

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.