
1246778 B.C. LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2021

(Expressed in Canadian Dollars)

INTRODUCTION

The Management Discussion & Analysis has been prepared by management and reviewed and approved by the Board of Directors on August 27, 2021, the date of issue of this MD&A. The following discussion of performance, financial condition and future prospects should be read in conjunction with the condensed interim financial statements and the related notes thereto for the period ended June 30, 2021. The information provided herein supplements but does not form part of the financial statements. This discussion covers the period ended June 30, 2021 and the subsequent period up to the date of issue of this MD&A. Monetary amounts in the following discussion are in Canadian dollars unless otherwise noted.

Additional information regarding the Company can be found on the Company's page at www.sedar.com.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected.

The forward-looking statements and forward-looking information reflect the current beliefs of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed in or implied by the forward-looking statements. This forward-looking information includes estimates, forecasts, plans, priorities, strategies and statements as to the Company's current expectations and assumptions concerning, among other things, ability to access sufficient funds to carry on operations, compliance with current or future regulatory regimes, particularly in the case of ambiguities, financial and operational performance and prospects, collection of receivables, anticipated conclusions of negotiations to acquire projects or investments, our ability to attract and retain skilled staff and consultants, expectations of market prices and costs, expansion plans and objectives, requirements for additional capital, the availability of financing, and the future development and costs and outcomes of the Company's projects or investments. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to vary materially.

We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements and information. These factors include: unanticipated future operational difficulties (including cost escalation, unavailability of materials and equipment, industrial disturbances or other job action and unanticipated events related to health, safety and environmental matters); social unrest; failure of counterparties to perform their contractual obligations; changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; disruptions or changes in the credit or securities markets; changes in law, regulation, or application and interpretation of the same; the ability to implement business plans and strategies, and to pursue business opportunities; rulings by courts or arbitrators, proceedings and investigations; inflationary pressures; and various other events, conditions or circumstances that could disrupt the Company's priorities, plans, strategies and prospects including those detailed from time to time in the Company's reports and public filings with the Canadian securities administrators, filed on [SEDAR](http://www.sedar.com).

This information speaks only as of the date of this MD&A. The Company undertakes no obligation to revise or update forward-looking information after the date of this document, nor to make revisions to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws or the policies of the TSX-V exchange.

THE COMPANY

1246778 B.C. Ltd. ("778 BC" or "the Company") was incorporated in the province of British Columbia on April 8, 2020. The Company is a reporting issuer but does not trade on a stock exchange.

The Company's current business is to comply with all reporting requirements while endeavoring to find, acquire and finance a suitable business or project.

RECENT EVENTS

On June 16, 2021, Minto Explorations Ltd. ("Minto"), 1246778 B.C. Ltd. ("778 BC") and Pembridge Resources PLC ("Pembridge") announced that they have entered into a series of agreements that when complete will see Minto going public by way of a "reverse take-over" of 778 BC (the "RTO") together with a concurrent application to list the resulting issuer shares on the TSX Venture Exchange (the "Exchange").

As part of the RTO, Minto and 778 BC have entered into an engagement letter dated June 11, 2021 with Stifel GMP and Raymond James Ltd., as co-lead agents and joint bookrunners (the "Co-Lead Agents") on behalf of a syndicate of agents including Haywood Securities Inc. and Echelon Wealth Partners Inc. (collectively, the "Agents"), pursuant to which the Agents have agreed to sell, on a "best efforts" private placement basis, subscription receipts of 778 BC (the "Subscription Receipts") at a price of C\$2.60 to C\$2.80 per Subscription Receipt (the "Offering Price") for gross proceeds of up to C\$45 million (the "Offering"). In addition, Minto and 778 BC have granted to the Agents an option (the "Agents' Option") to increase the size of the Offering to raise additional gross proceeds up to C\$6.75 million. Closing of the Offering is expected to occur in July 2021.

As consideration for their services provided in connection with the Offering, Minto and 778 BC have agreed to pay the Agents a cash commission (the "Cash Commission") equal to 6.0% of the aggregate gross proceeds received from the sale of the Subscription Receipts (2.0% with respect to the gross proceeds raised under Minto's "President's List").

The RTO is subject to, among other things: (i) the completion of the Offering for aggregate gross proceeds of not less than C\$40 million; (ii) the completion of the 778 BC Consolidation; (iii) Minto owning all of the rights and interests in and to the Minto Mine; (iv) the Resulting Issuer meeting the requirements of the Exchange for a Tier 1 mining issuer and the Exchange issuing conditional acceptance, subject to customary conditions of closing, for the listing of the Resulting Issuer Shares; (v) Minto having entered into an agreement with Pembridge to provide for the continuation of all of Minto's existing payments and assumption and indemnity obligations in favor of Pembridge; (vi) certain shareholders of Minto and Minto Metals entering into a registration rights agreement; (vii) certain shareholders of Minto entering into a voting agreement in respect of their respective Resulting Issuer Shares; (viii) not more than 10% of the shareholders of each of 778 BC and Minto having exercised dissent rights in respect of the amalgamation of such entities; (iv) each of the parties obtaining all necessary board, shareholder and regulatory approvals, and (x) other standard closing conditions. The RTO will be subject to the approval of the shareholders of 778 BC and the shareholders of Minto, which 778 BC and Minto anticipate they will obtain by way of unanimous written consent resolutions.

SELECTED ANNUAL INFORMATION

	From Inception on April 8, 2020 to year ended December 31, 2020	
Revenues	\$	Nil
Net income (loss)	\$	(41,442)
Net income (loss) per share	\$	(0.014)
Total assets	\$	-
Total liabilities	\$	41,142

DISCUSSION OF OPERATIONS

Net loss for the six months period ended June 30, 2021

Net and comprehensive loss was \$34,939 (F2020 - \$22,895) due to accounting and corporate secretarial fees, regulatory and transfer agent fees, and professional fees incurred.

Net loss for the three months period ended June 30, 2021

Net and comprehensive loss was \$7,050 (F2020 - \$22,895) due to accounting and corporate secretarial fees, professional fees and regulatory and filing fees incurred.

SUMMARY OF QUARTERLY RESULTS

Quarter ended	Revenue (1)	Loss for the Quarter	Loss per Share
June 30, 2021	\$ Nil	\$ (7,050)	\$ (0.002)
March 31, 2021	\$ Nil	\$ (27,889)	\$ (0.009)
December 31, 2020	\$ Nil	\$ (3,822)	\$ (0.001)
September 30, 2020	\$ Nil	\$ (14,725)	\$ (0.005)
From April 8 th to June 30, 2020	\$ Nil	\$ (22,895)	\$ (0.008)

(1) This being a corporation without a revenue-generating business, there are no revenues from operations or investments.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital deficit of \$76,081 as at June 30, 2021. The Company does not have revenues from operations and relies on outside funding for its continuing financial liquidity. The Company will need additional financing in order to continue operations.

Management cautions that the Company's ability to raise additional funding is not certain. Additional funds will be required in order to pursue the Company's current business plans. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

RELATED PARTY DISCLOSURES

As at June 30, 2021, the Company had \$51,416 (F2020 - \$37,489) in related party liabilities owing to 1289625 B.C. Ltd. (formerly 2583262 Ontario Inc.) as reimbursable expenses were incurred on behalf of the Company.

PROPOSED TRANSACTIONS

There is no proposed transaction as of the date of this MD&A.

SIGNIFICANT ACCOUNTING JUDGMENTS AND USE OF ESTIMATES

The preparation of the financial statements requires management to make estimates 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. The 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 the revision affects both current and future periods.

Significant assumptions that management has made about current unknowns, the future, and other sources of estimated uncertainty, could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. Such significant assumptions include, but are not limited to, the following areas: recovery of receivables and going concern.

The Company's significant judgments and estimates are disclosed in Note 2 of the audited financial statements from inception on April 8, 2020 to the period ended December 31, 2020 as well as in Note 2 of the condensed interim financial statements for the six months ended June 30, 2021.

CHANGES IN ACCOUNTING POLICIES

The Company has applied the same accounting policies as set out in Note 2 of the Company's audited financial statements from inception on April 8, 2020 to the period ended December 31, 2020.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal controls over financial reporting during the six months ended June 30, 2021.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. It is management's opinion that the Company is not exposed to significant interest risk arising from the financial instruments. The Company will be exposed to some credit risk in relation to its future amounts receivables balances, however, most amounts receivables will be in relation to sales tax due from the Canadian government. Credit risk is managed for amounts receivables by seeking prompt payment, monitoring the age of receivables, and making follow up inquiries when receivables are not paid in a timely manner. The Company does not engage in any hedging activities. Financial instruments do not generally expose the Company to risk that is significant enough to warrant reducing via purchasing specific insurance or offsetting financial instruments. Further discussion of these risks is presented in Note 6 of the Company's audited financial statements, from inception on April 8, 2020 to the period ended December 31, 2020.

RISK FACTORS AND MANAGEMENT'S RESPONSIBILITY OVER FINANCIAL REPORTING

Risk Factors – General

Early-stage entities face a variety of risks and, while unable to eliminate all of them, the Company aims to manage and reduce such risks as much as possible. The Company's ability to mitigate risk, without any cash at its disposal, is, however, extremely limited.

Selecting investments is a competitive process. The Company seeks to maintain an appropriate balance by carefully considering risks to ensure an investment's level of risk is commensurate with the Company's assessment of the project's potential.

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Management Discussion and Analysis
For the six months ended June 30, 2021

The Company has a limited history of existence. There can be no assurance that it will be successful in its quest to find, acquire and finance a suitable business or project. Equity or debt financing will be required to complete the implementation of its business plan. There can be no assurance that the Company will be able to obtain adequate financing to continue. **The securities of the Company should be considered a highly speculative investment.**

The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

- a) the Company has had no profitable business activity and has not acquired any material assets since its incorporation other than cash;
- b) the Company does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends in the foreseeable future;
- c) the Company has only limited funds with which to continue supporting the operations, or alternatively with which to identify and evaluate other potential opportunities and there can be no assurance that the Company will be able to realize either of these goals;
- d) the business or project may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company;
- e) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares; and
- f) if the Company fails to complete the acquisition of a suitable business or project, an interim cease trade order may be issued against the Company's securities by an applicable securities commission.

COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on and the Company's vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Company's financial condition or results of operations is uncertain.

OUTSTANDING COMMON SHARES DATA

The following section updates the outstanding share data provided in the unaudited interim financial statements for the period ended June 30, 2021.

	Number of Shares	Exercise Price	Expiry Date
Common Shares outstanding as at August 27, 2021	3,000,000		
Stock Options	75,000	\$0.10	April 27, 2026
Fully Diluted	3,075,000		