

# **MPVC Inc.**

**Third Quarter Ended September 30, 2013**

*(Unaudited)*

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

# MPVC Inc.

## Condensed Interim Statements of Financial Position

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(Unaudited - expressed in Canadian dollars)

	Note	September 30, 2013 \$	December 31, 2012 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash		84,536	15,948
HST receivable		22,447	-
Prepaid expenses		27,900	12,000
		<hr/>	<hr/>
<b>Total assets</b>		134,883	27,948
		<hr/>	<hr/>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable		-	56,345
Advances from a shareholder	4	-	14,258
		<hr/>	<hr/>
		-	70,603
<b>Loans payable</b>	5	-	132,287
		<hr/>	<hr/>
		-	202,890
		<hr/>	<hr/>
<b>Shareholders' equity</b>			
Share capital	6	3,023,858	2,395,645
Share purchase warrants	6	99,725	-
Contributed surplus		197,911	197,911
Deficit		(3,186,611)	(2,768,498)
		<hr/>	<hr/>
		134,883	(174,942)
		<hr/>	<hr/>
<b>Total liabilities and shareholders' equity</b>		134,883	27,948
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Nature of Operations and Future Operations (note 1)

Subsequent Event (note 9)

**On behalf of the Board**

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(signed) "Grant Hall"

(signed) "Graham Kemp"

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

# MPVC Inc.

## Condensed Interim Statements of Loss and Comprehensive Loss For the three and nine months ended September 30

(Unaudited - expressed in Canadian dollars)

Note	Three Month Period Ended Sept. 30, 2013 \$	Three Month Period Ended Sept. 30, 2012 \$	Nine Month Period Ended Sept. 30, 2013 \$	Nine Month Period Ended Sept. 30, 2012 \$
<b>General and administrative expenses</b>				
Accounting and audit fees	-	-	1,100	-
Legal fees	60,243	-	60,243	-
Management fees	21,650	-	26,650	-
General and administration	25,000	150	25,210	1,562
Due diligence – geological work	252,659	-	268,447	-
Filing fees	10,620	-	10,620	-
Press releases	385	-	385	-
Transfer agent and listing fees	8,748	1,600	23,723	1,600
	(379,266)	(1,750)	(416,339)	(3,162)
<b>Other income (expenses)</b>				
Bank fees	(75)	-	(75)	-
Foreign exchange	(1,200)	-	(1,699)	-
	(1,275)	-	(1,774)	-
<b>Net loss and comprehensive loss for the period</b>	<b>(380,541)</b>	<b>(1,750)</b>	<b>(418,113)</b>	<b>(3,162)</b>
<b>Basic and diluted loss per share</b>	<b>(0.02)</b>	<b>(0.00)</b>	<b>(0.11)</b>	<b>(0.00)</b>
<b>Weighted average number of shares outstanding</b>	<b>6,742,645</b>	<b>2,375,843</b>	<b>3,847,439</b>	<b>2,375,843</b>

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

# MPVC Inc.

## Condensed Interim Statements of Changes in Equity

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*(Unaudited - expressed in Canadian dollars)*

	Share Capital		Share Purchase Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
	Number	Amount				
Balance, January 1, 2013	2,375,843	2,395,645	-	197,911	(2,768,498)	(174,942)
Issuance of common shares for cash	10,450,000	479,879	-	-	-	479,879
Warrants issued in connection with above	-	(99,725)	99,725	-	-	-
Issuance of common shares for debt	4,961,173	248,059	-	-	-	248,059
Net loss and comprehensive loss for the period	-	-	-	-	(418,113)	(418,075)
Balance, Sept. 30, 2013	<u>17,787,016</u>	<u>3,023,858</u>	<u>99,725</u>	<u>197,911</u>	<u>(3,186,611)</u>	<u>134,883</u>
Balance, January 1, 2012	2,375,843	2,395,645	-	197,911	(2,690,621)	(97,065)
Net loss and comprehensive loss for the period	-	-	-	-	(3,162)	(3,162)
Balance, Sept. 30, 2012	<u>2,375,843</u>	<u>2,395,645</u>	<u>-</u>	<u>197,911</u>	<u>(2,693,783)</u>	<u>(100,224)</u>

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

# MPVC Inc.

## Condensed Interim Statements of Cash Flows For the nine months ended September 30

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*(Unaudited - expressed in Canadian dollars)*

	<b>2013</b>	<b>2012</b>
	\$	\$
<b>Cash flows (used in) from operating activities</b>		
Net loss for the period	(418,113)	(3,162)
Items not affecting cash		
Share-based payments	-	-
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	(418,113)	(3,162)
Changes in non-cash operating working capital		
Change in HST receivable	(22,447)	-
Change in prepaid expenses	(15,900)	-
Change in accounts payable and accrued liabilities	(56,345)	(13,773)
	<hr/>	<hr/>
<b>Net cash (used in) from operating activities</b>	(512,805)	(16,935)
<b>Cash flows from investing activities</b>	<hr/>	<hr/>
	-	-
Issuance of loans payable	101,514	13,773
Proceeds from equity issuance, net	479,879	-
<b>Cash flows from financing activities</b>	<hr/>	<hr/>
	581,393	13,773
<b>Increase (decrease) in cash</b>	68,588	(3,162)
<b>Cash - Beginning of period</b>	<hr/>	<hr/>
	15,948	5,644
<b>Cash - End of period</b>	<hr/>	<hr/>
	84,536	2,482

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

# MPVC Inc.

## Notes to the Condensed Interim Financial Statements For the nine months ended September 30, 2013

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*(Unaudited - expressed in Canadian dollars)*

### **1 Nature of Operations and Future Operations**

#### ***Corporate information***

MPVC Inc. (the "Company") was incorporated on July 19, 2005 under the Canada Business Corporations Act. The Company trades on the NEX Exchange of the TSX Venture Exchange under the ticker symbol MVC.H.

The Company currently has no business operations. The Company is in the process of identifying and evaluating potential acquisitions of assets, properties or businesses with the plan of meeting the minimum listing requirements of the TSX Venture Exchange.

The address of the Company's corporate office and principal place of business is 3 Hardy Bay, Winnipeg, Manitoba, Canada.

#### ***Going concern of operations***

The Company does not generate revenue from operations. The Company incurred a net loss of \$418,113 during the nine months-ended September 30, 2013 and, as of that date the Company's deficit was \$3,186,611. These condensed interim financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and acquiring business operations. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue in business.

### **2 Basis of Presentation**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2012 except as outlined in Note 3.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2012.

These financial statements were approved by the board of directors for use on November 8, 2013.

# MPVC Inc.

## Notes to the Condensed Interim Financial Statements For the nine months ended September 30, 2013

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(Unaudited - expressed in Canadian dollars)

### 3 Changes in accounting policies including initial adoption

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning on or after January 1, 2013.

The following new standards, amendments and interpretations that have been adopted for the Company's current fiscal year have not had a material impact on the Company:

- IFRS 10 "Consolidated Financial Statements"
- IFRS 11 "Joint Arrangements"
- IFRS 12 "Disclosure of Interests in Other Entities"
- IFRS 13 "Fair Value Measurement"
- IAS 1 "Presentation of Financial Statements" amendments

The following new standard has been issued but not yet applied.

- IFRS 9 "Financial Instruments" was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This new standard is effective for annual periods beginning on or after January 1, 2015 with earlier application permitted. The Company has not assessed the impact of this standard.

### 4 Advance From Shareholder

The advance from Shareholder is non-interest bearing, unsecured and due on demand. During the third quarter the advance was converted to common shares in a shares for debt exchange.

### 5 Loans Payables

The Company has agreed to reimburse borrowed funds by the issuance of shares or cash at the discretion of the lenders once MPVC has been relisted on either the CSX or the TSX. Loans payable have no stated interest

# MPVC Inc.

## Notes to the Condensed Interim Financial Statements For the nine months ended September 30, 2013

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*(Unaudited - expressed in Canadian dollars)*

rates. During the third quarter the loans payable were converted to common shares in a shares for debt exchange.

### 6 Share Capital

#### a) Authorized

An unlimited number of common shares.

The holders of the common shares are entitled to one vote per share. The holders of the common shares are entitled to dividends, when and if declared by the directors of the Company, and to the distribution of the residual assets of the Company in the event of the liquidation, dissolution or winding-up of the Company. No dividends have ever been declared or paid as at September 30, 2013.

#### b) Issued and outstanding

	Number of common shares	Amount \$
Balance – January 1, 2013	2,375,843	2,395,645
Common shares issued for cash (i)	10,450,000	380,154
Common shares issued in exchange for debt (ii)	4,961,173	248,059
	<hr/>	<hr/>
Balance – September 30, 2013	17,787,016	3,023,858

(i) On August 30, 2013 the Company completed a private placement of 10,450,000 units for gross proceeds of \$522,500. Each unit was issued for \$0.05 and comprised of one common share and a one common share purchase warrant. Each warrant allows for the purchase of an additional common share by paying \$0.10 per share at anytime during the 12 month period following closing or the date occurring 15 business days from the date the holder receives notice from the Company that the trading price of the common shares has closed at \$0.25 per share or higher for five consecutive trading days. The Company incurred \$42,621 with respect to share issue costs and deducted \$99,725 representing the value ascribed to the common share purchase warrants which was recorded as a separate component of shareholder's equity.

(ii) On September 9, 2013 the Company completed a debt for equity exchange and issued 4,961,173 common shares at a price of \$0.05 per share to eliminate \$248,059 of debt.

#### c) Common share purchase warrants

As part of the September 3, 2013 private placement the Company issued 10,450,000 common share purchase warrants. The Company has valued these warrants at \$99,725 using the Black-Scholes model applying a life of 1 year, volatility of 100%, dividend yield of 0% and a risk free interest rate of 1%. These common share purchase warrants expire September 3, 2014.

# MPVC Inc.

## Notes to the Condensed Interim Financial Statements For the nine months ended September 30, 2013

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*(Unaudited - expressed in Canadian dollars)*

### d) **Stock options**

#### *Stock option plan*

The Company has established a stock option plan (the "Plan") for the benefit of full-time and part-time employees, officers, directors and consultants of the Company and its affiliates. The maximum number of shares available under the Plan is limited to 10% of the issued common shares. Awards may be granted for a maximum term of ten years from the date of grant. As at September 30, 2013 no stock options have been issued.

### 7 **Related Party Transactions**

As at September 30, 2013 the Company had no subsidiaries.

The Company's related parties consist of directors and officers or companies associated with them. Other than as outlined below the Company incurred no transactions with related parties during the nine months ended September 30, 2013.

Key management includes the Chief Executive Officer and the Chief Financial Officer. The Company has paid \$15,000 to the Chief Financial Officer during the third quarter of fiscal 2013.

### 8 **Segment Information**

The Company's operations are limited to a single industry segment, being the identification, evaluation, and acquisition of assets, properties or businesses. All assets and liabilities of the Company are located in Canada.

### 9 **Subsequent Event**

On October 4, 2013 the Company announced that it had signed an option agreement with CanAlaska uranium Ltd to acquire up to an 80% interest in a uranium exploration property located in northwest Manitoba. The Company anticipates that when this transaction is completed it will be reinstated to trading on the TSX Venture Exchange. Please see the press release dated October 4, 2013 for additional information.