 2013. He was instrumental in the discovery of JNR's Maverick and Fraser Lakes B zones and, earlier in his career, participated in the discovery and development of several significant gold deposits in northern Saskatchewan. Before joining JNR, David was a geological consultant specializing in uranium exploration in the Athabasca Basin of Saskatchewan and prior to that, was employed by Cameco Corporation for over 12 years. David was a Director of TSX Venture Exchange-listed issuer Bessor Minerals Inc. (formerly Troymet Exploration Corp.) from 2007 to 2022. Mr. Billard received a Bachelor of Science degree from the University of Saskatchewan in 1983.

Denis Arsenault – Director

Mr. Denis Arsenault is a Chartered Professional Accountant with 39 years of experience. He has held a variety of senior financial positions in a range of sectors, including mining and resources, communications, truck trailer manufacturing and life sciences. Mr. Arsenault was the former CFO of Sulliden Gold Corporation Ltd. (TSX: SUE) and Central Sun Mining Inc. (TSX: CSM). Mr. Arsenault currently serves as a director of Murchison Minerals Ltd. (TSXV:MUR) He formerly served on the board of directors of Belo Sun Mining Corp. (TSX: BSX), Thompson Creek Metals Company Inc., Rockcliff Resources Inc., Stonegate Agricom Ltd., MBAC Fertilizer Corp. and Alliance Grain Traders Inc. Mr. Arsenault began his career with KPMG in 1981, before co-founding Wasserman Arsenault, Chartered Accountants. Mr. Arsenault holds a Bachelor of Commerce from the University of Toronto.

Qiang Sean Wang – Director

Mr. Qiang Sean Wang is a Chartered Financial Analyst and former P. Eng. He is a Partner of China Youth Holding Group from January 2018 to January 2019. Mr. Wang was a former director of Seven Stars Cloud Group, Inc. (SSC) (formerly, Wecast Network, Inc.), a Nasdaq listed company that was a premium content video on demand service provider with primary operations in the People's Republic of China. Mr. Wang was the former Chief Investment Officer of Sun Seven Stars Investment Group from December 2016 to December 2017 and was a former Managing Director of Beijing Nanbel Huijin Investment Company Limited, from January 2015 to November 2016. Mr. Wang was also the CEO and Managing Director, of Dragon Tech Ventures Management Co, Ltd., a venture capital firm, during the period March 2000 to December 2014. Mr. Wang has been a charter holder of a Chartered Financial Analyst awarded by the CFA Institute since 2001. Mr. Wang held a professional engineer designation from Engineers and Geoscientists British Columbia from 1992 to 2012. Mr. Wang received a Ph.D. in electrical and computer engineering from University of Victoria.

Brett Kagetsu – Director

Mr. Kagetsu is a corporate finance and securities lawyer who is a partner in Gowling WLG (Canada) LLP's Vancouver office, a firm trustee and the former vice-chair of the firm's Corporate Finance, M&A and Private Equity Practice Group. He has over 25 years' experience in financings, stock exchange listings and merger transactions. Mr. Kagetsu has served as a corporate secretary or director of approximately six reporting issuers. Mr. Kagetsu holds a Bachelor of Commerce degree and a Bachelor of Laws degree from the University of British Columbia.

Erik H. Martin – Chief Financial Officer and Corporate Secretary

Erik H. Martin has been Chief Financial Officer and Secretary of Murchison Metals Ltd. (TSXV:MUR) since 2007. He has 25 years of financial disclosure and management experience with a focus on publicly listed resource companies. Mr. Martin is a Chartered Professional Accountant and graduated from the University of Québec at Rimouski with a Bachelor of Commerce in Accounting and received his Certified Management Accountant (CMA) accreditation in 1996.

Brian McEwan – Vice-President, Exploration

Brian joined the KLS Project at the beginning of 2022, where he has been the Chief Geologist. Brian received his Masters of Science in Geology from the University of Regina where he worked with the Geological Survey of Canada in the Thelon Basin. He has accumulated over 10 years of experience in the Exploration industry, with five years at NexGen Energy Ltd. during the delineation and advancement of the Arrow Deposit filling roles as Senior Geologist, Operations Manager, and Database Manager. Prior to NexGen, he spent three years working in the gold sector leading structural mapping of green- and brownfield exploration projects.

Standing Committees of the Resulting Issuer Board

The Resulting Issuer will have an Audit Committee chaired by Denis Arsenault and include David Billard and Brett Kagetsu, who are financially literate. The independent directors of the Resulting Issuer will be Denis Arsenault, David Billard, and Brett Kagetsu.

Promoter Consideration

Dawn Zhou is the founder of SaskCo, who will receive securities of the Resulting Issuer issued in exchange for the KLS Project. Save and except for the Acquisition, neither of SaskCo nor AMV have acquired assets from Dawn Zhou within the two years preceding the date of this Filing Statement. Apart from the foregoing, there is no person or company that will be considered a Promoter of the Resulting Issuer nor has any person or company acted as a Promoter for either AMV or SaskCo within the past two years. See "*Directors, Officers and Promoters*".

Dawn Zhou may be considered to be a promoter of SaskCo or the Resulting Issuer because she took the initiative in founding and organizing SaskCo. Ms. Zhou will own, directly or indirectly, or will exercise control and/or direction over 29,389,788 of the Resulting Issuer's Shares (63.70% of the total outstanding shares). Ms. Zhou will also hold options to purchase 850,000 Resulting Issuer Shares assuming Completion of the Transaction, these options will

have an exercise price to be determined post-closing in the context of the market and an expiry date of five (5) years from the date of grant. See “*Executive Compensation*” and “*Options to Purchase Securities*”, below.

Cease Trade Orders or Bankruptcies

Save and except as set forth below, none of the Resulting Issuer’s proposed directors or executive officers is, as at the date of this Filing Statement, or has been within the ten years before the date of this Filing Statement, a director, chief executive officer or chief financial officer of any company (including the Resulting Issuer) that was subject to one of the following orders, that was in effect for a period of more than 30 consecutive days:

- (a) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued while the director, chief executive officer or chief financial officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Kagetsu served as a director of Finore Mining Inc. (“**Finore**”). On May 2, 2016, the British Columbia Securities Commission (the “**BCSC**”) issued a Management Cease Trade Order (the “**MCTO**”) in respect of Finore as a result of Finore not having filed annual audited financial statements for the year ended December 31, 2015 and Management’s Discussion and Analysis in respect thereof. Mr. Kagetsu resigned as a director of Finore in July, 2016. The BCSC subsequently revoked the MCTO on August 18, 2016.

Penalties or Sanctions

None of the Resulting Issuer’s proposed directors or executive officers, or shareholders holding a sufficient number of securities to materially affect control of the Resulting Issuer:

- (a) is, as at the date of this Filing Statement, or has been within the ten years before the date of this Filing Statement, a director or executive officer of any company (including the Resulting Issuer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the ten years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or the shareholder; or
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

None of the proposed directors, officers, Insiders or the Promoters of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or within the 10 years before the date of this Filing Statement, has been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings,

arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

There may from time to time be potential conflicts of interest to which some of the directors, officers, Insiders and Promoters of the Resulting Issuer will be subject in connection with the operations of the Resulting Issuer. Some of the individuals who will be appointed as directors or officers of the Resulting Issuer are also directors and/or officers of other reporting and non-reporting issuers. Conflicts, if any, will be subject to the procedures and remedies provided for under the BCBCA.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or Promoters of other reporting issuers:

Name	Name of Reporting Issuer	Exchange	Position	From	To
David Billard	Bessor Minerals Inc.	TSXV	Director	May 2007	Sep 2022
	Murchison Minerals Ltd.	TSXV	Director	Jun 2014	Present
Denis Arsenault	Troilus Gold Corp.	TSX	CFO	Dec 2017	Present
	Belo Sun Mining Corp.	TSXV	Director	May 2015	Jun 2019

Executive Compensation

The following disclosure on proposed executive compensation has been prepared and presented in accordance with Form 51-102F6 *Statement of Executive Compensation*, on a prospective basis for the twelve (12) month period after Completion of the Transaction.

Compensation Discussion and Analysis

One of the mandates of the board of the Resulting Issuer will be to determine the executive compensation payable for the officers of the Resulting Issuer. Going forward, compensation will be aimed at aligning incentives and compensation with the pursuit of the Resulting Issuer’s goals and growth strategies. In part, this will be achieved by integrating a performance bonus and/or a grant of stock options into the compensation packages for the Resulting Issuer’s NEOs. The performance bonus will be payable upon achievement of performance targets to be set by the directors of the Resulting Issuer at or before the Completion of the Transaction.

Initially, the Resulting Issuer expects that the compensation for its NEOs and directors will be comprised of salary, performance bonus and grants of Resulting Issuer New Options. Salary is necessary to attract and retain the talent necessary for the success of the Resulting Issuer’s business, and the performance bonus and option grants help align the incentives of management with the achievement of business objectives and the creation of shareholder value.

The directors of the Resulting Issuer may choose to appoint a compensation committee, but until such time as such a committee is formed, the directors as a whole will make decisions on executive compensation. The directors are all experienced in the oversight of executive and operational management teams as a result of their experience with various private and public sector businesses. It is expected that the Resulting Issuer Board will review compensation policies of similar companies when making determinations about executive compensation.

The directors of the Resulting Issuer will consider implications of the risks associated with its compensation practices and policies as part of its oversight and stewardship of its affairs, and will consider previous grants of Resulting Issuer New Options when making new grants.

The proposed NEOs and directors will not be permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities, granted as compensation, or held directly or indirectly by such individuals.

Pursuant to the Resulting Issuer Option Plan, the Resulting Issuer Board may from time to time, in its discretion, and in accordance with Exchange Requirements, grant Resulting Issuer New Options to directors, officers, NEOs, other employees and consultants to the Resulting Issuer.

Details of Employment and Consulting Agreements with NEOs

Upon Completion of the Transaction, the Resulting Issuer intends to enter into an employment agreement with Dawn Zhou pursuant to which Ms. Zhou would act as the Chief Executive Officer of the Resulting Issuer effective the Completion of the Transaction. Under the terms of the employment agreement, Ms. Zhou will be entitled to a gross salary of \$1.00 per annum. In addition, Ms. Zhou will be awarded 850,000 in Resulting Issuer New Options. The awarded options will have an exercise price determined post-closing in the context of the market and will be exercisable for a period of five (5) years from the date of grant. Ms. Zhou may also be awarded options through the Resulting Issuer Option Plan.

Upon Completion of the Transaction, the Resulting Issuer intends to enter into a consultant agreement with Bractea Enterprises Ltd. (“**Bractea**”), a company wholly-owned by Mr. Martin, pursuant to which Mr. Martin would act as the Chief Financial Officer of the Resulting Issuer effective the Completion of the Transaction. Under the terms of the consultant agreement, Bractea will be entitled to a gross salary of \$60,000 per annum.

Upon Completion of the Transaction, the Resulting Issuer intends to enter into a consultant agreement with Brian McEwan pursuant to which Mr. McEwan would act as the VP Exploration of the Resulting Issuer effective the Completion of the Transaction. Under the terms of the consultant agreement, Mr. McEwan will be entitled to a gross salary of \$150,000 per annum.

Summary Compensation Table

The following table sets forth the annual salary and grants of Resulting Issuer New Options which are currently expected to be paid to each of the NEOs of the Resulting Issuer during the 12 months following Closing:

Name and Principal Position	Year Ended April 30	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Compensation		Pension Value	All Other Compensation	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
Dawn Zhou President & CEO	2022	1	–	Nil	–	–	–	–	1
Erik Martin ⁽¹⁾ CFO	2022	60,000	–	Nil	–	–	–	–	60,000
Brian McEwan VP- Exploration	2022	150,000	–	Nil	–	–	–	–	150,000

Notes:

- (1) Mr. Martin will provide his services to the Resulting Issuer as a consultant through Bractea Enterprises Ltd. (“**Bractea**”), a company wholly-owned by Mr. Martin.
- (2) Mr. McEwan will be engaged as a consultant to the Resulting Issuer providing VP Exploration services.
- (3) Options will have an exercise price to be determined post-closing in the context of the market, and so have nil fair value as of the Closing Date.

The Resulting Issuer expects to enter into employment and consulting agreements with each of Ms. Zhou, Mr. Martin and Mr. McEwan.

Option-Based Awards

The following table sets forth all Resulting Issuer New Options held by NEOs that are expected to be outstanding upon Completion of the Transaction (see also “Options to Purchase Securities”):

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Dawn Zhou President & CEO	850,000	(1)	(2)	Nil
Qiang Sean Wang Executive Director	600,000	(1)	(2)	Nil

Notes:

- (1) The option exercise price is to be determined post-closing in the context of the market.
- (2) Expiry date to be five (5) years following grant date currently anticipated to be concurrent with the Completion of the Transaction or as soon as reasonably practicable thereafter.

Incentive Plan Awards

The value vested or earned for all incentive plan awards during the twelve (12) months following completion of the Transaction will depend on a number of factors, including the market price of the Resulting Issuer Shares.

Subject to shareholder and TSXV approval, the Resulting Issuer intends to adopt the Resulting Issuer Option Plan, in the form attached hereto as Appendix “C”, which will be a 10% ‘rolling’ plan, to replace the AMV Option Plan (which is a ‘fixed’ plan that currently reserves for issuance a maximum of 2,400,000 AMV Shares).

Pursuant to the Resulting Issuer Option Plan, the aggregate number of Resulting Issuer Shares reserved for issuance under the Resulting Issuer Option Plan and Resulting Issuer Shares reserved for issuance under any other share compensation arrangement granted or made available by the Resulting Issuer from time to time may not exceed in aggregate 10% of its Resulting Issuer Shares issued and outstanding at the time of grant. Under the policies of the Exchange, rolling stock option plans must receive shareholder approval yearly at the Resulting Issuer’s annual general meeting.

The purpose of the Resulting Issuer Option Plan is to attract and motivate directors, officers, employees, consultants and others providing services to the Resulting Issuer and its subsidiaries, and thereby advance the Resulting Issuer’s interests, by affording such persons with an opportunity to acquire an equity interest in the Resulting Issuer through the issuance of stock options.

The Resulting Issuer Option Plan contains the following material terms:

The Resulting Issuer Option Plan will be administered by the Resulting Issuer Board or a committee thereof, which will have full and final authority with respect to the granting of all stock options thereunder. A number of stock options equal to 10% of the outstanding Resulting Issuer Shares from time to time, will be available to be granted pursuant to the Resulting Issuer Option Plan to such directors, officers, employees or consultants of the Resulting Issuer and its subsidiaries, if any, as the Resulting Issuer Board or a committee thereof may from time to time designate.

For so long as the Resulting Issuer is listed on the Exchange, the number of Resulting Issuer Shares which may be reserved in any 12 month period of issuance to any one individual upon exercise of all options held by that individual may not exceed 5% of the issued and outstanding Resulting Issuer Shares, unless the Resulting Issuer has obtained disinterested shareholder approval, and the number of Resulting Issuer Shares which may be reserved in any 12 month period for issuance to any one person who are Investor Relations Service Providers (as that term is defined in the Resulting Issuer Option Plan) may not exceed 2% of the issued and outstanding Resulting Issuer Shares and that no acceleration of the vesting requirements applicable to options granted to Investor Relations Service Providers is allowed without the prior written approval of the Exchange. The Resulting Issuer Option Plan provides that, for so long as the Resulting Issuer is listed on the Exchange, stock options issued to Consultants performing investor relations activities will vest in stages over 12 months with no more than 25%

of the stock options vesting in any three month period. Options held by Investor Relations Service Providers may not be exercised on a “net exercise” basis,

The exercise price of any stock options shall be determined by the Resulting Issuer Board or a committee thereof; however, the exercise price of stock options may not be less than the closing price of the Shares on the Exchange on the trading day immediately preceding the day on which the Option is granted, less any allowable discount and, in any event, the exercise price per Share will not be less than \$0.10, being the minimum exercise price allowable under the policies of the Exchange.

The term of any stock option shall be determined by the Resulting Issuer Board or a committee thereof at the time of grant but, subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death or disability, the term of any options granted under the Resulting Issuer Option Plan may not exceed ten years for so long as the Resulting Issuer is listed on the Exchange. The expiry date of outstanding stock options which would expire during a blackout period, or within ten business days after the expiry of a blackout, will be extended to the date that is ten business days following the end of such blackout Period.

Stock options are not to be transferable or assigned other than by will or other testamentary instrument or pursuant to laws of succession. Subject to certain exceptions, in the event that the optionee, shall cease to be a director, senior officer, employee, management company employee, or consultant of the Resulting Issuer upon termination for cause, the Option shall terminate and shall cease to be exercisable upon such termination for cause. In the event of the death of an optionee, an Option which remains exercisable may be exercised in accordance with its terms by the person or persons to whom such optionee’s rights under the Option shall have passed under the optionee’s will or pursuant to law, for a period not exceeding the earlier of one year from the optionee’s death and the original expiry date of such Option.

Disinterested shareholder approval is required for any extension of the term of an option, if the optionee is an Insider of the Resulting Issuer at the time of the proposed amendment,

Any adjustment, other than in connection with a share consolidation or share split, to stock options granted or issued under the Resulting Issuer Option Plan are subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

The Resulting Issuer Board reserves the right to amend or terminate the Resulting Issuer Option Plan at any time if and when it is deemed advisable in the absolute discretion of the Resulting Issuer Board; provided, however, that no such amendment or termination shall adversely affect any outstanding options granted under the Resulting Issuer Option Plan without the consent of the optionee. Any amendment to the Resulting Issuer Option Plan shall also be subject to acceptance of such amendment or amended plan for filing by the Exchange and, where required by the Exchange, the approval of the shareholders of the Resulting Issuer.

Upon the Completion of the Transaction, Dawn Zhou will be granted incentive stock options to purchase 850,000 Resulting Issuer Shares and Qiang Sean Wang will be granted incentive stock options to purchase 600,000 Resulting Issuer Shares, for a five year term at a price to be set in the context of the market after closing in accordance with the policies of the Exchange. The Resulting Issuer may decide to grant additional option-based awards to its directors, officers, employees or consultants during the twelve (12) month period following Completion of the Transaction. Details of such grants will be announced by the Resulting Issuer in the event such determination is made.

Pension and Retirement Plans

The Resulting Issuer does not expect to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

Other than as summarized in the descriptions of the employment agreements with the NEOs described above, the Resulting Issuer will not be party to any agreements whereby it may be required to make payments to an NEO in connection with any termination, resignation or change in control.

Director Compensation

Upon Completion of the Transaction, the directors of the Resulting Issuer will determine it, and to what extent, compensation will be paid to directors for services rendered to the Resulting Issuer in their capacity as directors. Incentives may be in the form of annual director fees and / or incentives awards under the Resulting Issuer Option Plan.

The information below contains disclosure of anticipated compensation, to the extent known, for the proposed directors, other than the NEOs, of the Resulting Issuer for the twelve (12) month period after Completion of the Transaction.

Option-Based Awards

The following table sets forth all options held (directly or indirectly) by directors who are not NEOs that are expected to be outstanding upon Completion of the Transaction:

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
David Billard	–	–	–	–
Denis Arsenault	–	–	–	–
Qiang Sean Wang	600,000	(1)	(2)	Nil
	170,000	\$0.10	December 12, 2024	\$0.35
Brett Kagetsu	170,000	\$0.10	December 12, 2024	\$0.35

Notes:

- (1) Exercise price is to be determined post-Closing in the context of the market.
- (2) Expiry date to be five (5) years following grant date currently anticipated to be concurrent with Completion of the Transaction or as soon as reasonably practicable thereafter.

Incentive Plan Awards

The value vested or earned for all incentive plan awards during the twelve (12) months following Completion of the Transaction will depend on a number of factors, including the market price of the Shares.

The Resulting Issuer may decide to grant option-based awards to its directors during the twelve (12) month period following Completion of the Transaction. Details of such grants will be announced by the Resulting Issuer in the event such determination is made.

Indebtedness of Directors and Officers

No person who is a director or officer of AMV, SaskCo or is proposed to be a director or officer of the Resulting Issuer, or any associate of the foregoing, is: (i) indebted to AMV or SaskCo or a subsidiary of AMV or SaskCo; or (ii) is indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar merger or understanding provided by AMV, SaskCo or a subsidiary of AMV or SaskCo.

Investor Relations Arrangements

No written or oral agreement or understanding has been reached with any person to provide any promotional or investor relations services for the Resulting Issuer.

Incentive Securities

Following Closing, the Resulting Issuer will adopt the Resulting Issuer Option Plan, which will be a 10% 'rolling' stock option plan.

For additional information on the Resulting Issuer Option Plan, see "Part V – Information Concerning the Resulting Issuer – Incentive Plan Awards".

Outstanding Awards

The following table lists the stock options to purchase securities of the Resulting Issuer which are expected to be outstanding following the Completion of the Transaction:

Group and Number of Persons in Group	Number of Resulting Issuer Shares Under Incentive Awards	Exercise Price Per Resulting Issuer Share	Expiry Date / Term
Executive Officer (1 person)	850,000	(1)	(2)
Directors (other than those who are also Executive Officers) (2 persons)	600,000	(1)	(2)
	340,000	\$0.10	December 12, 2024
Former Directors of AMV (2 persons)	340,000 ⁽³⁾	\$0.10	December 12, 2024
Total	2,130,000		

Notes:

- (1) Exercise price to be determined post-closing in the context of the market.
- (2) Expiry date will be five (5) years from the date of grant.
- (3) As a result of their resignation as a director on the Closing Date, all options held by these former directors expire within 90 days from the date of resignation.

Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

To the knowledge of AMV and SaskCo, as of the date of this Filing Statement, set out below is the number of shares of the Resulting Issuer which are and/or will be held in escrow after giving effect to the Transaction pursuant to the Resulting Issuer Escrow Agreement.

IPO Escrow Agreement

All of the escrowed securities subject to the IPO Escrow Agreement were subject to the following release schedule: 10% of the escrowed securities were released from escrow six months after the listing date of AMV, and 15% of escrowed the securities were or will be release from escrow every 6 months thereafter, or until December 12, 2022. All Escrowed Securities subject to the IPO Escrow Agreement have now been released from escrow in their entirety.

Resulting Issuer Escrow Agreement

In connection with the Transaction, the Exchange has discretion, in certain circumstances, to impose escrow provisions on the Resulting Issuer Shares being issued to certain shareholders of the Resulting Issuer. Management anticipates that the Resulting Issuer will be a "Tier 2" issuer on the Exchange and that all Resulting Issuer Shares held by the "Principals" of the Resulting Issuer will be subject to the Resulting Issuer Escrow

Agreement to be entered into with the Odyssey as escrow agent. “Principals” of the Resulting Issuer include all directors, all officers and any shareholder who holds in excess of 20% of the Resulting Issuer Shares. It also includes any shareholder of the Resulting Issuer who holds in excess of 10% of the Resulting Issuer Shares and who has elected or appointed, or has the right to elect or appoint, one or more directors or officers of the Resulting Issuer. The table below sets out the names of the anticipated Principals of the Resulting Issuer.

Name and Municipality of Residence of Securityholder	Designation of Class	Prior to Giving Effect to the Transactions		After Giving Effect to the Transactions	
		Number of securities held in AMV	Percentage of Class	Number of Resulting Issuer Shares Held in Escrow	Percentage of Class
101159623 Saskatchewan Ltd. Saskatoon, SK	common shares	N/A	N/A	25,639,788	55.57%
9169601 Canada Inc. Calgary, AB	common shares	N/A	N/A	2,750,000	5.96%
CSIT Consulting Inc. Calgary, AB	common shares	N/A	N/A	500,000	1.08%
Dawn Zhou Calgary, AB	common shares	N/A	N/A	500,500	1.08%
	options	N/A	N/A	850,000	39.91%
Qiang Sean Wang Whistler, BC	common shares	3,610,000	28.16%	3,710,000	8.04%
	options	170,000	25%	770,000	36.15%
Brett Kagetsu Vancouver, BC	common shares	150,000	1.17%	150,000	<1%
	options	170,000	25%	170,000	7.98%
David Billard Saskatoon, Saskatchewan	common shares	N/A	N/A	20,000	<1%
Erik H. Martin Burlington, Ontario	common shares	N/A	N/A	20,000	<1%
Brian McEwan Montreal, Quebec	common shares	N/A	N/A	150,000	<1%

The Resulting Issuer Shares held by the Principals set out in the table above (the “Escrowed Shares”) will be released from escrow in accordance with the following schedule:

Release Dates	Percentage of Total Escrowed Securities to be Released
at the time of Final Exchange Bulletin	10%
6 months from Final Exchange Bulletin	15%
12 months from Final Exchange Bulletin	15%
18 months from Final Exchange Bulletin	15%
24 months from Final Exchange Bulletin	15%
30 months from Final Exchange Bulletin	15%
36 months from Final Exchange Bulletin	15%

The Escrowed Shares may not be sold, assigned, transferred, redeemed, surrendered or otherwise dealt with in any manner except provided by the Resulting Issuer Escrow Agreement. Escrowed Shares may be transferred within escrow to an individual who is a director or senior officer of the Resulting Issuer or a material operating subsidiary of the Resulting Issuer, provided that certain requirements of the Exchange are met, including that the new proposed transferee agrees to be bound by the terms of the agreement. In the event of bankruptcy of, the holder of Escrowed Shares ("**Escrowed Shareholder**"), the Escrowed Shares held by such Escrowed Shareholder may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such Escrowed Shares provided that certain prescribed Exchange Requirements are met. Escrowed Shares may also be transferred within escrow by an Escrowed Shareholder to a registered retirement savings plan ("**RRSP**") or a registered retirement income fund ("**RRIF**") provided that the Exchange receives proper notice of the same, the Escrowed Shareholder is the sole beneficiary of the RRSP or RRIF and the trustee of the RRSP or RRIF agrees to be bound by the terms of the Resulting Issuer Escrow Agreement. In the event of the death of an Escrowed Shareholder, the Escrowed Shares shall be released to the legal representatives of the deceased holder thereof.

Escrowed Shareholders who are not individuals will provide undertakings to the Exchange that they will not issue securities of their own issue or effect or permit a transfer of ownership of securities of their own issue that would have the effect of changing the beneficial ownership of, or control or direction over, the Escrowed Shares.

Auditors, Transfer Agent and Registrar

The Resulting Issuer's auditor will be Manning Elliott LLP, whose principal office is located at 11th Floor, 1050 West Pender Street, Vancouver, British Columbia, V6E 3S7, Canada.

The transfer agent and registrar of AMV is Odyssey Trust Company, with an office at United Kingdom Building, Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, and Odyssey will continue as the transfer agent and registrar of the Resulting Issuer.

PART VI – RISK FACTORS

The current business of AMV will be the business of the Resulting Issuer following Completion of the Transaction. Accordingly, risk factors relating to AMV's current business will be risk factors relating to the Resulting Issuer's business. Due to the nature of the Resulting Issuer's business, the legal and economic climate in which it operates and its present stage of development and proposed operations, the Resulting Issuer will be subject to significant risks. The Resulting Issuer's future development and actual operating results may be very different from those expected as at the date of this Filing Statement. Readers should carefully consider all such risks, which include but are not limited to the following.

The following is a summary of certain risk factors relating to the Transaction and to the business of the Resulting Issuer and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Filing Statement.

Risk Factors Relating to the Transaction

Completion of the Transaction and Exchange approval

The completion of the Transaction is subject to several conditions precedent. There can be no assurance that the Transaction will be completed on the terms set out in the Asset Purchase Agreement, as negotiated, or at all. In the event that any of the conditions precedent are not satisfied or waived, the Transaction may not be completed. In addition, there is no guarantee that the Resulting Issuer will be able to satisfy the requirements of the Exchange such that it will issue the Final Exchange Bulletin. See "*Part II – Information Concerning the Transaction – The Asset Purchase Agreement - Conditions to the Transaction*". There is no certainty that these conditions will be satisfied on a timely basis or at all.

Termination of the Asset Purchase Agreement in certain circumstances

Each of AMV and SaskCo has the right to terminate the Asset Purchase Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurances that the Asset Purchase Agreement will not be terminated by either AMV or SaskCo before the completion of the Transaction.

Tax consequences

The transactions described herein may have tax consequences in Canada, or elsewhere, depending on each particular existing or prospective shareholder's specific circumstances. Such tax consequences are not described herein and this Filing Statement is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. Existing and prospective shareholders should consult their own tax advisors with respect to any such tax considerations.

Risk Factors Relating to the Resulting Issuer

The market price of Resulting Issuer Shares may be volatile, which could result in substantial losses for holders of Resulting Issuer Shares

The market price of Resulting Issuer Shares could be subject to significant fluctuations following Completion of the Transaction. In addition, securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions and the risk factors described in this Filing Statement could subject the market price of Resulting Issuer Shares to wide price fluctuations regardless of the Resulting Issuer's operating performance.

The Resulting Issuer's operations will depend on information systems that may be vulnerable to cyber security threats

The Resulting Issuer's information technology and internal infrastructure is susceptible to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Significant disruption to the availability of information technology and internal infrastructure could cause delays in

research and development work. The Resulting Issuer would incur liability and development of product candidates would be delayed if any disruption or security breach were to result in a loss of, or damage to, the Resulting Issuer's data.

Global financial conditions may destabilize

Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the Resulting Issuer's ability, or the ability of the owners or operators of the properties in respect of which it holds royalties or other interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. In the event of increased levels of volatility or a rapid destabilization of global economic conditions, the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities could be adversely affected.

Risks Factors Relating to the Business of the Resulting Issuer

The uranium market is volatile

The price of uranium is volatile, Factors beyond the Resulting Issuer's control, including demand for nuclear power, changes in public acceptance of nuclear power generation, political and economic conditions in uranium mining, producing and consuming countries, costs and availability of financing of nuclear plants, changes in governmental regulations, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved production methods, the future viability and acceptance of small modular reactors or micro-reactors and the related fuel requirements for this new technology, reprocessing of spent fuel and the re-enrichment of depleted uranium tails or waste and global economics, including currency exchange rates, interest rates and expectations of inflation, all have an effect on the market. Any future accidents, or threats of or incidents of war, civil unrest or terrorism, at nuclear facilities are likely to also impact the conditions of uranium mining and the use and acceptance of nuclear energy. The effect of these factors on the price of uranium, and therefore on the economic viability of the KLS Project, cannot accurately be predicted.

The uranium industry is highly competitive and nuclear energy competes with other energy sources

The national and international uranium industry is small and highly competitive. The activities of the Resulting Issuer will be directed toward the exploration, evaluation, acquisition and development, for or of uranium deposits into production operations. There is no certainty that any expenditures made will result in discoveries of commercial quantities of uranium for production. There is aggressive competition within the uranium mining industry for the discovery, acquisition and development of properties considered to have commercial potential. The Resulting Issuer will compete with other companies, including state-sponsored entities, for the opportunity to participate in promising projects, many of which competing entities will have greater financial resources than the Resulting Issuer. Nuclear energy competes with other sources of energy, including natural gas, oil, coal, hydroelectricity and renewable energy sources. These other energy sources are to some extent interchangeable with nuclear energy, and their relative availability and cost may result in lower demand for uranium concentrate. Technical advances in and government support and subsidies for renewable energy sources could make these forms of energy more viable and greatly impact demand for nuclear fuel. If the uranium and nuclear power industry are to grow beyond their current levels, they will need to rely on continued and increased acceptance of nuclear technology as a means of generating electricity. Unique political, technological and environmental factors affect the nuclear industry, and it is subject to public opinion risks which could have an adverse impact on the demand for nuclear power, whether through increased regulation or otherwise. Requirements for the Resulting Issuer's products may be affected by technological changes in nuclear reactors, enrichment, and used uranium fuel reprocessing. These technological changes could reduce, or increase, the demand for uranium. The cost competitiveness of the Resulting Issuer's operations may be impacted through development of new uranium recovery and processing technologies. As a result, the Resulting Issuer's competitors may adopt technological advancements that provide them an advantage over the Resulting Issuer's operational and production costs.

Lack of acceptance of or outright opposition to nuclear energy could impede the business

The Resulting Issuer's future business prospects are tied to the electrical utility industry at home and in other countries. Fundamental changes in the utility industry in the U.S., Europe and elsewhere are expected to affect the market for nuclear and other fuels for a long time and may result in outcomes such as the expansion of nuclear reactors or their premature shutdown. Maintaining the demand for uranium at current levels and future growth in demand will depend upon the continued acceptance of the nuclear technology as a means of generating electricity. Public perception and political factors impact the nuclear fuel industries, including uranium miners. Some government entities and non-governmental organizations continue to aggressively oppose certain mining activities including specifically uranium recovery. These actions may affect the Resulting Issuer's operations even if the opposition is directed at entities or projects unrelated to the Resulting Issuer. Lack of continued public acceptance of nuclear technology would adversely affect the demand for nuclear power and potentially increase the regulation of the nuclear power industry. Following the events of 1986 at the Chernobyl Nuclear Power Plant and March 2011 in Fukushima Japan, worldwide reaction called into question the public's confidence in nuclear energy and technology, the impacts of which continue in many countries for a very long time. Additionally, media coverage about uranium production and nuclear energy may be inaccurate or non-objective and further negatively impact public perception of the nuclear industry.

The COVID-19 pandemic likely to continue to impact the Resulting Issuer

The COVID-19 pandemic significantly impacted the global economy and commodity and equity markets in general, and variants of the virus will continue to affect most parts of the world. The pandemic poses risk to the business and operations of the Resulting Issuer, and may adversely impact its operations, business, and financial condition if the Resulting Issuer's employees, regulators, suppliers or other business partners unable to conduct routine operations for certain periods of time. The Resulting Issuer will continue to monitor these conditions, including government restrictions on movement and operations, and the availability and distribution of the COVID-19 vaccines; however, it is impossible to predict the extent of said impact or the success of the responses to said impacts, including supply chain impacts, as circumstances continue to evolve in unforeseeable ways. It is uncertain if some or all of the impacts can be addressed in a timely manner. The Resulting Issuer intends fully engaged with its stakeholders in its efforts to protect their health and safety. To the extent the COVID-19 pandemic may adversely affect the business and financial results of the Resulting Issuer, it may also have the effect of heightening many of the other risks described throughout this "Risk Factors" section, such as timely and economically available labor and supplies, and those relating to the Resulting Issuer's ability to access additional capital, which could negatively affect the business of the Resulting Issuer. It is not currently possible to estimate the continuing or future impact of the pandemic on the business of the Resulting Issuer. These effects could have a material impact on the operations of the Resulting Issuer.

No History of Earnings

AMV has no history of earnings. The Sage Property and the KLS Project are in the exploration stage and there are no known commercial quantities of minerals on the Sage Property or the KLS Project. There is no assurance that any of AMV's property interests will generate earnings, operate profitably or provide a return on investment in the future. AMV has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

Negative Cash Flow from Operations

During the year ended April 30, 2022, AMV had negative cash flow from operating activities. The Resulting Issuer expects to continue to have negative cash flow in future periods and it expects that all of the net proceeds from the Offering will be used to fund such negative cash flow from operating activities.

Financing Risks

Additional funding will be required to complete future exploration programs on the Resulting Issuer's properties and to conduct any other exploration programs. If proposed exploration programs are successful, additional funds will be required for the development of any economic mineral body and to place it in commercial production. The only sources of future funds presently available to the Resulting Issuer are the sale of equity capital, or the offering by the Resulting Issuer of an interest in its properties to be earned by another party or parties carrying out exploration or development thereof. There is no assurance that any such funds will be available or will be available on terms favourable to the Resulting Issuer. Failure to obtain additional financing on a timely basis could cause

the Resulting Issuer to reduce, delay, indefinitely postpone or terminate exploration, development or production of the Resulting Issuer's property interests or other acquired properties.

The Resulting Issuer may not use the Available Funds as described in this Filing Statement

The Resulting Issuer currently intends to use the Available Funds as described in "Part V – Information Concerning the Resulting – Available Funds – Principal Purposes". However, the Resulting Issuer Board and/or management will have discretion in the actual application of the available funds and may elect to allocate them differently from that described in the Filing Statement if they believe it would be in the Resulting Issuer's best interests to do so. Shareholders may not agree with the manner in which the Resulting Issuer Board and/or management chooses to allocate and spend the net proceeds. The failure by the Resulting Issuer Board and/or management to apply these funds effectively could have a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

Exploration and Development Risks

The KLS Project is in the exploration stage only and is without an economic mineral deposit. Development of the KLS Project will only follow upon obtaining satisfactory exploration results, receipt of a positive feasibility study and access to adequate funding. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. There is no assurance that these mineral exploration and development activities will result in any discoveries of commercial mineral deposits.

Operational Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Resulting Issuer has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to property, and possible environmental damage. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave ins, landslides, weather conditions and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in extraction operations and the conduct of exploration programs. The Resulting Issuer's exploration activities will be subject to the availability of third party contractors and equipment. There are also physical risks to the exploration personnel. If any of the Resulting Issuer's properties is found to have commercial quantities of ore, the Resulting Issuer would be subject to additional risks respecting any development and production activities.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Resulting Issuer may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of securities of the Resulting Issuer.

Permits and Government Regulations

The future operations of the Resulting Issuer may require permits from various federal, provincial and local governmental authorities and will be governed by provincial and federal laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in exploration, production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there can be no assurance that the Resulting Issuer will be successful in obtaining all required permits. Further, there can be no assurance that the Resulting Issuer will be able to obtain all necessary permits and approvals that may be required

to undertake exploration activity or commence construction or operation of mine facilities on the KLS Project. The Resulting Issuer currently does not have any permits in place.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may affect the operations of the Resulting Issuer. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Resulting Issuer for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. In all major developments, the Resulting Issuer generally relies on recognized designers and development contractors from which the Resulting Issuer will, in the first instance, seek indemnities. The Resulting Issuer intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Resulting Issuer's operations more expensive.

Mineral Titles

There is no assurance given by the Resulting Issuer that it owns any legal title to its mineral properties. Title to the KLS Project may come under dispute. While the Resulting Issuer has diligently investigated title considerations to its mineral properties, in certain circumstances, the Resulting Issuer has only relied on representations of property partners and government agencies. There is no guarantee of title to the KLS Project. The Resulting Issuer has not yet obtained a title opinion in respect of the KLS Project. The claims on the KLS Project have not been legally surveyed. The KLS Project may be subject to prior unregistered agreements, transfers of claims and title may be affected by undetected defects. The Resulting Issuer is satisfied however, that evidence of title to the KLS Project is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the KLS Project. If the Resulting Issuer does not fulfil its obligations contemplated by the *Mineral Titles Act* (Saskatchewan), it may lose all or part of its interest in the KLS Project.

First Nation Land Claims Risks

The KLS Project may now, or in the future, be the subject of First Nations land claims. The KLS Project is located in an area known for strong First Nations' concerns that could prove to be a problem for any extensive development on the KLS Project. The legal nature of Aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Resulting Issuer's ownership interest in the KLS Project cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of Aboriginal rights in the area in which the KLS Project are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Resulting Issuer's activities. Even in the absence of such recognition, the Resulting Issuer may at some point be required to negotiate with First Nations and seek the approval of holders of Aboriginal interests in order to facilitate exploration and development work on the KLS Project, and there is no assurance that the Resulting Issuer will be able to establish a practical working relationship with the First Nations in the area which would allow it to ultimately develop the KLS Project.

Management

The Resulting Issuer believes that its growth and success depends in significant part on the continued employment of the Resulting Issuer's executive officers and key technical personnel. The Resulting Issuer must also continue to attract and retain key management, technical, finance and operating personnel. Experienced management and other highly skilled personnel are in great demand. If the Resulting Issuer is unable to attract or retain key personnel, it could have a material adverse effect on the Resulting Issuer's business, results of operations, financial condition and prospects.

Litigation Risks

All industries, including the mining industry, may be made subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent

uncertainty of litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Resulting Issuer's business, results of operations, financial condition and prospects.

Fluctuating Mineral Prices and Currency Risk

Factors beyond the control of the Resulting Issuer may affect the market price of minerals produced and the marketability of minerals discovered at and extracted from the Resulting Issuer's properties. Mineral prices are subject to significant fluctuation and are affected by numerous factors beyond the Resulting Issuer's control including international economic and political trends, inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new and improved extraction and production methods. The effect of these factors on the Resulting Issuer's operations cannot accurately be predicted.

Competition

The mining industry is intensely competitive in all its phases. The Resulting Issuer competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Resulting Issuer. The competition in the mineral exploration and development business could have an adverse effect on the Resulting Issuer's ability to acquire suitable properties or prospects for mineral exploration in the future.

Conflicts of Interest

Some of the directors and officers are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Resulting Issuer. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Resulting Issuer. Directors and officers of the Resulting Issuer with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

RISKS RELATED TO THE RESULTING ISSUER SHARES

Dilution

The Resulting Issuer may need to obtain additional resources in the future in order to execute the Resulting Issuer's growth strategy, including the possible acquisition of new businesses and assets. The Resulting Issuer may issue additional equity securities to finance such operations, development, acquisitions or other projects. The Resulting Issuer cannot predict the size or frequency of such future issuances, if any. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Resulting Issuer Shares.

With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Resulting Issuer's earnings per share.

Possible Volatility of Stock Price

In recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. The market price of the Resulting Issuer Shares could similarly be subject to wide fluctuations in response to a number of factors, most of which the Resulting Issuer cannot control, including:

- changes in securities analysts' recommendations and their estimates of the Resulting Issuer's financial performance;
- changes in market valuations of similar companies;
- investor perception of the mining industry or prospects or the country in which it operates;

- the public's reaction to press releases, announcements and filings with securities regulatory authorities by other companies in the Resulting Issuer's industry;
- changes in environmental and other governmental regulations; and
- changes in general conditions in domestic or international economies or, financial markets or in the mining industry.

The impact of any of these risks and other factors beyond the Resulting Issuer's control could cause the market price of the Resulting Issuer Shares to decline significantly.

Future sales of Resulting Issuer Shares by any major shareholder could decrease the market price of the Resulting Issuer Shares. The Resulting Issuer cannot predict the size of future sales by shareholders, or the effect, if any, that such sales will have on the market price of the Resulting Issuer Shares. However, sales of a substantial number of Resulting Issuer Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Resulting Issuer Shares.

The Resulting Issuer may not be able to obtain adequate financing in the future or that the terms of such financing will be favourable

There can be no assurance that the Resulting Issuer will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could impede the Resulting Issuer's funding obligations, or result in delay or postponement of further business activities which may result in a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

The Resulting Issuer may experience difficulty attracting and retaining qualified management and technical personnel to efficiently operate its business

The Resulting Issuer is dependent upon the continued availability and commitment of its key management personnel, whose contributions to immediate and future operations of the Resulting Issuer are of significant importance. The loss of any such key management personnel could negatively affect business operations. From time to time, the Resulting Issuer may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. In addition, the Resulting Issuer frequently retains third party specialized technical personnel to assess and execute on opportunities. These individuals may have conflicts of interest or scheduling conflicts, which may delay or inhibit the Resulting Issuer's ability to employ such individuals' expertise. The number of persons skilled in the acquisition, exploration and development of royalties and interests in natural resource properties is limited and competition for such persons is intense. Recruiting and retaining qualified personnel is critical to the Resulting Issuer's success and there can be no assurance that the Resulting Issuer will be able to recruit and retain such personnel. If the Resulting Issuer is not successful in recruiting and retaining qualified personnel, the Resulting Issuer's ability to execute its business model and growth strategy could be affected, which could have a material adverse impact on its profitability, results of operations and financial condition and the trading price of its securities.

Certain of the Resulting Issuer's proposed directors serve in similar positions with other public companies, which could put them in a conflict position from time to time

Certain of the proposed directors and officers of the Resulting Issuer also serve as directors or officers of, or have significant shareholdings in, other companies involved in natural resource exploration, development and production and, to the extent that such other companies may engage in transactions or participate in the same ventures in which the Resulting Issuer participates, or in transactions or ventures in which the Resulting Issuer may seek to participate, the directors and officers of the Resulting Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the directors and officers may result in a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

PART VII – GENERAL MATTERS

Sponsorship

AMV intends to rely on an exemption from the sponsorship requirements of Exchange Policy 2.2.

Experts

No individual or company whose profession or business gives authority to a statement made by the individual or corporation and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds, or will hold immediately following the Completion of the Transaction, any direct or indirect interest in any securities or property of AMV or the Resulting Issuer.

Other Material Facts

There are no other material facts about AMV, the KLS Project, the Resulting Issuer or the Transaction that are not elsewhere disclosed herein and which are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to AMV, the KLS Project and the Resulting Issuer, assuming Completion of the Transaction.

Board Approval

The contents and the filing of this Filing Statement have been approved by each of the AMV Board. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than AMV, AMV relied upon information furnished by such person.

CERTIFICATE OF AMV CAPITAL CORPORATION

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of AMV Capital Corporation. (“**AMV**”) assuming Completion of the Transaction (as that term is defined in the Filing Statement of AMV dated December 21, 2022).

DATED December 21, 2022.

(signed) “Qiang Sean Wang”

Qiang Sean Wang
President and Chief Executive Officer

(signed) “Jerry Minni”

Jerry A. Minni
Chief Financial Officer

On behalf of the Board of Directors

(signed) “Brett Kagetsu”

Brett A. Kagetsu
Director

(signed) “Michael Dake”

Michael Dake
Director

APPENDIX "A" – AMV FINANCIAL STATEMENTS

AMV CAPITAL CORPORATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 and 2021
(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITORS' REPORT

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, 2022 and 2021, and the statements of comprehensive loss, cash flows and changes in equity for the years ended April 30, 2022 and 2021, 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, 2022 and 2021, 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.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
July 26, 2022

AMV CAPITAL CORPORATION
STATEMENTS OF FINANCIAL POSITION
AS AT APRIL 30, 2022 AND 2021
(Expressed in Canadian dollars)

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 100,655	\$ 95,600
Amounts recoverable	2,103	808
	102,758	96,408
NON-CURRENT		
Exploration and evaluation asset (Note 5)	218,265	246,148
	\$ 321,023	\$ 342,556
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 5,462	\$ 5,250
EQUITY		
SHARE CAPITAL (Note 6)	604,493	553,645
CONTRIBUTED SURPLUS (Note 6)	191,187	210,071
DEFICIT	(480,119)	(426,410)
	315,561	337,306
	\$ 321,023	\$ 342,556

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the Board on July 26, 2022:

"Jerry Minni"
Director

"Qiang Sean Wang"
Director

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

AMV CAPITAL CORPORATION
STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021
(Expressed in Canadian dollars)

	2022	2021
EXPENSES		
Office	\$ 217	\$ 215
Professional fees	35,769	44,968
Prospect evaluation	-	6,085
Transfer agent and filing fees	13,942	14,722
Travel	3,781	-
NET LOSS AND COMPREHENSIVE LOSS	\$ (53,709)	\$ (65,990)
LOSS PER SHARE – BASIC AND DILUTED	\$ (0.00)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	12,624,355	12,500,001

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

AMV CAPITAL CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021
(Expressed in Canadian dollars)

	2022	2021
OPERATING ACTIVITIES		
Net loss for the year	\$ (53,709)	\$ (65,990)
Items not affecting cash:		
Share-based payment	-	-
Changes in non-cash working capital items:		
Amounts recoverable	(1,295)	840
Accounts payable and accrued expenses	212	(23,807)
Cash used in operating activities	(54,792)	(88,957)
INVESTING ACTIVITIES		
Mineral property tax credit	27,883	-
FINANCING ACTIVITIES		
Shares issued for cash	31,964	-
Cash provided by financing activities	31,964	-
CHANGE IN CASH	5,055	(88,957)
CASH, BEGINNING OF YEAR	95,600	184,557
CASH, END OF YEAR	\$ 100,655	\$ 95,600
SUPPLEMENTAL INFORMATION		
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, 2022 and 2021
(Expressed in Canadian dollars)

	Common Shares				
	Number of Shares	Amount	Contributed Surplus	Deficit	Total
		\$	\$	\$	\$
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
Exercise of warrants	319,643	50,848	(18,884)	-	31,964
Net loss for the year	-	-	-	(53,709)	(53,709)
Balance, April 30, 2022	12,819,644	604,493	191,187	(480,119)	315,561

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

AMV CAPITAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 and 2021
(Expressed in Canadian dollars)

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, 2022, 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, 2022, the Company had an accumulated deficit of \$480,119 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. 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, 2022 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on July 26, 2022.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2022, 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Exploration and evaluation assets (continued)

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.

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.

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.

AMV CAPITAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 and 2021
(Expressed in Canadian dollars)

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 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
Mining tax credit	-	(27,883)	(27,883)
Balance, April 30, 2022	30,000	188,265	218,265

* 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, 2022 and 2021
(Expressed in Canadian dollars)

6. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares without par value.

b) Escrow shares:

As at April 30, 2022, there were 1,974,000 (2021 - 3,948,000) common shares were held in escrow.

c) Issued and outstanding as at April 30, 2022: 12,819,644 (2021 - 12,500,001) common shares.

During the year ended April 30, 2022, the Company had the following share capital transactions:

On December 10, 2021 the Company issued 319,643 shares pursuant to the exercise of agent warrants related to its IPO which was completed on December 10, 2019 for a net of \$31,964.

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

d) Warrants

A continuity of the warrants outstanding as at April 30, 2022 and 2021 is as follows:

	Number of warrants	Weighted average exercise price
Balance, April 30, 2020 and 2021	320,000	\$ 0.10
Exercised	(319,643)	\$ 0.10
Expired	(357)	\$ 0.10
Balance, April 30, 2022	-	\$ -

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.

During the year ended April 30, 2022, the Company did not issue any stock options.

A continuity of the options outstanding and exercisable as at April 30, 2022 and 2021 is as follows:

	Number of options	Weighted average exercise price
Balance, April 30, 2020 and 2021	850,000	\$ 0.10
Granted	-	\$ -
Balance, April 30, 2022	850,000	\$ 0.10

At April 30, 2022, the following share options were outstanding and exercisable:

Number of share options	Exercise price per share	Expiry Date
	\$	\$
850,000	0.10	June 9, 2024

AMV CAPITAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 and 2021
(Expressed in Canadian dollars)

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:

	2022	2021
	\$	\$
Professional fees - accounting services	20,000	22,200
Professional fees - legal services	4,633	7,768

During the year ended April 30, 2022, the Company paid professional fees of \$20,000 (2021- \$22,200) to the CFO of the Company. In addition, accounts payable includes \$5,250 (2021 - \$5,250) due to the CFO.

During the year ended April 30, 2022, the Company incurred \$4,633 (2021 - \$7,768) in legal fees from a partnership in which a partner is also a director 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, 2022, 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.

AMV CAPITAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 and 2021
(Expressed in Canadian dollars)

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:

	2022	2021
Canadian statutory income tax rate	27%	27%
	\$	\$
Income tax recovery at statutory rate	(14,501)	(17,814)
Effect of income taxes of:		
Permanent differences and other	(4)	-
Change in deferred tax assets not recognized	14,505	17,814
Deferred income tax recovery	-	-

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

	2022	2021
	\$	\$
Non-capital loss carry forwards	96,720	75,981
Mineral properties	289	289
Shares issuance cost	12,468	18,702
Deferred tax assets not recognized	(109,477)	(94,972)
	-	-

As at April 30, 2022, the Company had approximately \$358,221 (2021 - \$281,422) in non-capital loss carry forward available to reduce taxable income for future year. The non-capital losses expire in 2042.

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.

AMV CAPITAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 and 2021
(Expressed in Canadian dollars)

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, 2022 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	100,655	-	-	100,655

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at April 30, 2022 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.

AMV CAPITAL CORPORATION
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED OCTOBER 31, 2022
AND OCTOBER 31, 2021
(UNAUDITED)

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

	October 31, 2022 (Unaudited)	April 30, 2022 (Audited)
ASSETS		
Current		
Cash	\$ 26,492	\$ 100,655
Amounts recoverable	4,707	2,103
	31,199	102,758
Exploration and evaluation assets (Note 5)	218,265	218,265
	\$ 249,464	\$ 321,023
LIABILITIES		
Current		
Accounts payable	\$ 54,245	\$ 5,462
	54,245	5,462
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	604,493	604,493
Contributed surplus	191,187	191,187
Deficit	(600,461)	(480,119)
	195,219	315,561
	\$ 249,464	\$ 321,023

NATURE OF CONTINUANCE OF
OPERATIONS (Note 1)Approved and authorized for issue on behalf
of the board on December 19, 2022:

"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>2022</u>	Three months, ended October 31, <u>2021</u>	Six months ended October 31, <u>2022</u>	Six months, ended October 31, <u>2021</u>
EXPENSES				
Investor communication	\$ 2,908	\$ –	\$ 2,908	\$ –
Office and miscellaneous	328	45	372	85
Professional fees	88,018	17,254	107,715	24,261
Transfer agent and filing fees	3,848	3,416	7,594	5,784
Travel and promotion	1,753	3,781	1,753	3,781
<hr/>				
NET LOSS AND COMPREHENSIVE LOSS OF THE PERIOD	\$ 96,855	\$ 24,496	\$ 120,342	\$ 33,911
<hr/>				
LOSS PER SHARE (basic and diluted)	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
<hr/>				
WEIGHTED AVERAGE NUMBER OF COMMON SHARE OUTSTANDING	12,819,644	12,500,001	12,819,644	12,500,001
<hr/>				

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, 2022	12,819,644	604,493	191,187	(480,119)	315,561
Comprehensive loss for the period	–	–	–	(120,342)	(120,342)
Balance, October 31, 2022	12,819,644	604,493	191,187	(600,461)	195,219
Balances, April 30, 2021	12,500,001	553,645	210,071	(426,410)	337,306
Comprehensive loss for the period	–	–	–	(33,911)	(33,911)
Balance, October 31, 2021	12,500,001	553,645	210,071	(460,321)	303,395

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

	Six months ended October 31, <u>2022</u>	Six month ended October 31, <u>2021</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (120,342)	\$ (33,911)
Changes in non-cash working capital balances:		
Other receivable	(2,604)	(949)
Accounts payable and accrued liabilities	48,783	12,089
Cash used in operating activities	(74,163)	(22,771)
INVESTING ACTIVITY		
Mineral property tax credit	–	27,883
Cash used in investing activity	–	27,883
FINANCING ACTIVITIES		
Shares issued for cash	–	–
Cash used in by financing activity	–	–
CHANGE IN CASH DURING THE PERIOD	(74,163)	5,112
CASH, BEGINNING OF PERIOD	100,655	95,600
CASH, END OF PERIOD	\$ 26,492	\$ 100,712
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ –	\$ –
Income taxes paid	\$ –	\$ –
Shares issued for and 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 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 October 31, 2022, 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 \$600,461 as at October 31, 2022, 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.

The Company has entered into an arm’s-length asset purchase agreement dated October 24, 2022, with 101159623 Saskatchewan Ltd., a private corporation controlled by Dawn Zhou (SaskCo), pursuant to which the Company will acquire a 100 per-cent right, title and interest in and to the mineral claims that comprise the Key Lake South uranium project, located in the southeastern Athabasca basin region in Saskatchewan, for and in consideration of 25,639,288 common shares of the Company, representing 66.7% of the issued and outstanding shares of the Company post-closing and pre-financing (the Transaction). The Transaction is to constitute a “reverse takeover” pursuant to the policies of the TSX Venture Exchange (the Exchange) and is subject to receipt of Exchange acceptance.

A British Columbia company wholly owned by Dawn Zhou (FinCo) is to complete non-brokered private placement (the Offering) of 1,880,138 subscription receipts at a price of \$0.45 per subscription receipt to raise \$846,062, with each subscription receipt to be automatically exchanged, for no additional consideration and without any further action, upon satisfaction of certain escrow release conditions, and upon completion of a three-cornered amalgamation of FinCo and a subsidiary of the Company, into one unit of the Company (a FinCo Unit), with each FinCo Unit to comprise one common share and one-half of a share purchase warrant of the Company (each whole warrant, an FinCo Warrant), subject to adjustment. Each FinCo Warrant will entitle the holder to acquire one common share of the Company at a price of \$0.60 per share for a period of two years. The gross proceeds of the Offering, less any finder’s fee paid, will be deposited and held in escrow and released to the Company upon the satisfaction of certain conditions including, but not limited to:

1. Receipt of conditional approval of the Exchange to the Transaction;
2. Board and shareholder approval of the Transaction, as applicable;
3. No material breach or default by SaskCo;
4. Completion of a flow-through private placement to raise no less than \$2.5 million; and
5. All conditions precedent to the completion of the Transaction being satisfied.

1. NATURE OF OPERATIONS (continued)

The Company is to arrange a non-brokered flow-through private placement by issuing 5,697,800 flow-through units (FT Unit) for gross proceeds of \$2,898,900 at a price of \$0.50 per FT Unit, with each FT Unit to comprise one common share issued on a flow-through basis and one-half of a non-flow-through warrant. The flow-through private placement would close immediately following the closing of the Transaction.

2. SIGNIFICANT ACCOUNTING POLICIES

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, 2022.

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 19, 2022.

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, 2022 annual financial statements.

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, 2021	30,000	216,148	246,148
Mining tax credit	–	(27,883)	(27,883)
Balance, April 30, 2022 and October 31, 2022	30,000	188,265	218,265

Sage Property

Pursuant to an option agreement dated November 30, 2017 and amended February 28, 2019, 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.

6. SHARE CAPITAL

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

b) Escrow shares:

As at October 31, 2022, there were 980,250 common shares were held in escrow.

c) Issued and outstanding as at October 31, 2022: 12,819,644 common shares.

During the year ended April 30, 2022 the Company had the following share capital transactions:

On December 10, 2021 the Company issued 319,643 shares pursuant to the exercise of agent warrants related to its IPO which was completed on December 10, 2019 for a net of \$31,964.

During the period ended October 31, 2022 the Company had no share capital transaction.

6. SHARE CAPITAL (continued)

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, 2022 is 2.75 years.

A continuity of the options outstanding as at October 31, 2022 is as follows:

	Number	Weighted average exercise price \$
Balance, April 30, 2021	850,000	0.10
Issued	-	-
Balance, April 30, 2022 and October 31, 2022	850,000	0.10

At October 31, 2022, the following share options were outstanding and exercisable:

Number of share options	Exercise price per share \$	Expiry Date \$
850,000	0.10	June 9, 2024

See subsequent event note 10.

AMV CAPITAL CORPORATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED OCTOBER 31, 2022 AND 2021
(Expressed in Canadian Dollars)

UNAUDITED

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, 2022	April 30, 2022
	\$	\$
Accounts payable and accrued liabilities	50,304	5,250

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, 2022	Period ended October 31, 2021
	\$	\$
Professional fees - accounting services	12,700	10,000
Professional fees – legal services	82,415	3,751

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

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, 2022 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	26,492	-	-	26,492

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at October 31, 2022 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 EVENT

Subsequent to October 31, 2022, 170,000 stock options expired unexercised.

APPENDIX “B” – AMV MANAGEMENT’S DISCUSSION AND ANALYSIS

AMV CAPITAL CORPORATION

Management Discussion and Analysis

For the twelve months period ended April 30, 2022

The Management Discussion and Analysis (“MD&A”), prepared July 26, 2022 should be read in conjunction with the audited financial statements and notes thereto for the year ended April 30, 2022 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, 2022, 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
Mining tax credit	-	(27,883)	(27,883)
Balance, April 30, 2022	30,000	188,265	218,265

*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>2022</u>	April 30, <u>2021</u>	April 30, <u>2020</u>
Revenue	\$ 0	\$ 0	\$ 0
Net Loss	\$ (54)	\$ (66)	\$ (214)
Basic and Diluted Loss Per Share	\$ (0.00)	\$ (0.01)	\$ (0.02)
Total Assets	\$ 321	\$ 343	\$ 432
Long-Term Debt	\$ 0	\$ 0	\$ 0
Dividends	\$ 0	\$ 0	\$ 0

OPERATIONS

Three-month period ended April 30, 2022

During the three months ended April 30, 2022, the Company reported a net loss of \$11,000 (2021 – 11,329). Included in the determination of operating loss was \$5,001 (2021 – \$5,331) on professional fees, \$5,910 (2021 - \$5,958) on transfer agent and filing fees, \$89 (2021 - \$39) on office and miscellaneous, \$Nil (2021 - \$1) on project evaluation, and \$Nil (2021 - \$Nil) on travel and promotion.

Twelve-month period ended April 30, 2022

During the nine months ended April 30, 2022, the Company reported a net loss of \$53,709 (2021 – 65,990). Included in the determination of operating loss was \$35,769 (2021 – \$44,968) on professional fees, \$13,942 (2021 - \$14,722) on transfer agent and filing fees and \$217 (2021 - \$215) on office and miscellaneous, \$Nil (2021 - \$6,085) on project evaluation and \$3,781 (2021 - \$Nil) on travel and promotion.

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

	April 30, <u>2022</u>	January 31, <u>2022</u>	October 31, <u>2021</u>	July 31, <u>2021</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net gain (loss)	\$ (12)	\$ (9)	\$ (24)	\$ (9)
Basic and diluted Gain (loss) per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

	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 loss	\$ (9)	\$ (16)	\$ (5)	\$ (36)
Basic and diluted Loss per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents as at April 30, 2022 were \$100,665 compared to \$95,600 at April 30, 2021.

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:

	Year ended April 30, 2022	Year ended April 30, 2021
Professional fees	\$ 24,633	\$ 29,938

During the year ended April 30, 2022, the Company paid professional fees of \$20,000 (2021- \$22,200) to the CFO of the Company. In addition, accounts payable includes \$5,250 (2021 - \$5,250) due to the CFO.

During the year ended April 30, 2022, the Company incurred \$4,633 (2021 - \$7,768) in legal fees from a partnership in which a partner is also a director of the Company. In addition, accounts payable includes \$nil (2021 - \$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 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, 2022 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	100,655	–	–	100,655

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at April 30, 2022 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 12,819,644 common shares issued and outstanding as of April 30, 2022 and July 26, 2022.

Share Purchase Options

The Company has 850,000 stock options outstanding as of April 30, 2022 and July 26, 2022.

Warrants

The Company had Nil share purchase warrants outstanding as of April 30, 2022 and July 26, 2022.

Escrow Shares

The Company has 1,960,500 common shares held in escrow as of April 30, 2022 and 980,250 as of July 26, 2022.

AMV CAPITAL CORPORATION

Management Discussion and Analysis

For the six months period ended October 31, 2022

The Management Discussion and Analysis (“MD&A”), prepared December 19, 2022 should be read in conjunction with the audited financial statements and notes thereto for the year ended April 30, 2022 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 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 October 31, 2022, 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 Company had deficit of \$600,461 as at October 31, 2022, 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.

The Company has entered into an arm’s-length asset purchase agreement dated October 24, 2022, with 101159623 Saskatchewan Ltd., a private corporation controlled by Dawn Zhou (SaskCo), pursuant to which the Company will acquire a 100 per-cent right, title and interest in and to the mineral claims that comprise the Key Lake South uranium project, located in the southeastern Athabasca basin region in Saskatchewan, for and in consideration of 25,639,288 common shares of the Company, representing 66.7% of the issued and outstanding shares of the Company post-closing and pre-financing (the Transaction). The Transaction is to constitute a “reverse takeover” pursuant to the policies of the TSX Venture Exchange (the Exchange) and is subject to receipt of Exchange acceptance.

A British Columbia company wholly owned by Dawn Zhou (FinCo) is to complete non-brokered private placement (the Offering) of 1,880,138 subscription receipts at a price of \$0.45 per subscription receipt to raise \$846,062, with each subscription receipt to be automatically exchanged, for no additional consideration and without any further action, upon satisfaction of certain escrow release conditions, and upon completion of a three-cornered amalgamation of FinCo and a subsidiary of the Company, into one unit of the Company (a FinCo Unit), with each FinCo Unit to comprise one common share and one-half of a share purchase warrant of the Company (each whole warrant, an FinCo Warrant), subject to adjustment. Each FinCo Warrant will entitle the holder to acquire one common share of the Company at a price of \$0.60 per share for a period of two years. The gross proceeds of the Offering, less any finder's fee paid, will be deposited and held in escrow and released to the Company upon the satisfaction of certain conditions including, but not limited to:

1. Receipt of conditional approval of the Exchange to the Transaction;
2. Board and shareholder approval of the Transaction, as applicable;
3. No material breach or default by SaskCo;
4. Completion of a flow-through private placement to raise no less than \$2.5 million; and
5. All conditions precedent to the completion of the Transaction being satisfied.

The Company is to arrange a non-brokered flow-through private placement by issuing 5,697,800 flow-through units (FT Unit) for gross proceeds of \$2,898,900 at a price of \$0.50 per FT Unit, with each FT Unit to comprise one common share issued on a flow-through basis and one-half of a non-flow-through warrant. The flow-through private placement would close immediately following the closing of the Transaction.

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, 2021	30,000	216,148	246,148
Mining tax credit	–	(27,883)	(27,883)
Balance, April 30, 2022 and October 31, 2022	30,000	188,265	218,265

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>2022</u>	April 30, <u>2021</u>	April 30, <u>2020</u>
Revenue	\$ -	\$ -	\$ -
Net Loss	\$ (54)	\$ (66)	\$ (214)
Basic and Diluted Loss Per Share	\$ (0.00)	\$ (0.01)	\$ (0.02)
Total Assets	\$ 321	\$ 343	\$ 432
Long-Term Debt	\$ -	\$ -	\$ -
Dividends	\$ -	\$ -	\$ -

OPERATIONS**Three month period ended October 31, 2022**

During the three months ended October 31, 2022, the Company reported a net loss of \$96,855 (2021 – \$24,496). Included in the determination of operating loss was \$88,018 (2021 – \$17,254) on professional fees, \$3,848 (2021 - \$3,416) on transfer agent and filing fees, \$328 (2021 - \$45) on office and miscellaneous, \$2,908 (2021 - \$Nil) on investor communication and \$1,753 (2021 – \$3,781) on travel and promotion.

Six month period ended October 31, 2022

During the six months ended October 31, 2022, the Company reported a net loss of \$120,342 (2021 – \$33,911). Included in the determination of operating loss was \$107,715 (2021 – \$24,261) on professional fees, \$7,594 (2021 - \$5,784) on transfer agent and filing fees, \$372 (2021 - \$85) on office and miscellaneous, \$2,908 (2021 - \$Nil) on investor communication and \$1,753 (2021 – \$3,781) on travel and promotion.

SUMMARY OF QUARTERLY RESULTS

(\$000's except earnings per share)

	October 31, <u>2022</u>	July 31, <u>2022</u>	April 30, <u>2022</u>	January 31, <u>2022</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net gain (loss)	\$ (97)	\$ (23)	\$ (12)	\$ (9)
Basic and diluted Gain (loss) per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)
	October 31, <u>2021</u>	July 31, <u>2021</u>	April 30, <u>2021</u>	January 31, <u>2021</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net loss	\$ (24)	\$ (9)	\$ (9)	\$ (16)
Basic and diluted Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents as at October 31, 2022 were \$26,492 compared to \$100,655 at April 30, 2022.

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

	October 31, 2022	April 30, 2022
	\$	\$
Accounts payable and accrued liabilities	50,304	5,250

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, 2022	Period ended October 31, 2021
	\$	\$
Professional fees - accounting services	12,700	10,000
Professional fees – legal services	82,415	3,751

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.

COMMITMENTS

The Company does not have any significant commitments.

SUBSEQUENT EVENTS

Subsequent to October 31, 2022, 170,000 stock options expired unexercised.

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, 2022 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 October 31, 2022 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	26,492	–	–	26,492

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at October 31, 2022 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 12,819,644 common shares issued and outstanding as of October 31, 2022 and as at December 19, 2022.

Share Purchase Options

The Company has 850,000 stock options outstanding as of October 31, 2022 and 680,000 and as at December 19, 2022.

Warrants

The Company had Nil share purchase warrants outstanding as of October 31, 2022 and as at December 19, 2022.

Escrow Shares

The Company has 980,250 common shares held in escrow as of October 31, 2022 and as at December 19, 2022.

APPENDIX "C" – RESULTING ISSUER OPTION PLAN

ABASCA RESOURCES INC.

STOCK OPTION PLAN

Effective Date: December 29, 2022

Approved by the Board of Directors
on December 29, 2022

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STOCK OPTION PLAN

SECTION 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) **“Administrator”** means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, if any.
- (b) **“Associate”** means, where used to indicate a relationship with any person:
 - (i) any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the person;
 - (ii) any partner, other than a limited partner, of that person;
 - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
 - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) **“Black-Out”** means a restriction imposed by the Company pursuant to the Company's internal policies on all or any of its Directors, Officers, Employees, Insiders or persons in a special relationship as a result of the bona fide existence of undisclosed Material Information whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company. Such restriction must expire following the general disclosure of the undisclosed Material Information.
- (d) **“Board”** means the board of directors of the Company.
- (e) **“Change of Control”** means an occurrence when either:
 - (i) a Person or Entity, other than the current “control person” of the Company (as that term is defined in the Securities Act), becomes a “control person” of the Company; or
 - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.
- (f) **“Committee”** means a committee of the Board appointed in accordance with this Plan or if no such committee is appointed, the Board itself.
- (g) **“Company”** means Abasca Resources Inc.

- (h) **“Consultant”** means, in relation to the Company, an individual (other than a Director, Officer or Employee of the Company) who:
- (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the Securities Act);
 - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in subsection (iv) below); and
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary;
- and includes:
- (iv) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a **“Consultant Entity”**); or
 - (v) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (i) **“Director”** means a director (as defined under Securities Laws) of the Company or any of its Subsidiaries.
- (j) **“Disability”** means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability.
- (k) **“Disinterested Shareholder Approval”** has the meaning ascribed thereto by the TSXV in “Policy 4.4 – *Security Based Compensation*” of the TSXV’s Corporate Finance Manual.
- (l) **“Employee”** means:
- (i) an individual who works full-time or part-time for the Company or of its Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or
 - (ii) an individual who works for the Company or its Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or its Subsidiary over the details and methods of work as an employee of the Company or of the Subsidiary, as the case may be, but for whom income tax deductions are not made at source,
- and includes:
- (iii) a corporation wholly-owned by such individual; and

- (iv) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (m) **“Executive”** means an individual who is a Director or Officer of the Company or a Subsidiary, and includes:
 - (i) a corporation wholly-owned by such individual; and
 - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (n) **“Exercise Notice”** means the written notice of the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder.
- (o) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (p) **“Exercise Price”** means the price at which an Option is exercisable as determined in accordance with section 5.4.
- (q) **“Expiry Date”** means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.2, 5.5, 6.2, 6.3, 6.4 or 11.4.
- (r) **“Expiry Time”** means the time the Option expires on the Expiry Date, which is 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
- (s) **“Grant Date”** means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (t) **“Insider”** means an insider as that term is defined in the Securities Act.
- (u) **“Investor Relations Activities”** has the meaning ascribed thereto by the TSXV in Policy 1.1 of the TSXV’s Corporate Finance Manual.
- (v) **“Investor Relations Service Provider”** means any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities.
- (w) **“Management Company Employee”** means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the business enterprise of the Company.
- (x) **“Market Value”** means the market value of the Shares as determined in accordance with section 5.4.
- (y) **“Material Change”** means the definition prescribed by applicable Securities Laws.
- (z) **“Material Fact”** means the definition prescribed by applicable Securities Laws.
- (aa) **“Material Information”** means a Material Fact and/or Material Change as defined by applicable Securities Laws and TSXV Policy.

- (bb) **“Officer”** means an officer (as defined under Securities Laws) of the Company or of any of its Subsidiaries.
- (cc) **“Option”** means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (dd) **“Option Certificate”** means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.
- (ee) **“Option Holder”** means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (ff) **“Outstanding Issue”** means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (gg) **“Person”** or **“Entity”** means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
- (hh) **“Personal Representative”** means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (ii) **“Plan”** means this stock option plan as from time to time amended.
- (jj) **“Regulatory Approvals”** means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (kk) **“Regulatory Authorities”** means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (ll) **“Regulatory Rules”** means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (mm) **“Securities Act”** means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (nn) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Company.

- (oo) **“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the authorized share structure of the Company.
- (pp) **“Subsidiary”** means a wholly-owned or controlled subsidiary corporation of the Company.
- (qq) **“Triggering Event”** means:
- (i) the proposed dissolution, liquidation or wind-up of the Company;
 - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
 - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
 - (iv) a proposed Change of Control of the Company;
 - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
 - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (rr) **“TSXV”** means the TSX Venture Exchange Inc.
- (ss) **“Vest”** or **“Vesting”** means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

1.2 **Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of British Columbia.

1.3 **Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

SECTION 2 PURPOSE AND PARTICIPATION

2.1 **Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants, to incent such individuals to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

2.2 Participation in Plan

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants, if any, to whom Options are to be granted.

2.3 Limits on Option Grants

If the Company is listed on TSXV, the following limitations shall apply to the Plan and all Options thereunder so long as such limitations are required by the TSXV:

- (a) the maximum number of Options which may be granted to any one Option Holder under the Plan within any 12-month period shall be 5% of the Outstanding Issue (unless the Company has obtained disinterested shareholder approval as required by the TSXV);
- (b) the maximum aggregate number of Shares that are issuable to Insiders (as a group) pursuant to the exercise of Options and pursuant to any other security based compensation arrangement must not exceed 10% of the Outstanding Issue at any point in time, unless the Company has obtained Disinterested Shareholder Approval;
- (c) the maximum aggregate number of Shares that are issuable pursuant to the exercise of Options and pursuant to any other security based compensation arrangement granted or issued in any 12-month period to Insiders (as a group) must not exceed 10% of the Outstanding Issue, calculated as at the date any Options are granted or issued to any Insider (including any Options which are granted and exercised within that 12-month period), unless the Company has obtained Disinterested Shareholder Approval;
- (d) with respect to section 5.1, the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option;
- (e) the maximum aggregate number of Options which may be granted to any one Consultant within any 12-month period must not exceed 2% of the Outstanding Issue, calculated as at the date an Option is granted or issued to the Consultant;
- (f) Investor Relations Service Providers may not receive any security based compensation other than Options;
- (g) the maximum aggregate number of Options which may be granted in any 12-month period to all Investor Relations Service Providers must not exceed 2% of the Outstanding Issue, calculated as at the date any Option is granted to any such Investor Relations Service Providers and such Options must vest in stages over a period of not less than 12 months such that:
 - (i) no more than 1/4 of the Options vest no sooner than three months after the date the Options were granted;
 - (ii) no more than another 1/4 of the Options vest no sooner than six months after the date the Options were granted;
 - (iii) no more than another 1/4 of the Options vest no sooner than nine months after the date the Options were granted; and
 - (iv) the remainder of the Options vest no sooner than 12 months after the date the Options were granted,

and such limitation will not be an amendment to this Plan requiring the Option Holders consent under section 9.2 of this Plan.

2.4 **Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

2.5 **Copy of Plan**

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.6 **Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

2.7 **No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options granted under this Plan.

2.8 **Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

2.9 **Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

2.10 **Representation to TSXV**

As a condition precedent to the issuance of an Option, the Company and the Option Holder must be able to represent to the TSXV as of the Grant Date that the Option Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary. The Option Certificate to which the Option Holder is a party must contain such a representation by the Option Holder.

**SECTION 3
NUMBER OF SHARES UNDER PLAN**

3.1 Board to Approve Issuance of Shares

The Board shall approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options regardless of when it is actually done. The Board shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

3.2 Number of Shares

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan will not exceed 10% of the number of Shares which are issued and outstanding on the particular date of grant of Options. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

3.3 Fractional Shares

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

**SECTION 4
GRANT OF OPTIONS**

4.1 Grant of Options

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

4.2 Record of Option Grants

The Committee shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (e) the vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

4.3 **Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

**SECTION 5
TERMS AND CONDITIONS OF OPTIONS**

5.1 **Exercise Period of Option**

Subject to sections 5.2, 5.5, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

5.2 **Extension of Expiry Date of Stock Options Due to a Black-Out**

The Expiry Date of outstanding Options held by Option Holders which would expire during a Black-Out, or within 10 business days after the expiry of a Black-Out, will be extended for a period of time ending on the tenth (10th) business day after the expiry date of the Black-Out to provide such Options Holders with an extension to the right to exercise such Options; provided, however, that for so long as the Company is listed on the TSXV:

- (a) the Expiry Date must not exceed the date which is ten years from the date of grant of such Option;
- (b) the automatic extension of an Option Holder's Option pursuant to this section 5.2 will not be permitted where the Option Holder or the Company is subject to a cease trade order (or similar order under Securities Laws) in respect of the Company's securities; and
- (c) the automatic extension is available to all eligible Option Holders under this Plan under the same terms and conditions.

5.3 **Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

5.4 **Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;
- (b) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subsection (a) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (c) if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (d) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arm's length.

Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

5.5 **Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in subsections (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* – In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 90th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
 - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
 - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
 - (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR

(b) *Ceasing to be Employed or Engaged* – In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 90th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:

- (i) termination for cause;
- (ii) resigning his or her position; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

5.6 **Vesting of Option and Acceleration**

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. For greater certainty, there shall be no acceleration of the vesting requirements applicable to Options granted to Investor Relations Service Providers without the prior written approval of the TSXV.

5.7 **Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

SECTION 6 TRANSFERABILITY OF OPTIONS

6.1 **Non-transferable**

Except as provided otherwise in this Section 6, Options are non-assignable and non-transferable.

6.2 **Death of Option Holder**

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

6.3 **Disability of Option Holder**

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a Director or Officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a Director or Officer and the applicable Expiry Date.

6.4 **Disability and Death of Option Holder**

If an Option Holder has ceased to be employed, engaged or appointed as a Director or Officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

6.5 **Vesting**

Notwithstanding any vesting schedule to which Options are subject, Options shall cease to vest immediately if the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a Director or Officer of the Company or a Subsidiary is terminated for any reason whatsoever. In which case, the Option Holder may only exercise such number of Options that are vested as at the date of termination of such Option Holder's employment, engagement or appointment as a Director or Officer.

6.6 **Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

**SECTION 7
EXERCISE OF OPTION**

7.1 **Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, the applicable Option Certificate and a certified cheque, wire transfer or bank draft payable to the Company in an amount equal

to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during Black-Out unless the Committee determines otherwise. Notwithstanding anything else contained herein, Options held by Investor Relations Service Providers may not be exercised on a "net exercise" basis.

7.2 **Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Share Certificate.

7.3 **No Rights as Shareholder**

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the certificates, the decision of the Committee shall be final, conclusive and binding.

**SECTION 8
ADMINISTRATION**

8.1 **Board or Committee**

The Plan shall be administered by the Board, by a Committee of the Board appointed in accordance with section 8.2 below, or by an Administrator appointed in accordance with subsection 8.4(b).

8.2 **Appointment of Committee**

The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan.

8.3 **Quorum and Voting**

A majority of the members of the Committee shall constitute a quorum and, subject to the limitations in this Section 8, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee may vote on any matters affecting the administration of the Plan or the grant of Options pursuant to the Plan, except that no such member shall act upon the granting of an Option to himself or herself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to that member). The Committee may approve matters by written resolution signed by a majority of the quorum.

8.4 **Powers of Committee**

The Committee (or the Board if no Committee is in place) shall have the authority to do the following:

- (a) administer the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value of the Shares;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) do the following with respect to the granting of Options:
 - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
 - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
 - (iv) determine when Options shall be granted; and
 - (v) determine the number of Shares subject to each Option;
- (h) accelerate the vesting schedule of any Option previously granted, provided that there shall be no acceleration of the vesting requirements applicable to Options granted to Investor Relations Service Providers without the prior written approval of the TSXV; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

8.5 **Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

8.6 **Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

**SECTION 9
APPROVALS AND AMENDMENT**

9.1 **Shareholder Approval of Plan**

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of a majority of the votes cast at a meeting of the shareholders of the Company or by a majority of votes cast by disinterested shareholders at a meeting of shareholders of the Company. If shareholder approval is required, any Options granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

9.2 **Amendment of Option or Plan**

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder;

then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Option Holder is an Insider of the Company at the time of the proposed amendment.

**SECTION 10
CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES**

10.1 **Compliance with Laws**

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificates representing such Shares accordingly.

10.2 **Obligation to Obtain Regulatory Approvals**

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless

and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

10.3 **Inability to Obtain Regulatory Approvals**

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

10.4 **Withholding Tax Requirements**

Upon exercise of an Option, the Option Holder shall, upon notification of the amount due and prior to the delivery of the certificates representing the Shares, pay to the Company amounts necessary to satisfy applicable federal and provincial withholding tax requirements and, if applicable, Canada Pension Plan contributions, in such amount as determined by the Company, or shall otherwise make arrangements satisfactory to the Company for such requirements. In order to implement this provision, the Company or any related corporation shall have the right to retain and withhold from any payment of cash or Shares under this Plan the amount of taxes and, if applicable, Canada Pension Plan contributions, in such amount as determined by the Company, to be withheld or otherwise deducted and paid with respect to such payment. At its discretion, the Company may require an Option Holder receiving Shares to reimburse the Company for any such taxes and Canada Pension Plan contributions required to be withheld by the Company and withhold any distribution to the Option Holder in whole or in part until the Company is so reimbursed. In lieu thereof, the Company shall have the right to withhold from any other cash amounts due or to become due from the Company to the Option Holder an amount equal to such taxes and, if applicable, Canada Pension Plan contributions as determined by the Company. The Company may also retain and withhold or the Option Holder may elect, subject to approval by the Company at its sole discretion, to have the Company retain and withhold a number of Shares having a market value of not less than the amount of such taxes and, if applicable, Canada Pension Plan contributions, as determined by the Company, required to be withheld by the Company to reimburse the Company for any such taxes and cancel (in whole or in part) any such Shares so withheld.

**SECTION 11
ADJUSTMENTS AND TERMINATION**

11.1 **Termination or Suspension of Plan**

Subject to any necessary Regulatory Approvals, the Committee may in its absolute discretion terminate or suspend the Plan.

11.2 **No Grant During Suspension or After Termination of Plan**

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

11.3 **Alteration in Capital Structure**

- (a) Following the date an Option is granted, the exercise price for and the number of Shares which are subject to an Option will be adjusted, with respect to the then unexercised portion thereof, in the events and in accordance with the provisions and rules set out in

this section 11.3, with the intent that the rights of Option Holders under their Options are, to the extent possible, preserved and maintained notwithstanding the occurrence of such events. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Board or Committee, and any such determination will be binding on the Company, the Option Holder and all other affected parties.

- (b) If the outstanding Shares are changed into or exchanged for a different number of shares or into or for other securities of the Company or securities of another company or entity, whether through an arrangement, amalgamation, merger, business combination, sale or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then on each exercise of the Option which occurs following such events, for each Share for which the Option is exercised, the Option Holder shall instead receive the number and kind of shares or other securities of the Company or other company into which such Share would have been changed or for which such Share would have been exchanged if it had been outstanding on the date of such event and the exercise price will be similarly adjusted so that the aggregate price to exercise the Option is preserved, and if the Company undertakes an arrangement or is amalgamated, merged or combined with another company, the Board shall make such other provision for the protection of the rights of Option Holders as it shall deem advisable.
- (c) If the outstanding Shares are changed into or exchanged for a different number of shares or into or for other securities of the Company or securities of another company or entity, in a manner other than as specified in subsection 11.3(b), then the Board or Committee, in its sole discretion, may make such adjustment to the securities to be issued pursuant to any exercise of the Option and the exercise price to be paid for each such security following such event as the Board or Committee in its sole and absolute discretion determines to be equitable to give effect to the principle described in subsection 11.3(a) and such adjustments shall be effective and binding upon the Company and the Option Holder and all the other parties for all purposes.
- (d) No adjustment or substitution provided for in this section 11.3 shall require the Company to issue a fractional share in respect of any Option. Fractional shares shall be eliminated.
- (e) The grant or existence of an Option shall not in any way limit or restrict the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.
- (f) For purposes of this section 11.3, and without limitation, neither:
 - (i) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
 - (ii) the conversion of outstanding securities of the Company into Shares,shall trigger any adjustment pursuant to this section 11.3.
- (g) Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.
- (h) For greater certainty, any adjustment, other than in connection with a share consolidation or share split, to Options granted or issued under this Plan are subject to the prior

acceptance of the TSXV, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

11.4 **Triggering Events**

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

11.5 **Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject. For greater certainty, there shall be no acceleration of the vesting requirements applicable to Options granted to Investor Relations Service Providers without the prior written approval of the TSXV.

11.6 **Determinations to be Made By Committee**

Adjustments and determinations under this Section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

SCHEDULE A

[Include the following hold period for stock options granted to: (i) directors, officers and promoters; (ii) over 10% shareholders; and (iii) any Option Holder if the exercise price of the stock options granted is based on less than Market Price.]

[WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ● [insert the date which is four months and one day after the Grant Date].]

ABASCA RESOURCES INC.

STOCK OPTION PLAN – OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan (the “Plan”) of Abasca Resources Inc. (the “Company”) and evidences that ● [Name of Option Holder] is the holder (the “Option Holder”) of an option (the “Option”) to purchase up to ● common shares (the “Shares”) in the authorized share structure of the Company at a purchase price of CDN\$● per Share (the “Exercise Price”). This Option may be exercised at any time and from time to time from and including the Grant Date through to and including up to 5:00 p.m. local time in Vancouver, British Columbia (the “Expiry Time”) on the following Expiry Date:

- (a) the Grant Date of this Option is ●, 20●; and
- (b) subject to sections 5.2, 5.5, 6.2, 6.3, 6.4 and 11.4 of the Plan, the Expiry Date of this Option is ●, 20●.

To exercise this Option, the Option Holder must deliver to the Administrator of the Plan, prior to the Expiry Time on the Expiry Date, an Exercise Notice, in the form provided in the Plan, which is incorporated by reference herein, together with the original of this Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

[Include the following hold period for stock options granted to: (i) directors, officers and promoters; (ii) over 10% shareholders; and (iii) any Option Holder if the exercise price of the stock options granted is based on less than Market Price.]

[Any share certificates issued pursuant to an exercise of the Option before ● [insert the date which is four months and one day after the Grant Date] will contain the following legend:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT

OF A CANADIAN RESIDENT UNTIL ● [insert the date which is four months and one day after the Grant Date].”]

This Option was granted to the Option Holder in his or her capacity as a bona fide Director, Officer, Employee, Management Company Employee or Consultant of the Company, and shall continue in effect should his or her status change and he or she continue in a new capacity as a Director, Officer, Employee, Management Company Employee or Consultant of the Company.

ABASCA RESOURCES INC.

Per:

Director

The Option Holder acknowledges receipt of a copy of the Plan and represents to the Company that the Option Holder is a bona fide Director, Officer, Employee, Management Company Employee or Consultant of the Company (**circle appropriate relationship with the Company**) and is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the applicable Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Company on the Grant Date, this Option is not exercisable until such approval has been obtained.

By signing this Option Certificate, the undersigned also provides its express written consent to:

- (a) the disclosure of Personal Information (as defined below) by the Company to the TSX Venture Exchange (the “**TSXV**”) with respect to any and all forms required to be filed by the Company with the TSXV with respect to the grant of this Option; and
- (b) the collection, use and disclosure of Personal Information by the TSXV for the purposes described in Appendix 6A of the Corporate Finance Manual of the TSXV, or as otherwise identified by the TSXV, from time to time.

“**Personal Information**” means any information about an identifiable individual, and includes the information contained in the Form 4G – Summary Form – Incentive Stock Options to be filed by the Company with the TSXV.

[Signature page follows]

Signature of Option Holder:

Signature

Date signed: _____

Print Name

Address

OPTION CERTIFICATE – SCHEDULE

[Complete the following additional terms and any other special terms, if applicable, or remove the inapplicable terms or this schedule entirely.]

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:
 - (a) no more than ● Shares (●%) will vest and be exercisable after the Grant Date;
 - (b) no more than ● additional Shares (●%) will vest and be exercisable after ● [date];
 - (c) no more than ● additional Shares (●%) will vest and be exercisable after ● [date]; and
 - (d) the remainder of the ● additional Shares (●%) will vest and be exercisable after ● [date];

2. Upon the Option Holder ceasing to hold a position with the Company, other than as a result of the events set out in subsections 5.5(a) or 5.5(b) of the Plan, the Expiry Date of the Option shall be ● **[Insert date desired that is longer or shorter than the standard 90 days as set out in the Plan]** following the date the Option Holder ceases to hold such position.

SCHEDULE B

**ABASCA RESOURCES INC.
STOCK OPTION PLAN**

NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan
Abasca Resources Inc.
#208 311 4th Ave N.
Saskatoon, SK S7K 2L8 Canada
(or such other address as the Company may advise)

The undersigned hereby irrevocably gives notice, pursuant to the Stock Option Plan (the "**Plan**") of Abasca Resources Inc. (the "**Company**"), of the exercise of the Option to acquire and hereby subscribes for (**cross out inapplicable item**):

- (a) all of the Shares; or
- (b) of the Shares;

which are the subject of the Option Certificate attached hereto (**attach your original Option Certificate**).

The undersigned tenders herewith a certified cheque or bank draft (**circle one**) payable to "Abasca Resources Inc." in an amount equal to the aggregate Exercise Price of the aforesaid Shares and directs the Company to issue the certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address (**provide full complete address**):

The undersigned acknowledges the Option is not validly exercised unless this Notice is completed in strict compliance with this form and delivered to the required address with the required payment prior to 5:00 p.m. local time in Vancouver, B.C. on the Expiry Date of the Option.

DATED the _____ day of _____, 20____.

Signature of Option Holder