FORM 2B
LISTING APPLICATION

Minto Metals Corp.

Application for Listing on the TSX Venture Exchange of the common shares in the capital of Minto Metals Corp., the issuer resulting from the transactions described herein.

As of November 12, 2021

No securities regulatory authority or the TSX Venture Exchange has expressed an opinion about the securities which are the subject of this application.

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ITEM 2A: GLOSSARY

In this Listing Application, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below, words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the policies of the TSX Venture Exchange and applicable securities laws. In the event of a conflict between a term defined in this Glossary and a term defined in the policies of the TSX Venture Exchange, the definition of the TSX Venture Exchange will govern.

“778”	means 1246778 B.C. Ltd., a corporation existing under the laws of the Province of British Columbia.
"778 Common Shares"	means the post-778 Consolidation common shares in the capital of 778 (prior to completion of the RTO).
"778 Consolidation"	means the consolidation of the 778 common shares based on the 778 Consolidation Ratio to be effected on the Effective Date.
"778 Consolidation Ratio"	has the meaning ascribed to it under *"Item 2C: Description of the RTO – The Consolidation."*
"778 Financial Statements"	means: (i) the audited financial statements of 778 for the year ended December 31, 2020; and (ii) the unaudited condensed financial statements of 778 for the three and six months ended June 30, 2021, which are attached to this listing application as Appendix "C" and are available on 778's SEDAR profile at www.sedar.com.
“778 Options”	means the incentive stock options of 778 issued to certain officers of 778.
"778 Shareholders"	means the holders of 778 Common Shares from time to time.
"778 Subscription Receipts"	means the subscription receipts issued by 778 pursuant to the Concurrent Financing, with each such subscription receipt convertible, for no additional consideration, into one 778 Common Share upon the satisfaction of the Escrow Release Conditions on the Effective Date.
"Affiliate"	means a Company that is affiliated with another company. A Company is an “Affiliate” of another Company if: (a) one of them is a subsidiary of the other; or (b) each of them is controlled by the same Person. A Company is “controlled” by a Person if: (i) voting shares of the Company are held, other than by way of security only, by or for the benefit of that Person; and (ii) the voting share, if voted, entitle the Person to elect a majority of the directors of the Company.
"Agency Agreement"	means the amended and restated agency agreement dated September 21, 2021 among Minto, 778 and the Agents entered into in connection with the Concurrent Financing.
"Agents"	means each of the Lead Agents, Haywood Securities Inc. and Echelon Wealth Partners Inc., as agents in connection with the Concurrent Financing.
"Agents' Fee"	means a cash commission equal to 6% of the aggregate gross proceeds raised in the Concurrent Financing (other than in respect of up to $8,000,000 of gross proceeds raised in connection with a "president's list", in respect of which the Agents shall receive a cash commission equal to 2% of the gross proceeds).
“Agent’s Option”	means the option granted to the Agents pursuant to the Concurrent Financing, to additional 778 Subscription Receipts for additional aggregate gross proceeds up to $4,500,000, exercisable at any time up to 48 hours prior to the date of closing of the Concurrent Offering.

"Amalgamating Parties"	means, collectively, Minto and 778.
"Amalgamation"	means the amalgamation of Minto and 778 on the terms set forth in the Amalgamation Agreement.
"Amalgamation Agreement"	means the amalgamation agreement dated as of June 15, 2021 between Minto and 778 to effect the Amalgamation, as amended on November 5, 2021 and as may be further amended from time to time.
"Audit Committee"	means the audit committee of the Resulting Issuer, as defined by NI 52-110.
"Board Reconstitution"	has the meaning ascribed to it under *"Item 2C: Description of the RTO – Summary of the RTO and Related Transactions."*
"Business Corporations Act "	means the *Business Corporations Act* (British Columbia), SBC 2002, C. 57.
"CEO"	means chief executive officer.
"Cedro Holdings"	has the meaning ascribed to it under "*Item 3: Summary – Principal Securityholders.*"
"CFO"	means chief financial officer.
"Code"	means the code of business conduct and ethics to be adopted by the Resulting Issuer Board following the completion of the RTO. See *"Item 19: Audit Committees And Corporate Governance – Ethical Business Conduct."*
“Company”	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
"Concurrent Financing"	means the: (i) brokered "best efforts" private placement offering and non-brokered private placement offering of 778 Subscription Receipts at a price of $2.60 per 778 Subscription Receipt for aggregate gross proceeds of not less than $30,000,000, inclusive of gross proceeds raised from the sale of Minto Flow-Through Shares and 778 Common Shares (or in the event of the full exercise of the Agent’s Option, $34,500,000), pursuant to the terms and conditions of the Agency Agreement, which closed on September 21, 2021 (tranche 1) and on October 22, 2021 (tranche 2); (ii) brokered "best efforts" private placement offering and non-brokered private placement offering of Minto Flow-Through Shares at a price of $2.60 per Minto Flow-Through Share pursuant to the terms and conditions of the Agency Agreement, which will close immediately prior to the completion of the RTO; and (iii) non-brokered private placement offering of 778 Common Shares at a price of $2.60 per 778 Common Share in accordance the terms and conditions of the Agency Agreement, which will close immediately prior to the completion of the RTO.
"Copper Holdings"	has the meaning ascribed to it under "*Item 3: Summary – Principal Securityholders.*"
"DC&P"	has the meaning ascribed to it under *"Item 21: Risk Factors – Internal Controls".*
"Effective Date"	means the date shown on the certificate of amalgamation issued by the British Columbia registrar giving effect to the Amalgamation.
"Effective Time"	means 12:01 a.m. (Vancouver time) on the Effective Date.
"Eligible Persons"	has the meaning ascribed to it under *"Item 12: Stock Option Plan."*
"Escrow Agent"	means TSX Trust, as escrow agent in respect of the Resulting Issuer Escrow Shares.

"Escrow Release Conditions"	has the meaning ascribed to it under *"Item 6: Financing."*
"Escrow Release Date"	means the date the Escrowed Funds will be released to 778 upon the satisfaction or waiver of the Escrow Release Conditions.
"Escrowed Funds"	has the meaning ascribed to it under *"Item 6: Financing."*
"Exchange Policy 5.4"	means *Policy 5.4 – Escrow, Vendor Consideration and Resale Restrictions* of the TSXV.
"**Final Exchange Bulletin**"	means an Exchange Bulletin that evidences the final TSXV acceptance of a transaction.
"**Future Expenditures Agreement**"	means a future expenditures agreement to be entered into by Minto and Pembridge on closing of the RTO, whereby the obligations of Minto to fund the future agreed payments to Capstone Mining Corp. and to make all payments to the Control Account will continue.
"Corporate NG&C Committee"	has the meaning ascribed to it under *"Item 19: Audit Committees and Corporate Governance – Corporate Governance – Nomination of Directors"*.
"ICFR"	has the meaning ascribed to it under *"Item 21: Risk Factors – Internal Controls"*.
"**IFRS**"	means the International Financial Reporting Standards.
"**Lead Agents**"	means, collectively, Stifel Nicolaus Canada Inc. and Raymond James Ltd.
"Letter of Intent"	has the meaning ascribed to it under *"Item 2C: Description of the RTO – Background of RTO."*
"Listing"	means the listing on the TSXV of the Resulting Issuer Common Shares.
"Listing Application"	means this TSXV Form 2B – Listing Application to list the Resulting Issuer Common Shares on the TSXV.
"Minto"	means Minto Explorations Ltd., a corporation existing under the laws of the Province of British Columbia.
"Minto Board"	means the board of directors of Minto as the same is constituted from time to time.
"Minto Class A Shares"	means the post-Minto Consolidation class "A" common shares in the capital of Minto.
"Minto Class B Shares"	means the post-Minto Consolidation class "B" common shares in the capital of Minto.
"Minto Common Shares"	means, collectively, the Minto Class A Shares and the Minto Class B Shares.
"Minto Consolidation"	means the consolidation of the Minto common shares on the basis of one (1) Minto Common Share for each twelve (12) pre-Minto Consolidation common shares in the capital of Minto, to be effected on the Effective Date.
"Minto Financial Statements"	means: (i) the audited consolidated financial statements for the years ended December 31, 2020 and 2019; and (ii) the unaudited financial statements for the three and six month period ended June 30, 2021 and 2020, which are attached to this listing application as Appendix "B".
"Minto Flow-Through Shares"	means post consolidation Minto Class A Shares offered and sold under the Concurrent Financing which are "flow-through shares" as defined in subsection 66(15) of the Tax Act

“Minto Mine”	means the underground copper-gold-silver mine located in central Yukon that is operated by Minto Explorations Ltd.
"Minto Mine Property"	means the underground copper-gold-silver mine located in central Yukon, approximately 240 kilometres north of the capital Whitehorse along the Klondike Highway.
"Minto Minerals"	has the meaning ascribed to it under "*Item 2B: Notice to Reader – Technical Information*."
"Minto Property Technical Report"	has the meaning ascribed to it under "*Item 2B: Notice to Reader – Technical Information*."
"Minto Shareholder"	means the holder from time to time of Minto Common Shares and pre-Minto Consolidation common shares in the capital of Minto.
"Named Executive Officer" or "NEO"	has the meaning ascribed to it under *"Item 17: Executive Compensation."*
"NGOs"	has the meaning ascribed to it under *"Item 21: Risk Factors – Relationships with Local Communities and Other Stakeholders"*.
"NI 52-109"	means National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*.
"NI 52-110"	means National Instrument 52-110 – *Audit Committees*.
"NI 58-101"	means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
"NP 58-201"	means National Policy 58-201 – *Corporate Governance Guidelines*.
"Pembridge Share Purchase Agreement”	has the meaning ascribed to it under "*Item 5: Description of the Business – History”*.
"Pembridge”	has the meaning ascribed to it under "*Item 5: Description of the Business – History*."
"Person"	means a Company or individual.
"Policies"	has the meaning ascribed to it under *"Item 19: Audit Committees and Corporate Governance – Corporate Governance."*
“Registration Rights Agreement”	has the meaning ascribed to it under *"Item 10: Description of Securities to be Listed – Resulting Issuer."*
"Resulting Issuer"	means the corporation resulting from the Amalgamation, which will be named "Minto Metals Corp." or such other name as determined by Minto following the completion of the RTO.
“Resulting Issuer Awards”	means, any award granted under the Resulting Issuer Equity Incentive Plan, including a Resulting Issuer Option, a Resulting Issuer SAR, a Resulting Issuer Restricted Award, a Resulting Issuer PSU, a Resulting Issuer Performance Compensation Award or a Resulting Issuer Other Equity-Based Award.
"Resulting Issuer Board"	means the board of directors of the Resulting Issuer as the same is constituted from time to time, following the completion of the RTO.
"Resulting Issuer Common Shares"	means the common shares in the capital of the Resulting Issuer.
“Resulting Issuer Flow Through Shares”	means Resulting Issuer Shares which are “flow-through shares” as defined in subsection 66(15) of the Tax Act

"Resulting Issuer Equity Incentive Plan"	means the long term incentive plan of the Resulting Issuer.
"**Resulting Issuer Escrow Shares**"	means the Resulting Issuer Common Shares to be held in escrow by the Escrow Agent pursuant to the Resulting Issuer Surplus Escrow Agreement and the Resulting Issuer Value Escrow Agreement.
"Resulting Issuer Options"	means the options to purchase Resulting Issuer Common Shares issued pursuant to and governed by the Resulting Issuer Equity Incentive Plan.
"**Resulting Issuer Other Equity-Based Award**"	means a Resulting Issuer Award issued pursuant to and governed by the Resulting Issuer Equity Incentive Plan, that is not a Resulting Issuer Option, a Resulting Issuer SAR, a Resulting Issuer Restricted Award, a Resulting PSU or a Resulting Issuer Performance Compensation Award.
"**Resulting Issuer PSU**"	means a performance share unit issued pursuant to and governed by the Resulting Issuer Equity Incentive Plan.
"**Resulting Issuer Performance Compensation Award**"	means a performance compensation award issued pursuant to and governed by the Resulting Issuer Equity Incentive Plan.
"Resulting Issuer Restricted Award"	means a restricted share unit or a deferred share unit of the Resulting Issuer pursuant to and governed by the Resulting Issuer Equity Incentive Plan.
"**Resulting Issuer SAR**"	means a share appreciation right issued pursuant to and governed by the Resulting Issuer Equity Incentive Plan.
"Resulting Issuer Surplus Escrow Agreement"	means the escrow agreement in the form of the Exchange's Form 5D to be entered into by and among the Escrow Agent, the Resulting Issuer and certain principals of the Resulting Issuer prior to the completion of the RTO.
"Resulting Issuer Value Escrow Agreement"	means the escrow agreement in the form of the Exchange's Form 5D to be entered into by and among the Escrow Agent, the Resulting Issuer and certain shareholders of 778 prior to the completion of the RTO.
"RTO"	means the business combination of 778 and Minto by way of an amalgamation under the provisions of the Business Corporations Act, and will be read to include, collectively, as the context permits or requires, the 778 Consolidation, the Minto Consolidation, the Amalgamation, the Board Reconstitution and such other transactions contemplated by the Amalgamation Agreement.
"SEDAR"	means the System for Electronic Document Analysis and Retrieval accessible at www.sedar.com.
"Seed Shares"	means certain 778 Common Shares and Minto Common Shares or other securities of 778 or Minto that were issued to Persons prior to the Concurrent Financing which are subject to the SSRRs.
"SSRRs"	means the seed share resale restrictions pursuant to section 10 of Exchange Policy 5.4.
"Subscription Receipt Agent"	means TSX Trust, as agent of the 778 Subscription Receipts issued pursuant to the Concurrent Financing.
"Subscription Receipt Agreement"	means the subscription receipt agreement dated September 21, 2021 by and among the Subscription Receipt Agent, 778, Minto and the Lead Agents (on behalf of the Agents) in connection with the Concurrent Financing.
"Tax Act"	means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time.
"Technical Committee"	has the meaning ascribed to it under *"Item 19: Audit Committees and Corporate Governance – Corporate Governance – Other Board Committees"*.

"Technical Reports"	means the Minto Mine Property Technical Report.
"Termination Date"	has the meaning ascribed to it under "*Item 6: Financing*."
"TSX Trust"	means TSX Trust Company.
"TSXV" or the **"Exchange"**	means the TSX Venture Exchange.
"Wheaton Agreement"	has the meaning ascribed to it under "*Item 5: Description of the Business – History*."
"Voting Agreement"	*has the meaning ascribed to it under* "Item 10: Description of Securities to be Listed – Resulting Issuer."

ITEM 2B: NOTICE TO READER

Financial Information

Unless otherwise indicated, all financial information referred to in this Listing Application was prepared in accordance with IFRS.

Currency References and Exchange Rate Information

This Listing Application contains references to the Canadian dollar and the United States dollar. Unless otherwise indicated, all references to "$" or "C$" or "dollars" in this Listing Application are references to Canadian dollars. United States dollars are referred to as "U.S. dollars" or "US$". As at October 1, 2021, the rate of exchange between the United States dollar and the Canadian dollar as reported by the Bank of Canada was US$1.00 = C$1.2654 or C$1.00 = US$0.7903.

Technical Information

Except where indicated, the disclosure contained in this Listing Application that is of an economic, scientific or technical nature has been summarized or extracted from the technical report titled "Technical Report Resource Estimate for the Minto Mine, dated May 7, 2021 with an effective date of March 31, 2021 (the "**Minto Property Technical Report**"), prepared by JDS Energy & Mining Inc. The Technical Report has been prepared and signed by Dino Pilotto, P. Eng., Tysen Hantelmann, P. Eng., Mike Levy, P.E , Sue Bird, P. Eng., Carl Schulze, P. Geo., Tad Crowie, P. Eng., Cheibany Elemine, PhD, P.Geo., Sam Amiralaei, P.Eng. and John Kurylo, P. Eng., each of whom is a "qualified person" as such term is defined in NI 43-101.

Each of the qualified persons consents to the inclusion in this Listing Application of the extract of "*Section 1. – Summary*" of the Minto Mine Property Technical Report in the form and context in which it appears, and confirms that such information is based on and fairly represents the Technical Report. Readers should consult the Technical Report to obtain further particulars regarding the Minto Mine Property. The Technical Report, which constitutes the current technical report for the Minto Mine Property is available on SEDAR under 778's issuer profile at www.sedar.com and, other than the extract of "*Section 1. Summary*" thereof, which is included in this Listing Application, is incorporated by reference in their entirety in this Listing Application.

The mineral resources for the Minto Mine Property (including as used in the Technical Reports) (the "**Minto Minerals**") have been estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for mineral resources and mineral reserves adopted by the CIM Council on May 10, 2014.

See "*Item 5: Description of the Business – Minto Mine Property*" of this Listing Application.

Certain terms and descriptions of the Minto Mineral deposits appearing in this Listing Application and the Technical Report may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

Cautionary Note Regarding Forward-Looking Information

This Listing Application contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the growth, results of operations, performance and business prospects and opportunities of 778, Minto and the Resulting Issuer.

All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Listing Application may contain forward-looking statements attributed to third party industry sources.

This Listing Application includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the proposed transactions; the terms and conditions of the proposed Concurrent Financing; use of proceeds from the Concurrent Financing; future development plans; and the business and operations of the Resulting Issuer after the RTO. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: satisfaction or waiver of all applicable conditions to the completion of the RTO (including receipt of all necessary shareholder, stock exchange and regulatory approvals or consents, and the absence of material changes with respect to the parties and their respective businesses); ability to close the Concurrent Financing on the proposed terms or at all, the synergies expected from the RTO not being realized; business integration risks; fluctuations in general macroeconomic conditions; fluctuations in securities markets; fluctuations in spot and forward prices of gold, silver, base metals or certain other commodities; fluctuations in currency markets (such as the Canadian dollar to United States dollar exchange rate); change in national and local government, legislation, taxation, controls, regulations and political or economic developments; risks and hazards associated with the business of mining and resource extraction, generally (including environmental hazards, industrial accidents, unusual or unexpected formations pressures, cave-ins and flooding); inability to obtain adequate insurance to cover risks and hazards; risks related to outbreaks or threats of outbreaks of viruses, other infectious diseases or other similar health threats, such as the novel coronavirus ("**COVID-19**") outbreak; the presence of laws and regulations that may impose restrictions on the mining and resource extraction industry; employee relations; relationships with and claims by local communities and indigenous populations; availability of increasing costs associated with mining and resource extraction inputs and labour; the speculative nature of the metals extraction industry (including the risks of obtaining necessary licenses, permits and approvals from government authorities); title to properties; expectations regarding entering into of material contracts and investor relations agreements; expectations regarding escrow restrictions imposed on the Resulting Issuer's securities; expectations regarding principal security holders of the Resulting Issuer and the identity and shareholdings thereof; expectations regarding compensation of directors, officers and employees of the Resulting Issuer; and expectations regarding corporate governance and committees of the board of the Resulting Issuer; and expectations regarding reliance on a waiver from the sponsorship requirements of the TSXV.

In addition, the forward-looking statements herein are based on certain assumptions and involves risks related to the consummation or non-consummation of the RTO and the Concurrent Financing, and the respective businesses and operations of 778, Minto and the Resulting Issuer. Forward-looking statements contained herein are based on certain assumptions, including that 778 Shareholders will approve the Amalgamation and the 778 Consolidation, that Minto Shareholders will approve the Amalgamation and the Minto Consolidation, that all other conditions to the RTO will be satisfied or waived and that the RTO will be completed. Other assumptions include, but are not limited to, interest and exchange rates; the price of gold, copper and other metals; competitive conditions in the mining and metals industry; synergies, if any, created by the formation of the Resulting Issuer; financing and funding requirements; general economic, political and market conditions; and changes in laws, rules and regulations applicable to the 778, Minto or the Resulting Issuer.

These forward-looking statements are based on the beliefs of the management of each of 778 and Minto as well as on assumptions which management believes to be reasonable, based on information currently available at the time such statements were made. However, there can be no assurance that forward-looking statements will prove to be accurate. Such assumptions and beliefs include, among other things: the ability of each of 778 and Minto to realize the benefits of the RTO; the discretion of management of each of 778 and Minto and the board of the Resulting Issuer to use the proceeds of the Concurrent Financing and total available funds upon listing on the TSXV other than as disclosed herein; the ability of Resulting Issuer to execute its business plan successfully or as disclosed herein, such that the future growth, results of operations, performance and business prospects and opportunities of Resulting Issuer will be as anticipated; the ability of Resulting Issuer to maintain existing strategic partnerships and attract new partners; the ability for Resulting Issuer to obtain financing on acceptable terms; and the ability for Resulting Issuer to retain skilled management and employees.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding each of 778, Minto and the Resulting Issuer. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements including as a result of the matters set out in this Listing Application generally and certain economic and business factors, some of which may be beyond the control of each of 778, Minto and the Resulting Issuer. Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading "*Item 21 – Risk Factors*". 778, Minto and the Resulting Issuer do not intend, and do not assume any obligation, to update any of the forward-looking statements after the date of this Listing Application so as to conform such statements to actual results or to changes in the expectations of the Resulting Issuer, other than as required by applicable securities law.

For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Resulting Issuer's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect Resulting Issuer's business, or if Resulting Issuer's estimates or assumptions prove inaccurate. The forward-looking statements contained in this Listing Application are expressly qualified by this cautionary statement.

ITEM 2C: DESCRIPTION OF THE RTO

Background of the RTO

778 was incorporated on April 8, 2020 under the Business Corporations Act as "1246778 B.C. Ltd." and is a "reporting issuer" (within the meaning of applicable securities legislation) in the provinces of Alberta and British Columba. The head and registered office of 778 is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6.

Minto was incorporated on April 20, 1993 under the Business Corporations Act. The head and registered office of Minto is located at 1900 – 1040 West Georgia Street, Vancouver, BC, V6E 4H3. Minto is not a "reporting issuer" (within the meaning of applicable securities legislation) in any jurisdiction of Canada and no public market exists for its securities.

During the months of October, 2020 to June, 2021, representatives of Minto entered into discussions with representatives of 778 to explore the possibility of combining the business of 778 and Minto through a reverse takeover transaction. On January 30, 2021, Minto and 778 entered into a letter of intent to set out the basis upon which the parties would continue discussions in connection with a proposed reverse takeover of 778 by Minto (the "**Letter of Intent**"). During the months of February, 2021 to June, 2021, the parties conducted customary due diligence investigations on each other and negotiated the terms and conditions of the Amalgamation Agreement and certain other matters ancillary to the RTO. On June 15, 2021, the parties entered into the Amalgamation Agreement which superseded and replaced the Letter of Intent and described the principal terms and conditions of the RTO, and publicly announced Minto and 778's agreement to complete the RTO. On November 5, 2021, the parties entered into an amended and restated Amalgamation Agreement to reflect certain updated terms. As of the date of this Listing Application, neither the 778 Common Shares nor Minto Common Shares are listed or quoted for trading on any stock exchange.

Since the execution of the Amalgamation Agreement, 778 and Minto collectively have taken or caused to be taken all reasonable actions in order to complete the RTO.

Reasons for the RTO

The RTO, together with the release of the Escrowed Funds, will provide the Resulting Issuer with additional capital to pursue its business objectives. The RTO may also provide the Resulting Issuer with greater access to capital markets in the future and may facilitate the completion of acquisitions on accretive terms in the future. Further, the RTO will provide the potential for liquidity to the Resulting Issuer's existing shareholders.

Summary of the RTO and Related Transactions

Pursuant to the Amalgamation Agreement, 778 and Minto propose to complete the following transactions:

(a) the Concurrent Financing will be completed;

(b) the 778 Consolidation will be completed;

(c) the 778 Subscription Receipts will be converted into 778 Common Shares;

(d) the Escrowed Funds will be released from escrow and remitted to 778, subject to the terms of the Subscription Receipt Agreement;

(e) the Minto Consolidation will be completed;

(f) 778 and Minto will amalgamate pursuant to and in accordance with the terms and conditions of the Amalgamation Agreement, the steps of which are described further below under the heading "*Item 2C – Description of the RTO – The Amalgamation Agreement and the RTO – Amalgamation Steps*", resulting in:

   a. each Minto Shareholder will receive one Resulting Issuer Common Share in exchange for each Minto Common Share held by such holder and the Minto Common Shares will be cancelled;

   b. each 778 Shareholder will receive one Resulting Issuer Common Share in exchange for each 778 Common Share held by such holder and the 778 Common Shares will be cancelled;

   c. the Resulting Issuer will be named "Minto Metals Corp.", or such other name as determined by Minto;

   d. new corporate governance policies will be adopted by the Resulting Issuer;

   e. the Resulting Issuer Equity Plans will be adopted by the Resulting Issuer; and

   f. the Resulting Issuer Board being reconstituted to include: R. Greg McKnight, Gati Al-Jebouri, Irshad Karim, Edie Hofmeister, Lazaros Nikeas, Derek White and Joe Phillips (the "**Board Reconstitution**").

The RTO is intended to be completed immediately prior to the Listing and will result in the business combination of 778 and Minto. Completion of the RTO is subject to compliance with the terms and conditions set forth in the Amalgamation Agreement, which are discussed further below under the heading "*Item 2C – Description of the RTO – The Amalgamation Agreement and the RTO – Conditions of the RTO*". If the terms and conditions of the Amalgamation Agreement are satisfied (or waived, as applicable), it is expected that the RTO will be completed and become effective on or about November 18, 2021 or such other date as may be determined by the parties thereto. However, the effective date of the RTO could be delayed for a number of reasons. See "*Item 21 – Risk Factors*".

A corporate organizational chart reflecting the expected corporate structure of the Resulting Issuer following the Effective Date is set forth below in *"Item 4 – Corporate Structure – Intercorporate Relationships of Resulting Issuer"*.

The terms of the RTO, as set out in the Amalgamation Agreement and summarized below, were established through arm's length negotiations between the respective management of 778 and Minto.

The Amalgamation Agreement and the RTO

Conditions of the RTO

The Amalgamation Agreement contains a number of conditions precedent to the obligations of 778 and Minto. Unless all such conditions are satisfied or waived by the party for whose benefit such conditions exist, to the extent they may be capable of waiver, the RTO will not proceed. There is no assurance that these conditions will be satisfied or waived on a timely basis, or at all. The conditions to the RTO becoming effective are set out in the Amalgamation Agreement and are summarized below. See also "*Item 21 – Risk Factors*".

The Consolidations

Prior to the completion of the Amalgamation, 778 will take all necessary steps to give effect and to implement a consolidation of the common shares of 778 on the basis of one (1) post-consolidation 778 Common Shares for each 9.4 pre-consolidation 778 Common Shares (the "**778 Consolidation Ratio**"). As a result**,** assuming full exercise of the 778 Options and prior to the closing of the Concurrent Financing, there will be 327,129 778 Common Shares issued and outstanding following completion of the 778 Consolidation Ratio.

Prior to the completion of the Amalgamation, Minto will take all necessary steps to give effect and to implement a consolidation of the common shares of Minto on the basis of one (1) Minto Common Share for each twelve (12) pre-Minto Consolidation common shares in the capital of Minto. As a result, following completion of the Minto Consolidation and prior to closing of the Concurrent Financing, there will be 6,625,175 Minto Class A Shares and 53,603,688 Minto Class B Shares.

The Amalgamation Agreement

On June 15, 2021, Minto and 778 entered into the Amalgamation Agreement, and on November 5, 2021 Minto and 778 entered into an amended and restated Amalgamation Agreement. The Amalgamation is being conducted under the Business Corporations Act whereby 778 and Minto will amalgamate and continue as the Resulting Issuer on terms more particularly set forth in the Amalgamation Agreement. As a result of the Amalgamation, the former securityholders of Minto and the former securityholders of 778 will become securityholders of the Resulting Issuer.

The following description of certain provisions of the Amalgamation Agreement is a summary only. The summary of certain provisions of the Amalgamation Agreement below and in this Listing Application is not comprehensive and is qualified in its entirety by reference to the full text of the Amalgamation Agreement which may be viewed under the 778's issuer profile on SEDAR at www.sedar.com. This summary may not contain all of the information about the Amalgamation Agreement that is important to shareholders. All such shareholders are encouraged to read the Amalgamation Agreement carefully and in its entirety.

Representations, Warranties and Covenants

778 and Minto agreed to certain representations and warranties relating to, among other things: the incorporation and registration of each party; the power and authority to enter into and perform the obligations under the Amalgamation Agreement; required approvals; no conflict; compliance with law; the binding nature and validity of the Amalgamation Agreement; the capitalization of each party; the absence of litigation; the financial statements of each party; the conduct of their business; the payment of taxes, the absence of investment and funding obligations; their material contracts, officers and employees of each party; their status under Canadian securities laws; third party approvals; the availability and accuracy of the information provided; and the accuracy of the statements made by each party.

Effect of Amalgamation

At the Effective Time:

(a) the amalgamation of the Amalgamating Parties and their continuation as one company, the Resulting Issuer;

(b) the Amalgamating Parties shall cease to exist as entities separate from the Resulting Issuer;

(c) the name of the Resulting Issuer shall be "Minto Metals Corp.";

(d) the property of each of the Amalgamating Parties shall continue to be the property of the Resulting Issuer;

(e) the Resulting Issuer shall continue to be liable for the obligations of each of the Amalgamating Parties; and

(f) the authorized capital of the Resulting Issuer shall consist of an unlimited number of common shares without par value.

Amalgamation Steps

Pursuant to the terms and conditions set forth in the Amalgamation Agreement, at the Effective Time:

(a) each Minto Shareholder will receive one Resulting Issuer Common Share in exchange for each Post Consolidation Minto Common Share held by such holder and the Minto Common Shares will be cancelled; and

(b) each 778 Shareholder will receive one Resulting Issuer Common Share in exchange for each Post Consolidation 778 Common Share held by such holder and the 778 Common Shares will be cancelled.

Directors and Officers of the Resulting Issuer

Concurrently with the completion of the Amalgamation, 778 will cause all of the then current directors and officers of 778 to resign without payment by or any liability to 778 or Minto, and to cause each such director and officer to execute and deliver a mutual release in favour of 778 and Minto, in form and substance acceptable to 778 and Minto, acting reasonably. The Resulting Issuer Board will consist of such number of directors as designated by Minto prior to the Effective Time and be comprised of persons designated by Minto prior to the Effective Time. The management of the Resulting Issuer will be comprised of persons designated by Minto prior to the Effective Time.

The Concurrent Financing

In connection with the RTO and the Concurrent Financing, on September 21, 2021 and October 22, 2021, 778 completed the brokered "best efforts" private placement offering and non-brokered private placement offering of 6,302,876 778 Subscription Receipts at a price of $2.60 per 778 Subscription Receipt, for aggregate gross proceeds of $16,387,477.60 pursuant to the terms and conditions of the Agency Agreement. As part of the Amalgamation, the 778 Subscription Receipts shall automatically convert into Post Consolidation 778 Common Shares immediately prior to the Effective Time and will be exchanged on a one-for-one basis for Resulting Issuer Common Shares pursuant to the Amalgamation.

In connection with the RTO and the Concurrent Financing, Minto is expected to complete the brokered "best efforts" private placement offering and non-brokered private placement offering of an estimated 2,459,906 Minto Flow-Through Shares on or immediately prior to the Effective Date at a price of $2.60 per Minto Flow-Through Share, for estimated aggregate gross proceeds of $6,395,755.60 pursuant to the terms and conditions of the Agency Agreement. The Minto Flow-Through Shares will be exchanged on a one-for-one basis for Resulting Issuer Flow-Through Shares pursuant to the Amalgamation.

In connection with the RTO and the Concurrent Financing, 778 is expected to complete the non-brokered private placement offering of an estimated 3,173,076 Post Consolidation 778 Common Shares on or immediately prior to the Effective Date at a price of $2.60 per 778 Common Share, for estimated aggregate gross proceeds of $8,249,997.60, in accordance the terms and conditions of the Agency Agreement. The Post-Consolidation 778 Common Shares will be exchanged on a one-for-one basis for Resulting Issuer Common Shares pursuant to the Amalgamation.

Upon completion of the Concurrent Financing, it is estimated that the aggregate gross proceeds of approximately $31,033,230.80 will have been be collectively raised by 778 and Minto.

See "*Item 6 – Financing – Concurrent Financing*".

Procedure for the RTO to Become Effective

Procedural Steps

The RTO will be carried out pursuant to the provisions of the Business Corporations Act. The following procedural steps must be taken in order for the RTO to become effective:

(a) the satisfaction or waiver, as applicable, of all conditions precedent to the RTO as set forth in the Amalgamation Agreement, including receipt of TSXV conditional approval for the Listing; and

(b) articles of amalgamation in the form prescribed by the Business Corporations Act must be filed. The RTO will become effective when a certificate of amalgamation is issued in respect of the Amalgamation.

Approvals Necessary for the RTO

Shareholder Approval

Pursuant to the provisions of the Business Corporations Act, the Amalgamation requires the approval of the Minto Shareholders and the approval of 778 Shareholders. In addition, the 778 Consolidation requires the approval of the 778 Shareholders and the Minto Consolidation requires the approval of the Minto Shareholders. The Minto Shareholders approved the Amalgamation, the Minto Consolidation and other related matters on November 11, 2021 and the 778 Shareholders approved the Amalgamation, the 778 Consolidation and other related matters on November 5, 2021.

TSXV Approval

The TSXV conditionally approved the Listing of the Resulting Issuer Common Shares on November 4, 2021. The Listing is subject to the fulfillment of all of the requirements of the TSXV on or before February 2, 2022.

Legally, the Effective Date of the Amalgamation will be on the date a certificate of amalgamation is issued in respect of the Amalgamation. However, the Listing will be completed on the date the TSXV issues a Final Exchange Bulletin in respect of the Listing, which is expected to be shortly following the Effective Date, provided all required documentation is filed with the TSXV.

ITEM 3: SUMMARY

The following is a summary of the principal features of this Listing Application and should be read together with the more detailed information and financial data and statements contained elsewhere in this Listing Application.

This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere herein. Unless otherwise specified, the information in this Listing Application has been prepared on a pro forma basis assuming completion of the RTO and the Concurrent Financing. Unless otherwise indicated, all currency amounts are stated in Canadian dollars. Capitalized terms used in this summary are defined in "*Item 2A – Glossary of Terms*."

778

Incorporation

778 was incorporated on April 8, 2020 under the Business Corporations Act as "1246778 B.C. Ltd." and is a "reporting issuer" (within the meaning of applicable securities legislation) in the provinces of Alberta and British Columbia. 778 was formed upon completion of a plan of arrangement by 2583262 Ontario Inc., whereby 778 was spun-out of 2583262 Ontario Inc. and became a non-listed reporting issuer. The head and registered office of 778 is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6.

Business of 778

778 was incorporated for the sole purpose of participating in a reverse takeover or similar transaction and has not carried on any business other than in furtherance of the RTO and related matters.

Capitalization of 778

778 is currently authorized to issue an unlimited number of common shares, of which 3,000,000 778 Common Shares are issued and outstanding as of the date hereof. In addition, there are 778 Options issued and outstanding entitling the holder thereof to acquire up to 75,000 778 Common Shares upon the due exercise of the same. It is currently anticipated that the holder of the 778 Option will excise such options in full to acquire 75,000 778 Common Shares prior to the completion of the 778 Consolidation.

Following the exercise of the 778 Options and the 778 Consolidation, 327,129 778 Common Shares will be issued and outstanding. Immediately following the 778 Consolidation, the 778 Subscription Receipt conversion and the issue and sale of 778 Common Shares under the Concurrent Financing but prior to the completion of the RTO, 9,803,080 778 Common Shares are expected to be issued and outstanding.

As of the date of this Listing Application, the 778 Common Shares are not listed or quoted for trading on any stock exchange.

Minto

Incorporation

Minto was incorporated on April 20, 1993 under the Business Corporations Act. The head and registered office of Minto is located at 1900 – 1040 West Georgia Street, Vancouver, BC, V6E 4H3. Minto is not a "reporting issuer" (within the meaning of applicable securities legislation) in any jurisdiction of Canada and no public market exists for its securities.

Business of Minto

The principal business of Minto is, and the Resulting Issuer will be upon completion of the RTO, the operation and development of, and exploration for, high grade copper, gold and silver concentrate from the Minto Mine Property located in Yukon, Canada.

Capitalization of Minto

Minto is currently authorized to issue an unlimited number of class A common shares and an unlimited number of class B common shares, of which 79,502,100 class A common shares are issued and outstanding and 643,244,264 class B common shares are issued and outstanding. After effecting the Minto Consolidation, the following securities of Minto are expected to be issued and outstanding:

1. 6,625,175 Minto Class A Shares; and
2. 53,603,688 Minto Class B Shares.

Upon completion of the issue and sale of Minto Flow-Through Shares under the Concurrent Financing, it is expected that the following securities of Minto will be issued and outstanding immediately prior to the completion of the RTO:

1. 9,085,081 Minto Class A Shares; and
2. 53,603,688 Minto Class B Shares.

As of the date of this Listing Application, none of the common shares in the capital of Minto are currently listed or quoted for trading on any stock exchange.

See "*Item 10 – Description of Securities to be Listed.*"

Resulting Issuer

Following the RTO, the Resulting Issuer will continue the business of Minto.

Description of Securities to be Listed

This application is made to list the Resulting Issuer Common Shares on the TSXV under the symbol "MNTO". The TSXV conditionally approved the Listing of the Resulting Issuer Common Shares on November 4, 2021. The Listing is subject to the fulfillment of all of the requirements of the TSXV on or before February 2, 2022. There can be no assurance that the TSXV will list the Resulting Issuer Common Shares. If the requirements of the TSXV are fulfilled, the Listing will be completed on the date the TSXV issues a Final Exchange Bulletin in respect of the Listing, which is expected to be shortly following the Effective Date.

It is expected that following the RTO, the Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Common Shares. Assuming the completion of the RTO, approximately 72,491,851 Resulting Issuer Common Shares will be issued and outstanding following the Effective Time.

See "*Item 10 – Description of Securities to be Listed*".

Principal Securityholders

The principal securityholders of the Resulting Issuer are expected to be Pembridge Resources plc ("**Pembridge**"), Cedro Holdings I, LLC ("**Cedro Holdings**") and Copper Holdings, LLC ("**Copper Holdings**") (which, together with their respective Affiliates, are expected to own, control or direct approximately 75.9% of the Resulting Issuer Common Shares on a basic, non-diluted basis).

See "*Item 15 – Principal Securityholders*".

Concurrent Financing

In connection with the RTO and the Concurrent Financing, on September 21, 2021 and October 22, 2021, 778 completed the brokered "best efforts" private placement offering and non-brokered private placement offering of 6,302,876 778 Subscription Receipts at a price of $2.60 per 778 Subscription Receipt, for aggregate gross proceeds of $16,387,477.60 pursuant to the terms and conditions of the Agency Agreement. As part of the Amalgamation, the

778 Subscription Receipts shall automatically convert into Post Consolidation 778 Common Shares immediately prior to the Effective Time and will be exchanged on a one-for-one basis for Resulting Issuer Common Shares pursuant to the Amalgamation.

In connection with the RTO and the Concurrent Financing, Minto is expected to complete the brokered "best efforts" private placement offering and non-brokered private placement offering of an estimated 2,459,906 Minto Flow-Through Shares on or immediately prior to the Effective Date at a price of $2.60 per Minto Flow-Through Share, for estimated aggregate gross proceeds of $6,395,755.60 pursuant to the terms and conditions of the Agency Agreement. The Minto Flow-Through Shares will be exchanged on a one-for-one basis for Resulting Issuer Flow-Through Shares pursuant to the Amalgamation.

In connection with the RTO and the Concurrent Financing, 778 is expected to complete the non-brokered private placement offering of an estimated 3,173,076 Post Consolidation 778 Common Shares on or immediately prior to the Effective Date at a price of $2.60 per 778 Common Share, for estimated aggregate gross proceeds of $8,249,997.60, in accordance the terms and conditions of the Agency Agreement. The Post-Consolidation 778 Common Shares will be exchanged on a one-for-one basis for Resulting Issuer Common Shares pursuant to the Amalgamation.

Upon completion of the Concurrent Financing, it is estimated that the aggregate gross proceeds of approximately $31,033,230.80 will have been be collectively raised by 778 and Minto.

See "*Item 6 – Financing – Concurrent Financing*".

Following listing on the TSXV, the Resulting Issuer expects to have the following total available funds:

Net proceeds from the Concurrent Financing	$29,299,237[1]
Estimated Consolidated Working Capital as at September 30, 2021	$1,030,000
Estimated Revenue for 18 months following listing[2]	$273,428,000
Estimated Total Available Funds ($Cdn)	**$303,757,237**

Notes:

(1) Gross proceeds of approximately $31,033,230.80 less commissions and financial advisory fees of approximately $1,541,993.85 and $192,000 in Agents' costs and expenses.

(2) Management of Minto has forecasted gross revenue of approximately $333,446,000 and marketing and processing costs of approximately $54,018,000 for the 18 months following completion of the RTO, resulting in revenue of approximately $273,428,000.

Use of Proceeds and Principal Purposes

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 18 months following the date hereof:

Principal Purpose	Estimated Amount
Fees and expenses payable in connection with the Listing[1]	$1,800,000
Exploration[2]	$7,000,000
Surface Operations[3]	$5,000,000
Mine Capital – Phase 1 of Minto North II (begin portal to Minto North II)	$7,500,000
Mine Capital – Minto Water Evaporation Program	$2,500,000
G&A for 18 months	$10,800,00

Principal Purpose	Estimated Amount
Working Capital(4)	$6,700,000
Total	**$41,300,000**

Notes:

(1) Includes accounting, TSXV and legal fees.

(2) Includes $3,500,000 for 67 high potential drill locations to expand resources by drilling current property, $2,500,000 for infill drilling to improve mining accuracy of resources and $850,000 for metallurgy and assay databases

(3) For rock crushing; the Resulting Issuer is investigating purchasing to reduce operational costs, as this is currently operated by a contractor

(4) Includes $1,000,000 for deposits on new equipment, $1,500,000 for Tailing Dam design and permits, $900,000 for remote control machine operations, $1,200,000 for winter critical inventory build, $600,000 for a camp expansion and $1,500,000 for unallocated working capital needs

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. See "*Item 21 – Risk Factors – Risks Related to the Operations of the Resulting Issuer – Net Proceeds*".

See "*Item 6 – Financings*" for further information regarding the Concurrent Financing and the use of proceeds therefrom.

Risk Factors

There are risks associated with the businesses of the Resulting Issuer, including but not limited to: (i) risks generally relating to the Amalgamation; (ii) risks generally relating to the operations and business of the Resulting Issuer; and (iii); other specific risks associated with the Resulting Issuer as described in "*Item 2C – Cautionary Note Regarding Forward-Looking Information*" and "*Item 21 – Risk Factors*" of this Listing Application.

Financial Information

Assuming completion of the RTO, the following table sets out certain unaudited *pro forma* financial information for the Resulting Issuer. The following information should be read in conjunction with the Resulting Issuer Pro Forma Financial Statements set forth in this Listing Application. See *"Appendix "D" –Pro Forma Financial Statements of the Resulting Issuer (Unaudited)"*.

Item	778 (as at June 30, 2021) (C$)	Minto (as at June 30, 2021) (C$)	*Pro Forma* Adjustments (C$)[(1)]	Resulting Issuer *Pro Forma* Consolidation (C$)
Current Assets	3,585	17,972,851	29,432,982	47,409,418
Total assets	3,585	86,499,247	29,432,982	115,935,814
Current Liabilities	79,666	42,545,603	nil	42,625,269
Total liabilities	79,666	111,511,061	nil	111,590,727
Shareholders' Equity	3,585	86,499,247	29,432,982	115,935,814

Notes:

(1) These pro forma adjustments include, amongst other things, the adjustments for the Concurrent Financing.

Item	778 (for the period ended June 30, 2021) (C$)	Minto (for the period ended June 30, 2021) (C$)	*Pro Forma* Adjustments (C$)[(1)]	Resulting Issuer *Pro Forma* Consolidation (C$)
Revenue	nil	59,268,231	nil	59,268,261
Expenses	34,939	58,981,304	nil	59,016,273
Net Income (Loss)	(34,939)	286,927	nil	251,988
Proforma Per Share Amounts				
Basic and Diluted	(0.01)	0.00	nil	0.00

Notes:

(1) These pro forma adjustments include, amongst other things, the adjustments for the Concurrent Financing.

Item	778 (for the period ended Dec 31, 2021) (C$)	Minto (for the period ended Dec 31, 2021) (C$)	*Pro Forma* Adjustments (C$)[(1)]	Resulting Issuer *Pro Forma* Consolidation (C$)
Revenue	nil	79,323,706	nil	79,323,706
Expenses	41,442	97,603,974	1,532,614	99,178,030
Net Loss	(41,442)	(18,280,268)	(1,532,614)	(19,854,324)
Proforma Per Share Amounts				
Basic and Diluted	(0.01)	(0.04)	nil	(0.27)

Notes:
(1) These pro forma adjustments include, amongst other things, the adjustments for the Concurrent Financing.

Escrowed Securities and Securities Subject to Restrictions on Transfer

Pursuant to the policies of the Exchange, approximately 59,774,969 (82.5%) of the of the Resulting Issuer Common Shares are expected to be held in escrow pursuant to the Resulting Issuer Surplus Escrow Agreement, the Resulting Issuer Value Escrow Agreement and contractual lock-up agreements after giving effect to the RTO.

See *"Item 14 – Escrowed Securities and Securities Subject to Restrictions on Transfer"*.

ITEM 4: CORPORATE STRUCTURE

Name, Address and Incorporation of 778

778 was incorporated on April 8, 2020 under the Business Corporations Act as "1246778 B.C. Ltd." and is a "reporting issuer" (within the meaning of applicable securities legislation) in the provinces of Alberta and British Columbia. 778 was formed upon completion of a plan of arrangement by 2583262 Ontario Inc., whereby 778 was spun-out of 2583262 Ontario Inc. and became a non-listed reporting issuer. The head and registered office of 778 is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6.

Intercorporate Relationships of 778

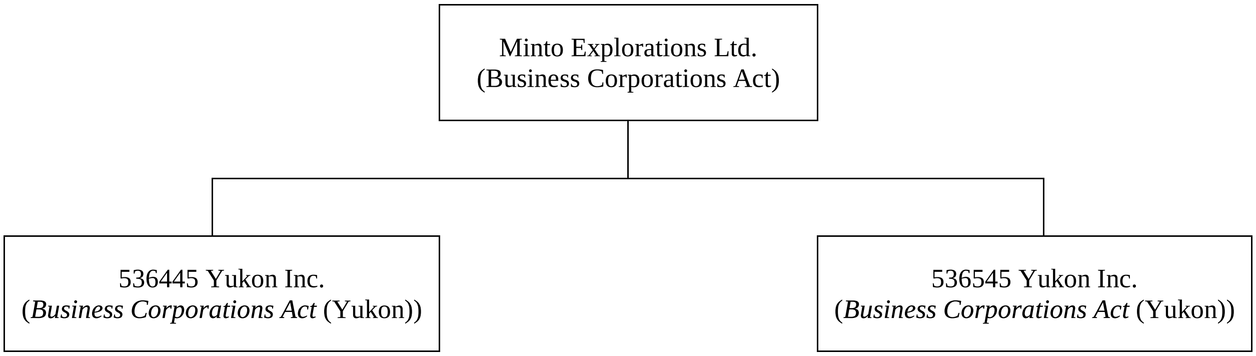
778 has no subsidiaries.

Name, Address and Incorporation of Minto

Minto was incorporated on April 20, 1993 under the Business Corporations Act. The head office of Minto is located at 61 Wasson Place, Whitehorse, Yukon, Y1A 0H7 and the registered office of Minto is located at 1900 – 1040 West Georgia Street, Vancouver, BC, V6E 4H3. Minto is not a "reporting issuer" (within the meaning of applicable securities legislation) in any jurisdiction of Canada and no public market exists for its securities.

Intercorporate Relationships of Minto

Minto has two wholly-owned subsidiaries, namely 536445 Yukon Inc. and 536545 Yukon Inc. 536445 Yukon Inc. was incorporated on February 7, 2018 under the *Business Corporations Act* (Yukon) and 536545 Yukon Inc. was incorporated on June 15, 2018 under the *Business Corporations Act* (Yukon). A corporate organizational chart reflecting the current corporate structure of Minto at the date hereof is set forth below:



Chris Stewart is the sole director and officer of each of 536445 Yukon Inc. and 536545 Yukon Inc.

Name, Address and Incorporation of Resulting Issuer

Upon completion of the RTO, the Resulting Issuer will exist under the Business Corporations Act. It is expected that, upon completion of the RTO, the Resulting Issuer's full corporate name will be "Minto Metals Corp.", its head office and principal place of business will be located at 61 Wasson Place, Whitehorse, Yukon, Canada, and its registered office will be located at 1900 – 1040 West Georgia Street, Vancouver, BC, V6E 4H3.

Intercorporate Relationships of Resulting Issuer

Upon completion of the RTO, the Resulting Issuer will have two wholly-owned subsidiaries, namely 536445 Yukon Inc. and 536545 Yukon Inc. These subsidiaries do not carry on any business. Chris Stewart will remain the sole director and officer of each of 536445 Yukon Inc. and 536545 Yukon Inc.

A corporate organizational chart reflecting the expected corporate structure of the Resulting Issuer following the Effective Date is set forth below:

ITEM 5: DESCRIPTION OF THE BUSINESS

General

Summary

The principal business of Minto is the operation and development of, and exploration for, high grade copper, gold and silver concentrate from the Minto Mine Property located in Yukon, Canada.

Minto is a privately-owned Canadian company incorporated in British Columbia, Canada. Minto is engaged in the mining and extraction of copper and precious metals from the Minto Mine, located in Yukon, Canada. Minto has two wholly owned subsidiaries that holds mineral claims, 536445 Yukon Inc. and 536545 Yukon Inc.

The head office of Minto is located at 61 Wasson Place, Whitehorse, Yukon, Y1A 0H7 and the registered office of Minto is located at 1900 – 1040 West Georgia Street, Vancouver, BC, V6E 4H3.

The Minto Mine was acquired from Capstone Mining Corp. ("**Capstone**") by Pembridge Resources plc ("**Pembridge**"), on June 3, 2019, through the acquisition of all the issued and outstanding common shares of Minto. Prior to its acquisition, the Minto Mine had been on care and maintenance since October 2018. Subsequent to the acquisition, Minto restarted operations and the mine restarted commercial production in October 2019.

Minto's revenue breakdown for the years ended December 31, 2020 and 2019 are as follows:

		Year ended December 31, 2020		Year ended December 31, 2019
Copper	**$**	**72,056**	$	28,244
Gold		**16,533**		3,017
Silver		**273**		506
Total gross revenue	**$**	**88,862**	$	31,767
Less: treatment and selling costs		**(8,611)**		(5,236)
Less: royalty expense		**(412)**		(666)
Revenue	**$**	**79,839**	$	25,865

Minto's revenue breakdown for the six month periods ended June 30, 2021 and 2020 are as follows:

		Six months ended		
		June 30, 2021		June 30, 2020
Copper	**$**	**59,102**	$	31,603
Gold		**6,395**		8,394
Silver		**308**		246
Total gross revenue	**$**	**65,805**	$	40,243
Less: treatment and selling costs		**(4,922)**		(4,210)
Revenue	**$**	**60,883**	$	36,033

Minto has offtake agreements with Sumitomo Canada Ltd. ("**Sumitomo**") and a precious metals agreement with Wheaton Precious Minerals Corp. ("**Wheaton**") under which all copper production is sold to Sumitomo, and all gold and silver production is sold to Wheaton. Under the terms of its agreement with Sumitomo, Minto receives 90% of the value of copper produced once the production is delivered to the on-site shed at the Minto mine. The remaining 10% of the payment is received following the delivery of the production to Sumitomo at the Port of Niihama, Japan or an alternative agreed-upon location. Minto's shipments are subject to seasonal fluctuations as the Yukon River is only traversable during the summer and winter seasons by either barge or ice bridge. The River must be crossed in order to reach the Skagway Ore Terminal in Skagway, Alaska.

Production

Minto performs underground mining using a longhole mining method. The longhole stopes are retreated from an extraction development drive with rib pillars left between stope lines for ground stability. Ore is extracted from the mine with 45-tonne haul trucks utilizing a 15% ramp to surface. The underground operations are currently producing approximately 3,000 tonnes per day and plans are in place to ramp up production levels. In 2021, operations are expected to expand into other areas of the mine operation. The current main mining area is Copper Keel and it utilizes the longhole stoping method.

Ore is trucked to the mill and then crushed down to a minus ¾" to be fed into the primary SAG mill and subsequently into two smaller ball mills and into a flotation circuit. The mill produces a high grade concentrate which is stored on site until it is trucked to the port in Skagway from which it is shipped by boat to the offtaker's smelter in Niihama, Japan.

Specialized Skill and Knowledge

All aspects of Minto's business activities require specialized skills and knowledge. Such skills and knowledge specifically include the fields of above and underground mining, metallurgy, geology and mill operations. Competition in the mining industry has made it more difficult to locate and retain competent employees in such fields.

Competitive Conditions

Competition in the mining industry is intense. Minto competes with other mining companies located in the Yukon and North America generally, western South America, and Australia, many of which have greater financial resources and production facilities for the exploration, development and production of minerals, as well as for the recruitment and retention of qualified employees and consultants. Certain markets may have lower costs of production due to their milder climate, greater access to connected infrastructure, or lower costs of labour. Minto further competes with other mining companies in these regions for customer market share.

Due to the high level of investment in Minto that has occurred in the past, prior to the current investment, Minto believes it has a competitive advantage over many of its competitors, as its current operations can operate on a lower-cost basis than similar mines that have to cover all their historical costs. Furthermore, Minto has a competitive advantage in that it is an operating/cash-generating company with exploration potential that is greater than most purely exploration companies.

In addition, the Canadian and Yukon governments have been supportive of mining operations and provide employment standards and procedures that entities must follow. Minto believes that this is a competitive advantage over many of its competitors who operate in jurisdictions with less stability and governmental support and where ESG compliance is not treated as an important aspect of the business.

Business Cycle

Mining and milling occur at the Minto Mine Property year round. Operations in the Yukon create seasonality to the trucking of concentrate from the Minto Mine Property and production inventory to the Minto Mine Property. The use of an ice road enables heavy loads to be delivered to and from the Minto Mine Property over the Yukon River from late December or early January through end of March. A barge is then used for transportation to and from the Minto Mine Property from early June through October. Minto Mine Property access is restricted to flights for personnel and supplies during the intervening period.

Economic Dependence

Minto produces copper, gold, and silver ore from the Minto Mine. Minto sells concentrate mined from the Minto Mine Property to a single offtakes, Sumitomo, with Wheaton purchasing the gold and silver contained in such concentrate pursuant to the Wheaton Agreement. The premium quality of the concentrate produced from the Minto Mine Property, along with increasing market demand, creates additional market opportunities for Minto thereby mitigating the risk of a single customer. Minto is currently in the process of negotiating an extension for both the Wheaton and Sumitomo offtake agreements. The Sumitomo agreement is currently targeting an additional three years to the current offtake agreement with Sumitomo.

Changes to Contracts

Minto is currently in the process of finalizing an update to the precious metals streaming agreement with Wheaton. This update is expected to increase the portion of gold and silver value retained by Minto. In addition, Minto is currently in the process of negotiating a three year extension to its offtake agreement with Sumitomo.

Environmental Protection

Minto is required to have a comprehensive environmental monitoring program as is outlined in its Environmental Monitoring and Surveillance, Reporting Plan (EMSRP). This Plan includes:

(a) surface and groundwater monitoring,
(b) geochemical,
(c) meteorological,
(d) physical,
(e) aquatic environment including Metal and Diamond Mine Effluent Regulation,
(f) terrestrial environment, and
(g) progressive reclamation.

Minto ensures environmental protection by implementing its Operations Adaptive Management Plan whereby specific responses are staged according to specific performance thresholds that describe actions to be implemented if specific performance thresholds are crossed. The actions are in the following categories: (a) notification, (b) review, (c) evaluation and (d) action. Minto's focus is on the protection of aquatic resources through a number of actions including ensuring that where possible water is not impacted by mine activities and instead flows around the mine while impacted water is collected in the tailings management facilities. The sum of these environmental monitoring and protection measures costs approximately $1.7M per year and are captured in Minto's operating budget. Capital expenditures for related infrastructure and reclamation projects are planned and budgeted on a project basis with sufficient funding reserved for these purposes each year.

Employees

As of the date hereof, Minto has 118 employees and has 144 contractors across its operations. Upon listing on the TSXV, the Resulting Issuer expects to have approximately 120 employees and 144 contractors.

Bankruptcy and Similar Procedures

There have been no bankruptcy, receivership or similar proceedings against Minto, or any voluntary bankruptcy, receivership or similar proceedings by Minto, within the three most recently completed financial years or completed during or proposed for the current financial year.

Reorganizations

Effective September 26, 2019, Minto changed its authorized share structure by changing the identifying name of the common shares without par value to the class "A" common shares of Minto, and by creating an unlimited number of class "B" common shares of Minto, and creating and attaching special rights and restrictions to the class "A" common shares of Minto and class "B" common shares of Minto, as described under *Item 10-C – "Minto Class A Shares and Minto Class B Shares*".

Effective July 2, 2020, Minto altered the Articles of Minto by deleting the existing Articles in their entirety and replacing them with the Articles set out in the special resolution of the Minto Shareholders dated June 29, 2020 approving such alteration.

Effective October 20, 2020 Minto altered the Articles of Minto by varying certain special rights and restrictions attached to the Minto Class A Shares, as set out in the unanimous resolution of Minto Shareholders dated September 28, 2020.

On June 15, 2021, Minto and 778 entered into the Amalgamation Agreement. The Amalgamation is being conducted under the Business Corporations Act whereby 778 and Minto will amalgamate and continue as the Resulting Issuer on terms more particularly set forth in the Amalgamation Agreement. As a result of the Amalgamation, the former securityholders of Minto and the former securityholders of 778 will become securityholders of the Resulting Issuer. For a summary of certain provisions of the Amalgamation Agreement, see *"Item 2C: Description of the RTO – The Amalgamation Agreement and the RTO – The Amalgamation Agreement"*.

Social or Environmental Policies

The Minto Mine Property and its expansion plans have been subject to numerous environmental and socio-economic assessments prior to licenses being issued and/or amended and the Minto Mine Property is subject to numerous other current and ongoing regulations and permits. Thus, Minto's focus is on compliance with applicable legal requirements. Minto is committed to developing the Minto Mine Property in an environmental, socially and fiscally responsible manner, with a specific focus on the following areas:

1. water stewardship;
2. biodiversity;
3. collaboration with Selkirk First Nation and local communities; and
4. focusing on core Minto values to guide social and environmental action.

Minto is committed the following principles in relation to the environment:

1. to ensuring compliance with applicable legal requirements;
2. seeking continual improvement in environmental performance;
3. ensuring that employees and contractors are aware of Minto's environmental policies and practices; and
4. preventing or mitigating, as much as reasonably possible, the impacts of Minto's operations on the environment through effective and scientifically based practices.

The first stage of implementation of these policies and practices is carried out in Minto's orientation process that ensures that employees are aware of key environmental and social policies and practices. Further training is provided to personnel where applicable including the mandatory sign-off on relevant Standard Operating Procedures (SOPs). Minto has established key performance indicators to ensure alignment between principles, policies and practices and day to day operations. Minto is committed to an adaptive management approach to continuously improve with the following stages:

1. Plan
2. Do
3. Evaluate & Learn
4. Adjust

History

Minto was acquired by Pembridge on June 3, 2019 when Pembridge acquired all of the issued and outstanding common shares of Minto from Capstone Mining Corp. pursuant to a share purchase agreement between Minto and Capstone Mining Corp. dated June 3,, 2019 (the "**Pembridge Share Purchase Agreement**"). Prior to its acquisition, the Minto Mine Property had been on care and maintenance since October, 2018. Subsequent to the acquisition, Minto restarted operations and the Minto Mine Property restarted commercial production in October, 2019.

On June 3, 2019 Minto completed a private placement of USD$10.0 million 8.0% senior secured notes due June 3, 2024 (the "**Notes**") with Copper Holdings and Cedro Holdings. Proceeds net of discount on the Notes amounted to USD$8.4 million with an implied discount of 12%. Interest on the Notes is payable in semi-annual instalments and the Notes have a general security charge over all of Minto's assets. The Notes do not bear any maintenance capital covenants. Concurrent with the issuance of the Notes, Copper Holdings and Cedro acquired Class B common shares of Minto for total consideration of $2.1 million.

In June 2020, Copper Holdings and Cedro Holdings purchased additional shares in Minto. Following these share purchases, Pembridge no longer held a majority interest in Minto.

Under the Pembridge Share Purchase Agreement, the consideration for the shares of Minto was US$20M in total payments due to Capstone Mining Corp. from Pembridge, to be paid out of future cash flows and realizations from Minto. The first such payment in the amount of US$5M was made by Minto, on behalf of Pembridge, in March 2021. The next such payment of US$5M will be due once production has reached 60% of mill capacity and the copper price has averaged over US$3.00/lb for two consecutive quarters. The final such payment of US$10M will be due upon the copper price achieving and average of US$3.50/lb for two consecutive calendar quarters. The Pembridge Share Purchase Agreement also requires Pembridge to make quarterly payments into the Control Account (as defined therein) to an aggregate amount of $10 million, in order to secure certain reclamation obligations in respect of the Minto Mine until a new surety bond is obtained by Minto or Pembridge to replace the current surety bond originally obtained by Capstone or Capstone is otherwise released from it obligations and liabilities under such bond. Under the Pembridge Share Purchase Agreement, Pembridge is obligated to, and is obligated to cause Minto to, use all commercially reasonable efforts to obtain or cause Minto to obtain a new surety bond with the Government of Yukon securing reclamation obligations in respect of the Minto Mine and releasing Capstone from its obligations and liabilities under the surety bond that is currently outstanding. The Pembridge Share Purchase Agreement further provides that Pembridge may direct Minto to make the future agreed payments to Capstone Mining Corp. on behalf of Pembridge. Pursuant to an amended and restated shareholders' agreement among the current shareholders of Minto (the "**Minto Shareholders' Agreement**"), Minto will, upon written notice from Pembridge, fund such future agreed payments due from Pembridge to Capstone Mining Corp., and will also fund the payments into the Control Account, and it is expected that this will happen. Effective upon completion of the RTO, the Minto Shareholders' Agreement will be terminated by the parties thereto, and Minto and Pembridge will enter into the Future Expenditures Agreement whereby the obligations of Minto to fund the future agreed payments to Capstone Mining Corp. and to make all payments to the Control Account will continue.

Pembridge funded the first $4 million into the Control Account and Minto recognized a $4 million payable to Pembridge for the transfer of the Control Account to Minto. It is anticipated that, pursuant to the Future Expenditures Agreement, once $10 million has been funded to the Control Account or in the event of the termination or replacement of the Control Account, Minto will repay $1 million quarterly to Pembridge until Minto has returned to Pembridge the $4 million which Pembridge funded to the Control Account along with 8% annualized interest accrued from the respective dates of Pembridge's funding to the Control Account.

In addition to the foregoing, the amount owed to Pembridge by Minto also includes $0.5 million related to mineral claims held by two fully owned subsidiaries.

During 2008, Minto sold all of its gold and silver production from the Minto Mine over the life of mine to Wheaton in consideration for an upfront payment of USD $37.5 million and a further payment of the lesser of USD $300 per ounce of gold and USD $3.90 per ounce of silver (subject to a 1 % inflationary adjustment after three years and each year thereafter) and the prevailing market price for each ounce delivered. If production from the Minto Mine exceeded 30,000 ounces of gold per year, Wheaton was entitled to purchase only 50% of the amount in excess of that threshold. The precious metal purchase agreement (the "**Wheaton Agreement**") was modified during 2019 so that Minto receives 75% of the value on gold sales up to a maximum of 11,000 ounces. During the year ended December 31, 2020, Minto delivered concentrate containing 8,963 ounces of gold (year ended December 31, 2019 –nil ounces) and 74,307 ounces of silver (December 31, 2019, - nil ounces) to Wheaton. Minto and Wheaton are currently in negotiations to amend the Wheaton Agreement.

On July 29, 2019 Minto entered into an Offtake Agreement with Sumitomo, as subsequently amended. Sumitomo has agreed to purchase 100% of annual production from the Minto Mine until a total of 90,000 dry metric tons of copper concentrates has been delivered. Sumitomo is granted the exclusive right to purchase all copper concentrates together with a right of first refusal over all other concentrates produced at the Minto Mine and is the exclusive recipient of the offtake of copper concentrates relating to the Minto Mine. Pursuant to the Prepayment Facility Agreement referenced below, if mineral reserves for the Minto Mine are increased, Sumitomo will have the option to increase the minimum quantity of copper concentrate to be delivered up to 125, 000 dry metric tons. Sumitomo makes provisional payments on a monthly basis for 90% of the estimated provisional invoice value of monthly production. Minto has the right after departure of a vessel from the port of loading of shipped copper concentrates, to fix the price of copper and gold for up to 90% of the provisional payment amount of such concentrates. During the year ended December 31, 2020 Minto produced 22,779.31 dry metric tons of copper concentrate for Sumitomo pursuant to the Offtake Agreement, and as at June 30, 2021 Minto has produced a total of 13,899.39 dry metric tons of copper concentrate to Sumitomo pursuant to the Offtake Agreement.

On September 8, 2020, Minto entered into a Prepayment Facility Agreement with Sumitomo. The facility limit is USD $12.5 million and may be drawn against at any time giving notice in increments of USD $1.0 million. An initial advance of USD$3.0 was made on November 30, 2020. Interest is calculated quarterly on the outstanding balance at LIBOR for the applicable period. Management is currently assessing the impact of the LIBOR Reform and is currently in discussion with Sumitomo. Subsequent to the initial draw Minto received USD $3.0 million on March 3, 2021 and on April 21, 2021, an additional USD $2.0 million was drawn under the Prepayment Facility.

The loan is secured by a general and continuing security in the collateral; all accounts, inventory, equipment, intangibles, documents of title, money, chattel paper, instruments, securities, documents, proceeds, leaseholds and all present and future undertakings.

Minto is required to meet certain non-financial covenants under the Prepayment Facility Agreement in the case where an advance subsequent to the initial advance is requested by Minto. The key covenants include the following:

(i) In the immediately preceding period of three full calendar months, Minto shall have produced more than 75% of the forecast figure for the Minto Mine, as set out in the 2020 Cash Flow Model;

(ii) successful establishment of flow-through ventilation and secondary egress (or any other appropriate vent system to support full production from the Copper Keel zone at the Minto Mine) and commencement of ore production from the Copper Keel zone at the Minto Mine; and

(iii) readiness of equipment at the Minto Mine site to support 3,500 tonnes per day of ore production.

Minto was not in compliance with all covenants at June 30, 2021 and as a result, could not draw on the remaining USD $4.5 million until such time as a waiver was made or changes to the covenants occur or are renegotiated. As of October 6, 2021, Minto and Sumitomo reached an agreement to extend the Prepayment Facility Agreement and the remaining USD$4.5 million was drawn down. Accordingly, the facility is now fully drawn.

Under the terms of a revised co-operation agreement between Minto and the Selkirk First Nation ("**Selkirk**") dated October 15, 2009, Minto has made various commitments to Selkirk to enhance Selkirk participation in the Minto Mine, including a variable net smelter return royalty on production from the Minto Mine that fluctuates from 0.5% to 1.5% depending on the variation of copper prices, as well as various commitments in respect of employment, contracting, training and scholarship opportunities. The variable net smelter return royalty pursuant to this agreement is currently 1.5%.

The Amalgamation Agreement

On June 15, 2021, Minto and 778 entered into the Amalgamation Agreement. For a summary of certain provisions of the Amalgamation Agreement, see *"Item 2C: Description of the RTO – The Amalgamation Agreement and the RTO – The Amalgamation Agreement"*. A copy of the Amalgamation Agreement may also be viewed under the 778's issuer profile on SEDAR at www.sedar.com.

Concurrent Financing

In connection with the RTO and the Concurrent Financing, on September 21, 2021 and October 22, 2021, 778 completed the brokered "best efforts" private placement offering and non-brokered private placement offering of 6,302,876 778 Subscription Receipts at a price of $2.60 per 778 Subscription Receipt, for aggregate gross proceeds of $16,387,477.60 pursuant to the terms and conditions of the Agency Agreement. As part of the Amalgamation, the 778 Subscription Receipts shall automatically convert into Post Consolidation 778 Common Shares immediately prior to the Effective Time and will be exchanged on a one-for-one basis for Resulting Issuer Common Shares pursuant to the Amalgamation.

In connection with the RTO and the Concurrent Financing, Minto is expected to complete the brokered "best efforts" private placement offering and non-brokered private placement offering of an estimated 2,459,906 Minto Flow-Through Shares on or immediately prior to the Effective Date at a price of $2.60 per Minto Flow-Through Share, for estimated aggregate gross proceeds of $6,395,755.60 pursuant to the terms and conditions of the Agency Agreement. The Minto Flow-Through Shares will be exchanged on a one-for-one basis for Resulting Issuer Flow-Through Shares pursuant to the Amalgamation.

In connection with the RTO and the Concurrent Financing, 778 is expected to complete the non-brokered private placement offering of an estimated 3,173,076 Post Consolidation 778 Common Shares on or immediately prior to the Effective Date at a price of $2.60 per 778 Common Share, for estimated aggregate gross proceeds of $8,249,997.60, in accordance the terms and conditions of the Agency Agreement. The Post-Consolidation 778 Common Shares will be exchanged on a one-for-one basis for Resulting Issuer Common Shares pursuant to the Amalgamation.

Upon completion of the Concurrent Financing, it is estimated that the aggregate gross proceeds of approximately $31,033,230.80 will have been be collectively raised by 778 and Minto.

See *"Item 6 – Financing – Concurrent Financing"*.

<u>The Minto Mine Property</u>

Upon completion of the RTO, the Resulting Issuer will have a direct interest in the Minto Mine Property, which is located in the Yukon, Canada and is more particularly described below. The Minto Mine Property is the only material property of the Resulting Issuer.

Minto Mine Property Technical Report

The following is an extract of "*Section 1 – Summary*" of the Minto Mine Property Technical Report. See also "*Item 2B: Notice to Reader – Technical Information*" of this Listing Application. The balance of the Minto Mine Property Technical Report is incorporated herein by reference. Capitalized terms used in this section "*The Minto Mine Property – Minto Mine Property Technical Report*" but not otherwise defined shall have the meanings ascribed thereto in the Minto Mine Property Technical Report. See "*Item 2B: Notice to Reader – Technical Information*."

Introduction

JDS Energy & Mining Inc. (JDS) was commissioned by Minto Explorations Ltd to carry out a Preliminary Economic Assessment (PEA) of the Minto Mine (Minto), a resource development base metal project owned by Minto located in the Yukon, Canada.

This Technical Report pertains to the Minto operating mine and areas of development for future production. The Minto mine has been operated since 2007 by several public companies and since 1977 during the exploration and permitting stages. It was acquired by the current owners in May of 2019 in state of temporary closure. The current mine operations are based on two underground zones Minto East and Copper Keel, a process plant to produce high grade copper, gold and silver concentrate and all supporting infrastructure associated with a remote location in the Yukon.

Although this is an operating mine with well-established history of metal production, this Technical Report is a PEA, since some of the future development areas at Minto are classified as Inferred resources and create a longer overall mine life and have a large influence on overall project economics.

Project Description, Location, and Access

Project Description

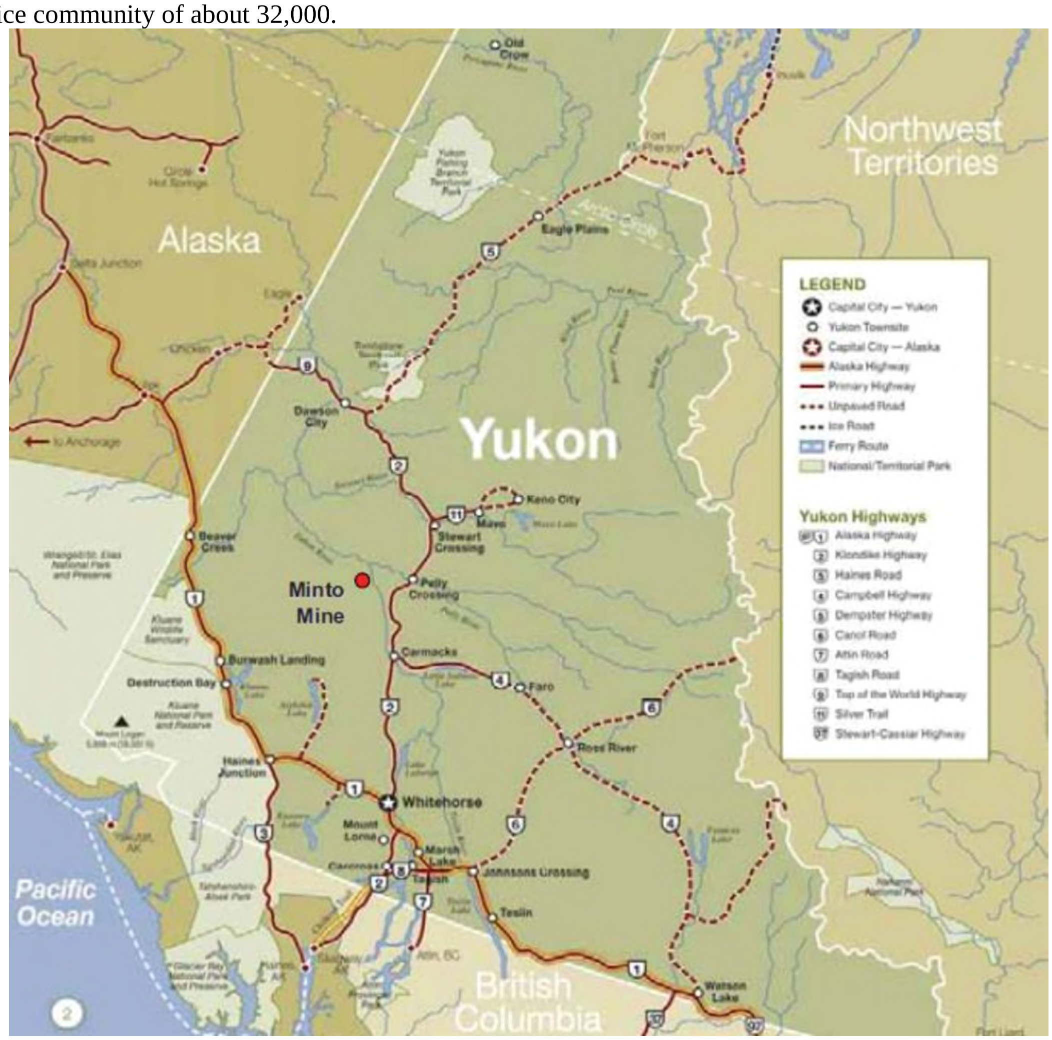
The Minto Property comprises 164 Yukon quartz mining claims covering 2,760 hectares (6,817 acres), centered at 62°37’05” N Latitude, 137°14’56” W Longitude, within the Whitehorse Mining District.

Location, Access and Ownership

The Minto Mine is located within a package of Category A settlement land held by the Selkirk First Nation (“SFN”), and within the traditional territory of the SFN. There is a Co-operation Agreement (CA) between Minto and the SFN, with a Net Smelter Return (NSR) royalty payable to the SFN.

The property is located west of the Yukon River, about 20 km WNW of Minto Landing, the latter on the east side of the river. The property is accessible by Yukon Highway 2 to Minto Landing. In summer months, Minto operates a bargamale connecting the landing with an all-weather gravel road extending 27 km from the west bank to the mine site. In winter, the crossing is accessed by an ice bridge. There is typically a 6 to 8-week period associated with each of freeze-up and break-up, where access across the river is not possible. During freeze-up and break-up, access is provided by chartered air services from Whitehorse to an airstrip on the property.

The property is serviced by a spur of the main Yukon electrical grid. Basic fuel and grocery services, and an available work force are located at the villages of Pelly Crossing and Carmacks, both along the North Klondike Highway. The property is located approximately 250 road-km north of the City of Whitehorse, the capital city of Yukon, which is a full-service community of about 32,000.



Source: Minto (2019)

History, Exploration and Drilling

The present Minto property was first staked in 1971. In 1973, United Keno Hill Explorations (UKHM) discovered mineralization on the adjoining DEF claims, leading to the formation of a joint venture with the holders of the DEF claims. This joint venture completed core drilling programs in 1973 and 1974, targeting the “North Zone”, and, in 1974, constructed a winter road to an existing airstrip on the property.

In 1993, Minto acquired the Minto claims and were consolidated into the Minto Property.

In 1996, Minto completed a feasibility study and, in April 1997, a final screening report on the Environmental Assessment of the proposed project was released, followed in 1998 by issuance of a Type A water use licence. Also, in 1997, a Co-operation Agreement (CA) with the Selkirk First Nation towards development and operation of the Minto Project was signed.

In June 2005, the Sherwood Mining Corporation (Sherwood) acquired ownership of the Minto Project. Minto continued as the operator as a 100% owned subsidiary of Sherwood. In July 2005, Sherwood released an NI 43-101 compliant resource estimate for the Main Zone.

In 2006, Sherwood Copper completed infill drilling at the Main Zone and exploratory drilling to the north and west of it, and on “Area 2”. Sherwood Copper also began mill construction and pre-stripping of the Main Zone. In 2007, Sherwood completed another core drilling program, which resulted in discovery of significant copper-gold mineralization at the Area 118, Copper Keel, Airstrip and Ridgetop zones. Also, in 2007, Sherwood Copper produced the first copper-gold concentrates and expanded the mill to handle 2,400 tpd. In July, Sherwood Copper delivered its first concentrate shipment to the Skagway, Alaska port, and announced it had reached commercial production on October 1, 2007.

In September 2008, Sherwood Copper entered into an agreement with the Capstone Mining Corporation to create a mid-tier copper producer retaining the name of Capstone Mining Corp (Capstone). In November, the merger was completed and the mine was officially connected to Yukon Energy’s electrical grid.

In November 2008, Sherwood Copper, Minto and Kutcho Copper Corp. entered into an agreement with Silverstone Resources Corp. (Silverstone) whereby Minto would sell to Silverstone all payable gold and silver recovered from the Minto Mine. In May 2009 Silverstone was purchased by the Silver Wheaton Corporation, now Wheaton Precious Metals Corp.

In 2009, Minto completed a core drilling program focusing on infilling of the Ridgetop and Area 2 deposits leading to discovery of the Minto North and Minto East zones. In 2010, the Minto East Deposit was defined, the copper-gold resources for the Area 2/ Area 118 were expanded, and drilling led to discovery of the Wildfire and Inferno prospects, now part of Minto East 2. In 2011, the Copper Keel and Wildfire resource sub-domains were defined and incorporated into the larger Minto South Deposit (MSD).

Exploration from 2012 onwards was limited to delineation core drilling and related activities, and no significant surface or underground exploration occurred from 2013 through 2018.

Production History

Following the official announcement of production on October 1, 2007, production and recovery rates increased through 2008 and 2009, although were cut back in 2010 due to constraints in the tailings filtration facility. In 2012, mining and stripping of the Area 2 pit was ongoing, with a slight decrease in production. In October, an amendment to Minto’s Water Use Licence (WUL) was approved, and development of the underground ramp to access future underground workings at Area 2 commenced.

In 2013 Capstone submitted to the Yukon Environmental and Socioeconomic Assessment Board (YESAB) an operating plan for all remaining mineral reserves as identified in the 2012 Phase V/VI Pre-Feasibility Study (PFS).

In 2014, Capstone completed mining of the Area 2 pit, then moved on to mining the M-Zone and the Area 118 open pit. Mining of both of these were completed, and underground operation of the Area 118 deposit commenced.

In 2015, operations focused on underground mining in Area 118, as well as stockpiles. Stripping commenced on the Minto North deposit which began to be extracted in December.

Open pit mining ceased in April 2018, the same month underground development of the Minto East deposit commenced. In October 2018 Capstone commenced immediate placement of the mine on care and maintenance

Acquisition by Pembridge Resources PLC

In June 2019 Pembridge entered into definitive "Share purchase Agreement" (SPA) with Capstone and closed the acquisition of 100% of Minto, and the care and maintenance period ended and the restart process commenced. Operations at Minto Mine resumed in October 2019.

Geological Setting, Mineralization, and Deposit Types

Geological Setting

The Minto property is located within the Minto Copper Belt (formerly known as the Carmacks Copper Belt) (Kovacs, 2018), a 42 km long, NW-trending series of copper-gold deposits and occurrences in central Yukon. These deposits are hosted within deformed and metamorphosed inliers engulfed by the intrusions of the Late Triassic to Early Jurassic Minto pluton (204-195 Ma) (Colpron et al., 2015).

The MINTO/DEF property area is underlain by the southern margin of the 204 – 195 million-year old (Ma) Minto pluton. The Minto pluton consists of medium to coarse grained granite, biotite-hornblende granite, granodiorite and quartz monzonite. The south boundary lies in east-west trending normal fault contact with mafic to intermediate volcanic rocks of the Late Cretaceous Carmacks Group. The east boundary lies in NNW trending fault contact with Lewes River Group, Povoas Formation augite phyric basalt, volcaniclastic rocks, and hornblende gabbro (Hart and Radloff, 1990). Lewes River Group rocks comprise part of the northern extent of the Whitehorse Trough, representing the northern limit of the Stikine Terrane, or "Stikinia".

Hypogene copper sulphide mineralization is hosted within variably deformed, metamorphosed, and migmatized Late Triassic rocks that are engulfed by the undeformed and unmineralized felsic intrusive phases of the Minto pluton (Kovacs, 2018). Copper sulphide mineralization is restricted to the metamorphic rocks and occurs in three distinct forms: disseminated chalcopyrite ± pyrite, foliaform chalcopyrite, and net-textured bornite-chalcopyrite ± digenite (Kovacs, 2018). Contacts between foliated and massive phases are typically very sharp and lack chilled margins. Oxidation and alteration of primary mineralization indicates near-surface extensions of mineralized zones. Drill intercepts of copper-mineralized cobbles indicate that, by the Cretaceous period, "Minto-style" mineralization was exposed, eroded and re-deposited in sedimentary strata.

Both brittle and ductile deformation occur in the Minto Mine vicinity. Amphibolite facies ductile deformation affected the metamorphic rock, evident by the alignment of hornblende and biotite grains forming foliation, and by the segregation of quartz and feldspar grains, forming a gneissic texture in areas of higher strain. Deformation zones occur as sub-horizontal horizons traceable for more than 1,000 m and are commonly stacked in parallel to sub-parallel sequences. The felsic intrusive rocks are generally undeformed, although moderate to strong foliation is locally developed near the contact with the metamorphic inliers (Kovacs, 2018).

Late faulting and brittle fracturing occur throughout the property, significantly affecting the economic potential. The Minto Creek fault (MC Fault), a steeply north-east dipping fault, roughly bisects the Minto Main deposit into north and south blocks. The north block has moved upwards and to the left of the south block, although displacement appears minimal. To the north, the roughly east-west striking, north-northwest dipping DEF fault marks the northern limit of the Minto Main deposit. The sense of movement may be similar to the MC Fault, but with a significant inferred displacement. Elsewhere, the boundary between the Area 2 and Area 118 deposits is a NW-SE striking, northeast-dipping fault, showing significant displacement.

Pervasive potassic (biotite ± magnetite) alteration of the metamorphic host rocks is associated with hypogene copper mineralization (Kovacs, 2018). Chloritic and/or hematitic fracturing in some areas locally host visible gold, suggesting this late structural/hydrothermal event may be economically significant. There are no veins associated with hypogene copper mineralization; however, a few late chlorite-hematite-carbonate veinlets are locally present indicating post-mineral hydrothermal alteration.

Mineralization

Four major deposits have been delineated and/or have undergone mineral extraction: the Minto Main, Minto East, Minto North and Minto South deposits. The Area 2, Area 118, Copper Keel and Wildfire resource sub-domains are now considered to be continuous, comprising the Minto South deposit. Recent delineation and infill drilling programs have divided the Copper Keel into the Copper Keel Main, Copper Keel North, Copper Keel West and Copper Keel South deposits.

A north-northwest trend of copper deposits and prospects is evident from the alignment of the known deposits and also regionally (extending over 42 km). The trend includes the Carmacks Copper Cu-Au-Ag deposit and the Stu prospect. Copper grades increase progressively towards the north within the trend.

The primary hypogene minerals are chalcopyrite, bornite, chalcocite, and minor pyrite. Copper sulphide minerals occur mainly as disseminated grains, foliaform stringers, and net-textured domains. Sulphide mineral content tends to increase with ductile deformation. Native gold, electrum, and gold tellurides mainly occur as inclusions in bornite. Coarse free gold is locally found along late chloritic fractures, likely resulting from secondary enrichment from a hydrothermal event. Hypogene sulphide mineralization is almost always associated with biotite alteration and magnetite.

A crude zonation occurs from west to east at the Minto Main deposit, with bornite predominating in the west, transitioning to a thicker, lower grade chalcopyrite-bearing zone in the east. Both the Minto North and Minto East deposits show a similar zonation.

At the Area 2, Area 118 and Copper Keel resource subdomains of the Minto South deposit, ductile deformation appears to be more developed and mineralization is characterized by disseminated grains and minor foliaform stringers. The assemblage consists mainly of chalcopyrite-bornite-magnetite and minor pyrite. Mineralization is more homogenous and consistent than at the Minto Main and Minto North deposits, where mineralization is dominated by net-textured domains of bornite-chalcopyrite.

The predominant alteration assemblage associated with hypogene copper mineralization in the Minto mine area is a pervasive, potassic alteration, characterized by elevated biotite and magnetite content, within the horizontal mineralized zones, present in all Minto deposits. Pervasive silicification tends to coincide with areas of higher-grade mineralization.

Copper oxide mineralization resulting from supergene alteration processes represents either the erosional remnants of foliated horizons above the deposits, or the vertical remobilization of copper along late brittle faults and fracture zones from underlying copper sulphide zones. The oxide mineral assemblage consists of chalcocite, malachite, minor chrysocolla and azurite and rare native copper. Mineralization occurs as fracture-fill and joint coatings and, to a lesser extent, interstitially to rock-forming silicate minerals. Oxidation is related directly to the depth of the water table, typically less than 30 m, and is a minimal component of the Minto Main zone, due to its depth.

Deposit Types

The Minto deposit has been modified by deformation, amphibolite facies metamorphism, and localized metamorphic anatexis (Kovacs, 2018). Recent studies of the setting and mineralization of the Minto deposits by Kovacs (2018) have determined that mineralization may be hosted by 215-212 Ma Late-Triassic Povoas Formation volcanic rocks subsequently engulfed into the 198 Ma Minto pluton. The Minto deposits are metallogenically related to the Carmacks Copper deposit 42 km to the south, indicated by their spatial relation and deformed, metamorphosed, and partially oxidized nature. A recent study integrated the two deposits into a single genetic model and proposed that the Minto deposit is the more highly migmatized analogue of the Carmacks Copper deposit (Kovacs, 2018). The same study also concluded that the two deposits represent Late Triassic porphyry deposits hosted within Late Triassic volcanic rocks of Stikinia that have undergone amphibolite facies metamorphism, deformation, and partial melting (Kovacs, 2018).

Exploration

Exploration in late 2019 and 2020, post-dating release of the Competent Person's Report (CPR) in June, 2019, mainly comprised a core drilling program at the Minto Mine property, which is summarized above under the heading "*Deposit Types*".

In September 2019 Minto contracted Pioneer Aerial Surveys Ltd. (Pioneer) to conduct an airborne magnetic survey (UAV-MAGTM) covering the Minto property. The surveyed area covered approximately 24 km^2 and included the mine site and its surrounding areas. Flight lines were flown at an orientation of 065oat a 50 m line spacing, and tie lines were flown at a 500 m spacing and at a 335^o orientation. A total of 554.71-line km were flown, including 480.59 km of flight lines and 74.11 km of tie lines. Final deliverable products from Pioneer included Total Magnetic Intensity (TMI) and 1st Vertical Derivative imagery. The tight spacing of survey lines using the drone platform allowed for the collection of high-resolution magnetic data. This high-resolution data allowed for more accurate targeting of anomalous magnetic features, potentially associated with mineralization.

At the Minto Mine property, the TMI map clearly indicates the WNW-trending fault separating the Minto pluton from Carmacks Group basaltic rocks to the south. A second WNW-trending structure extends across the central property area, marking the northern limit of the Minto mine deposit area. To the north of this, a series of strong northwest trending magnetic "high" features mark regional stratigraphic trends. Several magnetic high anomalies may indicate targets for "Minto-style" mineralization. The 1st Vertical Derivative imagery support the TMI imagery, and indicates strong magnetic contrasts along the southern fault and the stratigraphic setting in the northeastern area.

In late 2019, a soil geochemical survey was completed across four grids, or "zones", on the Hun South property, centered on magnetic anomalies identified from airborne drone magnetic surveying. All grids comprised a 50 m line spacing and 50 m station spacing. A total of 1,810 soil samples targeting the C-horizon and covering 5.54 km^2 were collected.

At Zone 1, the two most notable anomalous areas lie in the northeast and southeast corners respectively of the target area. The northeast area shows elevated Cu values from 25 to 100 ppm, correlating with an oval magnetic "high" anomaly. The southeast area outlines a larger area of anomalous Cu values between 25 to 50 ppm, with weakly elevated Au and Ag values. 1st Vertical derivative imagery indicates a WNW trend of stratigraphy as well as NNW trending features that may indicate structural occurrences.

At Zone 2, sampling revealed a WNW trending area of weakly to moderately elevated Cu values, associated with weakly elevated Au and Ag values, in the central property area. This occurs along a strong "low" feature returned from 1st Vertical Derivative imagery.

Geochemical sampling on Zone 3 revealed a 1,000 m by 500 m long NNE-trending Cu anomaly in the eastern area, with Cu values from 25 to 50 ppm, and Ag values between 75 and 150 ppb. The 1st Vertical Derivative imagery revealed WNW trending alternating high and low features, likely indicating stratigraphic trends, and also an NNE trending "low" feature coincident with a topographic low along the western margin of the Cu anomaly. Geochemical sampling on Zone 4, directly south of Zone 3, returned intermittent weakly elevated Cu values from 25 to 100 ppm along the north flank of an ESE trending valley. 1st Vertical Derivative imagery indicates the stream is coincident with a linear "low" feature, and that a more pronounced "low" feature is oriented parallel to this along the central axis of the grid. Two anomalous gold values of 33.9 ppb and 20.1 ppb respectively were returned proximal to the stream.

Drilling

The 2019-2020 infill-drilling campaign comprised 23,321 m of surface and underground diamond drilling of NQ core, targeting the Copper Keel West, North, South, Minto North 2 and Minto East deposits. The surface drilling comprised 62 holes totaling 16,485 m targeting the Copper Keel West, Copper Keel North, Copper Keel South, and Minto North

2 deposits. The underground infill-drill program mainly targeted the Copper Keel West and Copper Keel North lenses. Additional drilling was also completed on the Minto East and Copper Keel Main production areas. A total of 6,835 m in 75 underground holes was completed.

At the Copper Keel Main deposit, 23 drill holes totaling 979 m of underground drilling were completed, targeting the Copper Keel Main lens to obtain geo-mechanical information for mine design. At the Copper Keel West deposit, five holes were drilled for a total of 2,211 m, targeting gaps of coverage in the lens. The underground diamond drilling program consisted of 2,618 m in 12 holes. An additional 2 condemnation drill holes totaling 156 m were also completed from the 5600 ramp.

At the Copper Keel North deposit, 4,848 m in 11 surface drill holes were completed with the objective to expand and define the lens towards the north. Surface results indicate the Copper Keel North deposit lies to the north of the Copper Keel Main area, about 100 m to 150 m below it, and remains open to the north. Due to high metal values returned from surface drilling, the underground drilling focused on testing for the extension of the deposit to the north. The underground program comprised 6 drill holes, totaling 1,161 m.

The Copper Keel South lens, located southwest of the Copper Keel Main mining area, underwent surface diamond drilling to test for mineralization southwest of the Copper Keel Main lens. The program comprised 3,816 m in 15 drill holes and confirmed that the Copper Keel South deposit comprises a series of northwest trending stacked lenses. The largest and uppermost lens dips gently eastwards, and likely represents the western continuation of the Copper Keel Main deposit.

The Minto North 2 deposit is located southeast of the Minto North deposit, which was the highest-grade deposit on the property and is now mined out. Drilling at Minto North 2 comprised 5,609 m in 31 holes, completed on 25 m to 30 m drill spacings. The main purpose of the 2020 drill program, staged in two phases, was to delineate the Minto North 2 deposit. Phase 1 results show that this deposit is a flat-lying, shallow lens which lies ~175 m below surface and 90 m east from the Minto North deposit. Phase 2 targeted the extension of the deposit to the south and east, results of which indicate it extends to the south and is cut off by a major NNW-trending fault along its east margin. Historic drill holes located on the east side of the fault intersected mineralization at depth, potentially representing the offset and down-dropped eastern portion of the Minto North 2 deposit.

At the Minto East target, an underground diamond drilling program comprising 1,565 m in 30 holes was completed. The objective was to test lateral and upward continuity of the Minto East lens to the south. Two additional holes totaling 355 m were also completed, targeting the pillars of the Minto East 490 level. The objective was to acquire geological and geotechnical information for future pillar recovery.

Sampling, Analysis, and Data Verification

The sample preparation, security and analytical procedures used by Minto for the Minto Mine have ensured the validity and integrity of samples taken. The procedures and results are described below and come directly from current Minto personnel and previous reports as referenced.

Minto reviews control samples when results are received from the laboratories. MMTS has reviewed all Quality Assurance and Quality Control ("**QAQC**") data from years 2005 through 2020, as provided by Minto, and results follow. There is no available QAQC for holes drilled between 1971 and 2001.

Sample Preparation and Security

All core drilled in 2019-2020 is NQ core. The cut line on the core is marked by the core logger. The core is cut into halves with a diamond saw, with the 'A' side going to the external lab for analysis and the 'B' side retained in the core box. Samples are taken from 1 m intervals with shoulder samples extending 2 m past mineralized zones.

Computer generated bar code tags are provided by the assay lab. These tags are attached to the core box by the core logging geologist at the start of each sample. During cutting, the main part of the tag remains attached to the core box whereas the other 3 bar code tags go into the sample bags with the core. The bags are also marked by hand with a felt maker. The assay lab keeps one tag with each of the sample streams: coarse rejects, fine rejects, and the processed sample.

Prior to core cutting and sample shipment, the drill core is prepared for photography. All individual core boxes are cleaned and then photographed with the meter marks and sample tags clearly indicated using a digital camera. Once the photography is completed, the core loggers upload the photos to Minto's server and rename all photos with the drill hole ID and the from to meterage of the actual core box. These renamed photos are then put into a separate drill hole ID folder on the server.

When core cutting is completed, the drill core is stacked in order by hole ID and then pelletized for storage. The top box of the pellets is sealed with a core lid. The pelletized core boxes are transported to Minto's core yard. Hole IDs are painted on the pelletized boxes.

All sealed sample bags are packaged into rice bags, which are also sealed with a zip-tie and identified by a sample shipment tag. An additional sample shipment tracking sheet is also placed into the rice bags for tracking. The sample shipment batch identifications are sent to the receiving lab with the total number of samples and sample sequences and once the shipment arrived confirmed by the lab. The rice bags are brought down to Minto's Warehouse, where they are weighted and shipped down to Whitehorse. Samples are usually shipped offsite in batches of 30 to 40 samples to the primary laboratory.

Quality Assurance, Quality Control (QAQC) Procedures

QAQC samples include Standards, Blanks, Pulp Duplicates, Coarse Duplicates and Field Duplicates, one of which is inserted every 10th sample by the Core Logging Geologist. Additional blanks are also inserted before and after high-grade mineralized intervals. All QAQC samples are not identified and considered blind to the laboratory.

QAQC samples are logged into Minto's MaxGeo Logchief drill core logging software with sample ID and depth. Received assay results, are uploaded into Minto's Datashed database, matching by sample numbers. Sample results are monitored and reported by the QAQCR software package by MaxGeo. The lab is notified of failed samples, and re-analyses are requested. Upon receipt of re-assays, new results are uploaded, and ranked with precedence above the first certificate for export.

CMRs are used to monitor accuracy of the laboratory. Minto currently uses CRMs prepared and certified by CDN Resource Laboratories, of Langley, Canada. During the 2019-2020 drill program 195 CRM samples were inserted at frequency of approximately 4% of the sample stream. CRMs are considered failed at the ± 3 standard deviation level. For failed CRMs, the CRM, the two samples preceding, and the two samples following are resubmitted.

Blank samples are used to monitor for contamination at the laboratory. Minto uses material classified as unmineralized granodiorite sourced from the mine's NAG (Not Acid Generating) waste for blanks. The crushed material has been assayed at Minto's on-site lab and determined to be below detection limits of 100ppm for Cu and 1.0 g/t for Ag. The on-site lab does not have the ability to assay gold. Minto's failure criteria for blanks is 500 ppm for copper and 0.15 g/t for gold.

During 2019-2020 drilling program, 183 samples were tested comprising approximately 3.6% of the sample stream. Minto identified 11 blanks failures in the ALS lab results in 2020. These failures affected the sample streams of 401 assays from 10 holes. Quarter-core samples were cut from the stored core for the four surrounding intervals of each failed blank and submitted these to SGS with additional QAQC samples. There were no failures for the included blanks, and two failures for the included CRMs which were reanalyzed. The results of the quarter-core samples were compared to the original ALS assays and found to be within acceptable limits for field duplicates, hence the remaining ALS assays are considered acceptable. The SGS assays have replaced the original ALS assays in the database, and Minto has selected SGS as the primary laboratory. Minto currently uses 100 ppm for copper and 0.03 g/t as failure criteria for blanks.

Field duplicate samples consist of sampling the 'B" side of the core of a designated sample as a separate unique sample. Field duplicates are used to assess the variability of the deposit and check for preferential sampling. These samples are numbered consecutively and blind to the laboratory.

A total of 72 field duplicates were sampled during the 2019-2020 drill program at a frequency of approximately 1.5% of the sample stream at regular intervals. Field duplicates show high variability consistent with the heterogenous mineralization at Minto.

Pulp duplicates are used to assess the repeatability of the laboratory results. Coarse duplicates are used to assess the error introduced during the crush stage of sample prep and the repeatability of the analytical method used. Pulp and coarse duplicate sampling are performed at the lab as directed by Minto geologists, and because of this, the sampling is not truly blind. Coarse duplicate material is sampled following crushing of material to > 75% passing a 2 mm screen. Pulp duplicate material is sampled following pulverization of material to > 85% passing 75 µm screening.

During the 2019-2020 drill program, a total of 54 pulp duplicates for approximately 1% of the sample stream, and 66 coarse duplicates for approximately 1.3% of the same stream were included at regular intervals. Minto's failure criteria for duplicate pairs is outside the 50% error envelope for both types of duplicates.

Mineral Processing and Metallurgical Testing

The metallurgical testing of the Minto Mine mineralized material has been extensive over the years since 2007 when the processing plant was commissioned. The primary mineralized material is typically a mixture of chalcopyrite and bornite, with little other sulphides allowing the plant to achieve high recoveries with a very high concentrate grade (35 – 40% Cu). There is also a component of mineralized material that consists of various quantities of oxidized copper minerals which do not recover well in the flotation circuit.

The mineralized material is classified as either "sulphide" or "POX" (partially oxidized) based on the ratio of acid soluble copper grade to total copper grade. Mineralized material is considered POX if the oxide ratio is above 20%. There are several opportunities that can be investigated for processing oxidized copper mineralization which could include further investigation of flotation options or the recovery that could be achieved by leaching and SXEW for oxidized zones.

The recent operating data was collated to develop recovery equations for copper and silver which can be seen in the table below. The data analyzed did not include gold assays and, therefore, the site technical group produced this recovery equation.

Parameter	Unit	Concentrates Zone 1
Cu Recovery	%	95.5 + (1.07 * Cu_{tot} %) - (113 * Oxide Ratio)
Au Recovery	%	62.01 * (20.99 * g/t Au)
Ag Recovery	%	69.4 + (1.9 * g/t Ag)
Concentrate Grade		
Cu	%	35

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimates

The Mineral Resource estimate with an effective date of March 31, 2021 is summarized in the table below.

The following factors, among others, could affect the Mineral Resource estimate: commodity price and exchange rate assumptions; pit slope angles; assumptions used in generating the LG pit shell, including metal recoveries, and mining and process cost assumptions.

The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Type	Class	Cut-off	Tonnes	In situ Grades			Metal	
		CDN$/t milled	(000t)	Cu (%)	Au (gpt)	Ag (gpt)	Cu (000lb)	Au (000oz)
Open Pit	Indicated	$35	3,480	1.16	0.36	3.33	88,915	40
	Inferred		1,986	1.04	0.28	3.01	45,566	18
Underground	Indicated	$70	7,612	1.59	0.61	5.40	267,632	149
	Inferred		11,027	1.34	0.53	4.83	324,539	189
Total	**Indicated**		**11,092**	**1.46**	**0.53**	**4.75**	**356,548**	**189**
	Inferred		**13,013**	**1.29**	**0.49**	**4.55**	**370,104**	**207**

Notes:

1. Resources are reported using the 2014 CIM Definition Standards and were estimated using the 2019 CIM Best Practices Guidelines.
2. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. Metal prices of US$1500/oz Au, US$18/oz Ag, US$3.10lb Cu.
4. The following NSR calculations are used to determine cutoff grades: for open pit: NSR = CD$61.688*Cu% + CD$21.384*Augpt + CD$0.0599*Aggpt, for Underground: NSR = CD$68.946*Cu% + CD$37.842*Augpt + CD$0.0862*Aggpt.
5. For the NSR calculations: a currency exchange rate of 0.76 US$ per $CDN; 95% payable Cu, 77% payable Au and Ag; offsite costs (refining, transport and insurance of US$240.39/dmt; a royalties as described in Section 19.
6. The following equations are used for metallurgical recovery: RecCu = 95.5% + 1.07*CU% - 113*TCu/Ascu to a Maximum of 95%, RecAu – 20.99*Augpt + 62.01; RecAg = 100 *(0.694+0.019*Aggpt) both to a maximum of 85%.
7. The Mineral Resource has been confined by a "reasonable prospects of eventual economic extraction" pit or underground shape using the 130% base case NSR for the Ridgetop open pit and the 100% NSR case for the Area 118 pit and for the confining shape for the underground.
8. Mining costs are CD$3.70/t for open pit, CD$41.03/t for underground, Processing costs are CD$19/t.
9. Pit slope angles are assumed at 45°.
10. The specific gravity of the deposit has been assigned based on domain as between 2.578 and 2.849 based on sg measurements in the Minto deposit.
11. Numbers may not add due to rounding.

Source: MMTS (2021)

Mineral Reserve Estimates

Mineral reserves can only be estimated as a result of an economic evaluation as part of a preliminary feasibility study or a feasibility study of a mineral project. Accordingly, at the present level of development, there are no mineral reserves at the Project.

Mining Operations

The mineralized material zones can be described as lenses of foliated metamorphic rocks bounded at their hanging wall and footwall contacts by undeformed granodiorite host rock. The metamorphic zones are typically 5 to 30 m thick. These zones typically dip at 20° to 35°. The width and dip of mineralized zones are locally variable. At least some of the irregularity in the geometry and thickness of the mineralized zones is due to small-scale and large-scale structural displacements.

Minto utilizes both underground and open pit mining methods to extract the mineralized material for processing. In the past, the operation performed mostly open pit mining using a standard truck and shovel fleet, which was contractor operated. Since the restart of operations in 2019, Minto has undertaken only underground mining, using a ramp access system with longhole upper cut retreat mining with standard rib and pillar support. The longhole stopes are left open when completed. Underground mining is planned for Copper Keel, Minto East, Area 2 Minto North and Ridgetop. Open pit mining is planned for both Ridgetop and 118 deposits.

The parameters used for the pit and stope optimizations are shown in the table below. Due to the presence of POX within the open pit area, a recovery formula based on oxide content was used. This was not required for the underground assessment as the material is largely sulfide.

Parameter	Unit	Value
Metal Prices		
Cu Price	US$/lb	3.1
Au Price	US$/oz	1,500
Ag Price	US$/oz	18
Exchange Rate	C$:US$	0.76
Recovery to Cu Concentrate		
Cu Recovery - Underground	%	95%
Cu Recovery - Open Pit	%	Variable see Note
Au Recovery	%	75%
Ag Recovery	%	75%
Concentrate Grade		
Cu	%	34%
Au	g/t	variable with Cu
Ag	g/t	variable with Cu
Moisture Content	%	8%
Smelter Payables		
Cu Payable	%	95%
Min. Cu deduction	% Cu/tonne	1%
Au Payable	%	77%
Min. Au deduction	g/t concentrate	1
Ag Payable	%	77%
Min. Ag deduction	g/t concentrate	30
Treatment & Refining Costs		
Cu TC	US$/dmt con	62
Cu RC	US$/payable lb	0.062
Au RC	US$/payable oz	5
Ag RC	US$/payable oz	0.4
Transport Costs		
Transport Costs	US$/wmt	123.1
	US$/dmt	133.81
Royalties		
Royalties - Cu	%	1.50%
Royalties - Au	%	1.50%
Royalties - Ag	%	1.50%
Wheaton - Au	price cap US$/oz	1,000
Wheaton - Ag	price cap US$/oz	4.29
Operating Costs		
Underground Mining Cost	C$/tonne mined	41.03
Open Pit Mining Cost (Contract Mining)	C$/tonne mined	3.70
Processing Cost	C$/tonne milled	19.00
G&A	C$/tonne milled	18.08

Notes:
Recovery formula for Copper calculated as:
Recovery = 0.955 + (0.0107 x Total Copper Grade) - (1.13 x Oxide Ratio)
Where Oxide Ratio is defined as the ratio of Oxide Copper to Total Copper Grade
For more information regarding recovery formula, please see Section 13.2.
These parameters differ slightly from those used in the economic model due to subsequent, more detailed estimation work but the differences are not considered material to the PEA results.

Results of optimization by area and mining type are summarized in the table below. Mining is scheduled over a period of 8 years with an average mill throughput of 4,000 tpd.

Item	Mineralized Material (Mt)
UNDERGROUND MINE PRODUCTION BY ZONE	
Copper Keel	4.01
Minto East	2.27
Area 1	1.30
Ridgetop	1.28
Minto North	0.85
Subtotal Underground	**9.71**
OPEN PIT MINE PRODUCTION BY ZONE	
Ridgetop	1.14
118	0.05
Subtotal Open Pit	**1.19**
TOTAL MINERALIZED MATERIAL	**10.89**

Processing and Recovery Operations

The Minto Mine has an established processing plant that consists of a contract crushing circuit, SAG mill, 2 Ball Mills and a 3-stage flotation circuit. The flotation concentrate is thickened in a 9.4 m thickener and filtered by a 30 m2ceramic disc filter. The tailings are currently directed to a 15.25 m dia. thickener, which operates to maintain the process water tank level. The tailings thickener underflow is deposited into the Minto Main pit which is currently being used as the tailings storage facility.

The grinding circuit consists of a 16.5 ft dia. x 5 ft EGL (effective grinding length – as measured from the inside of the of the feed end liner to the inside of the discharge end liner) SAG Mill and 2 10.5 ft dia. x 12 ft EGL Ball Mills. The grinding circuit feed is crushed to 100% passing (F100) of 19 mm. The grinding circuit product size is 80% passing (P80) 200 µm.

The flotation circuit is made up of a Rougher circuit (Rougher and Rougher Scavenger flotation cells), First Cleaner circuit, and Re-cleaner circuit. The rougher circuit consists of 3-1340 cu ft tank Rougher cells and 4-500 ft^3 Rougher Scavenger flotation cells. The First Cleaner circuit has 4-350 ft^3 flotation cells. The Re-cleaner circuit consists of 6-100 ft^3 flotation cells. The flotation circuit produces a concentrate that is typically 35 – 40% copper and 10 – 15 g/t gold.

The plant has an operating crew of 54 operations and maintenance staff and hourly employees and 6 staff and hourly employees in the technical group.

Infrastructure, Permitting, and Compliance Activities

As the Minto mine is currently in operation, limited new infrastructure will be required to support the continued operation of the Mine. The Project will continue to make use of the existing infrastructure including the processing plant, site access and airstrip, camp facilities, maintenance and storage facilities along with bulk fuel storage and explosive storage.

Existing infrastructure to be expanded include the Mine Waste management facilities along with the tailings facilities. Additional camp facilities and power supply facilities will also be included, to meet the increase project demand.

The Minto site has been an operating mine since 2007 and has a very well developed and operating infrastructure. Existing on-site infrastructure on the site include:

- Process building;
- Filter Plant building;
- Concentrate storage shed;
- Crusher and crusher conveyor;

- Assay lab;
- Mill warehouse;
- Mechanics & Electricians shops;
- Water Treatment facilities;
- On-Site Substation;
- Explosives Storage;
- Camp and associated facilities;
- On site roads;
- Airstrip;
- River ferry and landing site; and
- Fire engine and medical area.

Tailings & Waste

Mine development started in 2007, and at that time, tailings deposition consisted of filtered tailings deposited onto a dry-stack facility. The mine subsequently expanded and is currently operating under their Phase V/VI and have applications in for Phase VII mine plans. When the Phase IV water licence was received, tailings deposition transitioned from dry stack tailings to thickened (50 to 60% solids by weight) hydraulic placement of tailings directly into the Main Pit. Since this time, and to current (2021), reclamation has started on the dry stack facility, the Main Pit as well as the Area 2 pits have been the primary areas used for active tailings deposition.

To accommodate the mine plans, outlined in this PEA, additional storage capacity will be needed for storage of tailings, water (operational and surge capacity) and waste rock with a neutralization potential to acid potential ratio value of less than 3 (NP:AP < 3).

For this PEA the proposed waste management approach includes:

<u>Tailings</u>

1. Continued tailings deposition into the Area 2 pit. This includes initial testing for tailings cyclones to help maximize in-pit storage volumes;

2. Additional tailings deposition within Main Pit. Engineering interventions in the form of the Phase 1 (crest elevation 812 m) main pit containment dam to be constructed to increase the capacity of the Main Pit;

3. Tailings deposition in the mined out Minto North Pit;

4. Tailings deposition in the mined out Ridgetop Pit;

5. Additional tailings deposition in the Area 2 pits. Foundation improvement and construction of a containment dam 'plug' over the northeastern edge of the Area 2 pit required for this second stage of tailings deposition at the Areas 2 pits. This is done to raise tailings deposition in the Area 2 pits up to elevation 802m (crest of northeast wall improved up to the 805m elevation); and

6. Additional tailings deposition with the Main Pit. A Phase 2 raise to the Main Pit containment dam (raised to a crest elevation of 822m) completed using the underflow of the cyclone tailings.

<u>Waste Rock</u>

1. Deposition of waste rock that has an NP:AP ration less than 3:1 within the pits (Main Pit, Area 2 pits, Minto North and Ridgetop); and

2. Stockpiling of the remainder of the waste rock in the new Ridgetop Waste Rock Storage facility (located immediately west of the Area 118 and Ridgetop pit).

The underground voids have not been utilized in the PEA as a primary area for waste or water storage (to be conservative in terms of storage volumes) but the underground could be made available as a contingency or for surge events if required.

Environmental Permitting

Several government agencies, both federal and territorial, are involved in reviewing, assessing, authorizing, and monitoring Minto Mine. The major instruments or authorizations include Type A Water Use License QZ14-031 issued by the Yukon Water Board and Quartz Mining Licence QML-0001 issued by the Department of Energy Mines and Resources, Yukon Government. The project and its expansion plans have been subject to numerous environmental and socio-economic assessments prior to these licenses being issued and amended. The project is also subject to numerous other regulations and permits. The Minto Mine is located within a block of Category A land (SFN R-6A) held by the SFN. As the landowner, SFN is Minto’s primary stakeholder. As the claims were staked long before designation of this block, the YG Quartz Mining Act regulatory regime applies to the Minto claims. Minto has pursued consultation and community engagement with the SFN, as well as project regulators and other stakeholders.

WUL QZ14-031 governs water management activities and reporting at the site, including mine water and runoff storage, usage, and discharge. Water storage, treatment and effluent discharge is challenging at Minto, and remains the subject of ongoing planning initiatives.

The ML/ARD characterization indicates that the waste rock from surface and underground mining components had low potential for acid generation due to sulphur content and moderate but sufficient neutralization potential. Significant metal leaching is also not expected. Only a small proportion of the mineralized waste rock is expected to generate localized ML/ARD. The ML/ARD results also indicate low potential for acid conditions developing from the tailings due to an excess of neutralizing potential. However, neutral metal leaching is expected from these tailings under unsaturated conditions as suggested by the operational monitoring of the Dry Stack Tailings Storage Facility (DSTSF).

Minto has recently submitted the most recent update to the project Reclamation and Closure Plan, which is currently under review by the Yukon Water Board and Yukon Government. It addresses the long-term physical and chemical stability of the site and includes reclamation of surface disturbances. It includes a program for site monitoring and management during closure implementation and after completion of decommissioning and reclamation. This RCP includes plans for temporary closures and incorporates reassessment of progressive closure and reclamation activities where possible during site operations for use during final closure. This plan was developed based on the approved mine plan at the time of preparation (2020), which differs from the mine plan being evaluated in this PEA. However, the closure goals, objectives, and proposed mitigation measures in RCP version 2020-01 are reasonably expected to apply to the PEA mine plan on a planning basis, and if/when approved, the RCP will be updated to reflect the new mine plan.

The estimates for reclamation and closure liability have been prepared in accordance with the costing guidance from YG EMR in the document Reclamation and Closure Planning for Quartz Mining Projects: Plan Requirements and Closure Costing Guidance (YG, 2013) and form the basis of financial security requirements, on the estimates of each infrastructure units described in the RCP. Estimated closure costs for the End of Mine (EOM) stand at $57.1M, assuming progressive reclamation being carried out while operations continue. Approval of the Type A Water Use Licence in 2015 included a requirement for issuance of a higher security amount than Minto’s estimate, so in accordance with that requirement, Capstone placed a surety bond of approximately CAD $72M with the appropriate regulatory agencies. While this surety bond is outstanding, Capstone will act as an indemnitor to the surety bond provider and Minto will indemnify Capstone for environmental liabilities at the Mine. Under the Pembridge Share Purchase Agreement, Pembridge is obligated to, and is obligated to cause Minto to, use all commercially reasonable efforts to obtain or cause Minto to obtain a new surety bond with the Government of Yukon securing reclamation obligations in respect of the Minto Mine and releasing Capstone from its obligations and liabilities under the surety bond that is currently outstanding.

Capital and Operating Costs

Capital Costs Estimate

The capital cost estimate was prepared using a combination of benchmarks and first principles where applicable, with applied project experience as well as information from the existing operating site. Given that assumptions have been made due to a lack of available engineering information, the accuracy of the estimate and/or ultimate construction costs arising from the engineering work cannot be guaranteed. The estimate deemed to be at the level of an AACE Class 4 Estimate, with a target accuracy of -15 to -30% and +20 to +50%.reflective of the current level engineering and design.

Costs are expressed in CA$ and does not include allowances for escalation or exchange rate fluctuations unless stated otherwise.

The scope of the capital cost estimate covers all the capitalized costs from January 1, 2021. Total life of mine capital costs are estimated to be $184.9M. These costs are summarized in Table 21.1 of the Minto Mine Property Technical Report. The capital costs do not include open pit mining fleet as it is accounted for in operating costs through leasing. Contingency for the project totals $12.5M. Individual contingency rates were applied to each of the capital cost categories where applicable, with rates ranging from 0-25% where applied. This resulted in a blended contingency rate of 7.25% across the entire project, which is in-line with the scope of the expect construction activities of an Operating Mine.

Closure costs amount to $23.6M and were assumed to be a mixture of progressive reclamation activities, occurring during the mine life, and end of mine activities.

Capital Costs	Total (M$)
Mining	$107.0
Primary Crushing & Storage	$3.6
Tailings & Waste Rock Management	$16.6
On-Site Infrastructure	$5.1
Project Indirects	$1.7
Engineering & EPCM	$1.7
Owner's Costs	$13.3
Closure	$23.6
Subtotal	**$172.4**
Contingency	$12.5
Total Capital Costs	**$184.9**

Operating Costs Estimate

As the Minto Mine is currently in operations, the operating costs estimates for processing and Site G&A were prepared using historical site data and forecasted operating budget information provided by Minto Mine. Adjustments were made to the provided budget information to incorporate changes from the Life of Mine (LoM) throughput, and the change from contracted to internal crushing. The UG mining operating costs were prepared using first principles, applying project experience and avoiding the use of general industry factors. Inputs are derived from engineers, contractors and suppliers who have provided similar services to other projects.

Operating costs in this section of the report include Open Pit and Underground mining, Rehandle, processing, tailings, and administration up to the production of concentrate from the site. Concentrate transportation, treatment and refining charges, and royalties are discussed in Section 22 of the Minto Mine Property Technical Report.

Operating costs are presented in 2021 Canadian dollars on a calendar year basis. No escalation or inflation is included. Average annual operating costs over the life of mine are $103.2M and are summarized in the below table.

The overall LoM operation cost summary is as follows:

Area	Unit Cost	LoM M$
Open Pit Mining ($/t mined)	3.92	41.0
Underground Mining ($/t mined)	36.40	353.3
Rehandle ($/t milled)	0.14	1.5
Processing ($/t milled)	18.30	199.3
G&A ($/t milled)	18.76	204.4
Total ($/t milled)	**73.40**	**799.6**

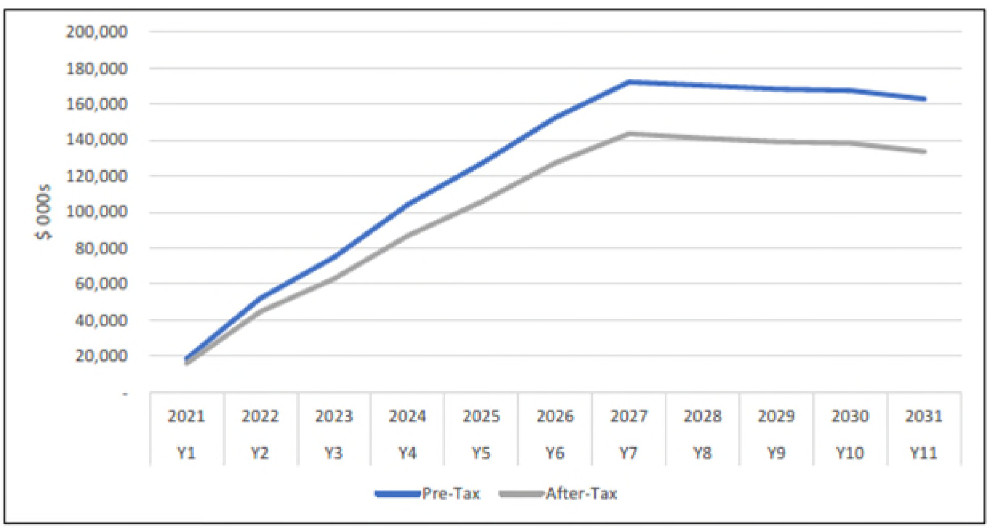
Economic Analysis

An engineering economic model was developed to estimate annual cash flows and sensitivities. Pre-tax estimates of project values were prepared for comparative purposes, while after-tax estimates were developed to approximate the true investment value. Tax estimates involve many complex variables that can only be accurately calculated during operations and, as such, the after-tax results are only approximations.

This PEA is preliminary in nature and includes the use of inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results of the preliminary economic assessment will be realized.

This technical report contains forward-looking information regarding commodity price assumptions, projected mine production rates, construction schedules and forecasts of resulting cash flows. Factors such as the ability to obtain permits to construct and operate a mine, or to obtain major equipment or skilled labor on a timely basis, to achieve the assumed mine production rates at the assumed grades, may cause actual results to differ materially from those presented in this economic analysis.

The Minto project has an after-tax net present value at 8% (NPV8%) of $111 M. the below figure shows the projected annual cash flows.



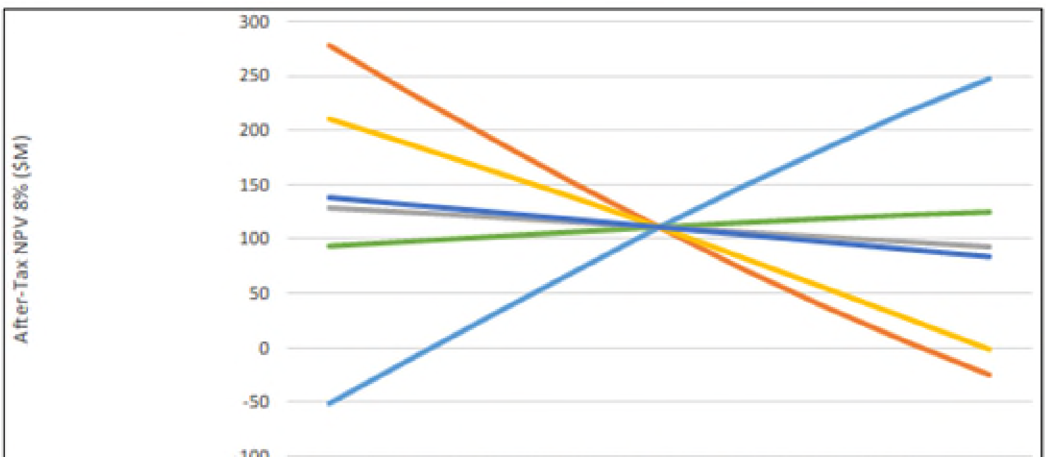
The below table summarizes the overall economic results.

Category	Unit	Value
Net Revenues	M $	1,147
Operating Costs	M $	800
Cash Flow from Operations	M $	348
Total Capital Costs*	M $	185
All-in Sustaining Cost (net by-product credits)*	US$/lb	2.71
Net Pre-Tax Cash Flow	M $	163
Pre-Tax NPV $_{8\%}$	**M $**	**134**
Total Taxes	M $	29
Net After-Tax Cash Flow	M $	133
Net After-Tax NPV$_{8\%}$	**M $**	**111**

Notes:
* Includes sustaining, exploration, closure and reclamation capital costs.
** AISC formula: (Operating Costs + Refining Costs + Royalties + Sustaining Capital + Closure - By Product Credits) / Payable Cu lb

Sensitivities

Sensitivity analyses were performed using metal prices (Copper and Gold), foreign exchange rate (CAD:USD), On-site costs, Off-site Charges (TC/RC & Transport) and sustaining (non-closure) capital as variables. The value of each variable was changed plus and minus 20% independently while all other variables were held constant. The results of the sensitivity analyses are shown in the below figure.



	80%	85%	90%	95%	100%	105%	110%	115%	120%
Cu Price	-51	-10	31	71	111	148	183	217	247
Au Price	93	98	102	106	111	115	118	122	125
FX Rate	278	233	191	150	111	73	38	5	-25
On-Site Costs	210	186	162	137	111	83	55	27	-2
Off-Site Charges	128	124	120	115	111	106	102	97	93
Sustaining (non-Closure)	138	131	124	118	111	104	97	90	84

Exploration, Development, and Production

There has been no exploration spending at the Minto Mine Property since 2012. To further the life of the Minto Mine Property beyond 2028, high-impact drilling is planned to facilitate exploration along the 80-km long Minto Copper Belt. Minto has identified 64 high potential targets for exploration drilling and developed a C$4M / 13,000 meter exploration program for 2021 targeting 27 high priority areas located close to existing infrastructure. Over the next 18 months, C$10M is planned to explore near-mine opportunities.

Current and future underground mining will include Minto East, Copper Keel, Minto North 2, Ridgetop and Minto East 2. Currently the mine is producing in Copper Keel and Minto East with development this year starting for Minto East 2 and Copper Keel South.

ITEM 6: FINANCINGS

During the 12-month period prior to the date hereof, 778 and Minto completed the Concurrent Financing (as described below). See also "*Item 13 - Prior Sales*".

In connection with the RTO and the Concurrent Financing, on September 21, 2021 and October 22, 2021, 778 completed the brokered "best efforts" private placement offering and non-brokered private placement offering of 6,302,876 778 Subscription Receipts at a price of $2.60 per 778 Subscription Receipt, for aggregate gross proceeds of $16,387,477.60 pursuant to the terms and conditions of the Agency Agreement. As part of the Amalgamation, the 778 Subscription Receipts shall automatically convert into Post Consolidation 778 Common Shares immediately prior to the Effective Time and will be exchanged on a one-for-one basis for Resulting Issuer Common Shares pursuant to the Amalgamation.

Pursuant to the terms and conditions of the Subscription Receipt Agreement, each 778 Subscription Receipt will be automatically converted into one 778 Common Share. The gross proceeds of the offering of 778 Subscription Receipts, less 20% of the Agents' Fee and all of the reasonable estimated expenses payable to the Agents at each closing time of 778 Subscription Receipts (the "**Escrowed Proceeds**"), were delivered to and are being held by the Subscription Receipt Agent in an interest-bearing account (the Escrowed Proceeds, together with all interest and income earned thereon, are referred to herein as the "**Escrowed Funds**") pending the satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions in accordance with the provisions of the Subscription Receipt Agreement. The balance of the Agents' Fee, and any additional reasonable expenses of the Agents payable incurred subsequent to the closing dates of the 778 Subscription Receipt offering, will be released from escrow to the Co-Lead Agents, on behalf of the Agents, and the balance of the Escrowed Funds will be released from escrow to 778 (or as it may otherwise direct) upon satisfaction of the following conditions (the "**Escrow Release Conditions**"):

(a) the receipt of all required corporate, shareholder and regulatory approvals in connection with the 778 Subscription Receipt offering, the RTO and the Listing, including, without limitation, the conditional approval of the TSXV for the Listing, and any relevant Listing documents having been accepted for filing with the TSXV;

(b) the completion or the satisfaction of all conditions precedent by 778 and Minto (as applicable) to the RTO, other than the satisfaction of conditions precedent for which the release of Escrowed Funds is required, substantially in accordance with the Amalgamation Agreement in connection with the RTO, to the satisfaction of the Agents;

(c) delivery of a legal opinion of counsel to 778 and Minto that, upon completion of the RTO, the Resulting Issuer Common Shares issued to holders of 778 Subscription Receipts in exchange for the 778 Common Shares will be freely tradeable on the TSXV and not subject to any statutory hold period under applicable Canadian securities laws, other than in respect of control trades; and

(d) 778, Minto and the Co-Lead Agents having delivered a joint notice and direction to the Subscription Receipt Agent, confirming that the conditions set forth in (a) to (c) above have been met or waived.

If the Escrow Release Conditions are not satisfied at or before 5:00 p.m. (Toronto time) on January 19, 2022 or, if prior to such time, the Amalgamation Agreement is terminated or 778 and Minto have advised TSX Trust, acting in its capacity as escrow agent under the Subscription Receipt Agreement, and the Agents, or announce to the public that the RTO will not be completed (in any case, a termination event, and the date upon which such event occurs, the "**Termination Date**"), within three business days following the Termination Date, the Escrowed Funds will be used by 778 to repurchase the 778 Subscription Receipts at a redemption price per 778 Subscription Receipt equal to the offering price plus a pro rata amount of any interest and other income accrued in respect of the Escrowed Proceeds to the date of redemption. To the extent that the Escrowed Funds are not sufficient to purchase all of the 778 Subscription

Receipts on the foregoing terms, 778 will be liable for and will contribute such amounts as are necessary to satisfy any shortfall.

In connection with the RTO and the Concurrent Financing, Minto is expected to complete the brokered "best efforts" private placement offering and non-brokered private placement offering of an estimated 2,459,906 Minto Flow-Through Shares on or immediately prior to the Effective Date at a price of $2.60 per Minto Flow-Through Share, for estimated aggregate gross proceeds of $6,395,755.60 pursuant to the terms and conditions of the Agency Agreement. The Minto Flow-Through Shares will be exchanged on a one-for-one basis for Resulting Issuer Flow-Through Shares pursuant to the Amalgamation.

In connection with the RTO and the Concurrent Financing, 778 is expected to complete the non-brokered private placement offering of an estimated 3,173,076 Post Consolidation 778 Common Shares on or immediately prior to the Effective Date at a price of $2.60 per 778 Common Share, for estimated aggregate gross proceeds of $8,249,997.60, in accordance the terms and conditions of the Agency Agreement. The Post-Consolidation 778 Common Shares will be exchanged on a one-for-one basis for Resulting Issuer Common Shares pursuant to the Amalgamation.

The Concurrent Financing was completed pursuant to the Agency Agreement, which contained representations, warranties, covenants and termination provisions that are customary for an offering of this kind. Upon completion of the Concurrent Financing, it is estimated that the aggregate gross proceeds of approximately $31,033,230.80 will have been be collectively raised by 778 and Minto. Minto and 778 retained the services of the Agents for the Concurrent Financing, for which the Agents were paid 20% of the Agents' Fee upon completion of each 778 Subscription Receipt closing, with the remaining 80% payable on the Escrow Release Date, as set out in the Agency Agreement. The offering price for the 778 Subscription Receipts, the Minto Flow-Through Shares and the 778 Common Shares was based on arm's length negotiations between Minto, 778 and the Agents, as well as an assessment of general market conditions, including economic, political or regulatory conditions, inflation, changes in interest or currency rates and investor sentiment.

Use of Proceeds and Principal Purposes – Generally

The aggregate net proceeds of the Concurrent Financing to 778 and Minto are expected to be approximately $29,299,237 representing the gross proceeds of the Concurrent Financing less $1,514,993.85 for the Agents' Fee and advisory fees to be incurred by Minto and 778 and approximately $192,000 in Agents' costs and expenses being reimbursed by Minto and 778 in accordance with the Agency Agreement.

Subject to the release thereof, the aggregate net proceeds of the Concurrent Financing are expected to be used as follows:

Principal Purpose	Estimated Amount
Fees and expenses payable in connection with the Listing(1)	$1,800,000
Exploration(2)	$7,000,000
Surface Operations(3)	$5,000,000
Mine Capital – Phase 1 of Minto North II (begin portal to Minto North II)	$7,500,000
Mine Capital – Minto Water Evaporation Program	$2,500,000
G&A for 18 months	$10,800,00
Working Capital(4)	$6,700,000
Total	**$41,300,000**

Notes:

(1) Includes accounting, TSXV and legal fees.
(2) Includes $3,500,000 for 67 high potential drill locations to expand resources by drilling current property, $2,500,000 for infill drilling to improve mining accuracy of resources and $850,000 for metallurgy and assay databases
(3) For rock crushing; the Resulting Issuer is investigating purchasing to reduce operational costs, as this is currently operated by a contractor
(4) Includes $1,000,000 for deposits on new equipment, $1,500,000 for Tailing Dam design and permits, $900,000 for remote control

Principal Purpose	Estimated Amount
machine operations, $1,200,000 for winter critical inventory build, $600,000 for a camp expansion and $1,500,000 for unallocated working capital needs	

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. See "*Item 21 – Risk Factors – Risks Related to the Operations of the Resulting Issuer – Net Proceeds*".

Business Objectives and Milestones

Management of Minto believes that the RTO and Concurrent Financing will provide Minto with the necessary capital to efficiently invest in exploration which will increase the long term value of the Resulting Issuer. In the short to medium term, the capital raised pursuant to the RTO and the Concurrent Financing will also enable Minto to invest in projects that it believes will have a high return on investment and that lead to cost reduction of operations, such as projects that bring a new approach to crushing of ore and other logistical improvements on site.

Minto's overall current business objective is to continue the daily production growth trend from where it started in 2019 at around 2,000 MT per day, to the current approximately 3,000 MT per day, and to eventually reach 4,000 MT per day by 2023. Business objectives to achieve this goal are concentrated on optimisation of operations during 2022 and subsequently will look at overall growth of the company from exploration and potential acquisitions of new projects.

The use of the net proceeds from the Concurrent Proceeds is set out above, and can be grouped into 4 key areas of organizational expansion as follows:

(1) *Exploration of Resources* – Based on the external studies of the Minto Copper Belt, Minto is optimistic there may be additional resources within its large land package. From 2008 to 2012 Minto's previous owner deployed approximately $24 million of capital towards the exploration of the Minto property. As a result of this exploration, the previous owner significantly increased its proven resource base. Based on the exploration database and the similar rock formations Minto has available in respect of the Minto property, Minto believes that increased exploration could significantly increase mine life and deliver high-grade copper/gold and silver recovery on top of the current 8 years mine life.

(2) *Expansion of Mining* – Minto plans to mobilize equipment and develop the Minto North II, Area II, Minto East II, which expansion is expected to cost in excess of $100M. As set out in the above table, $7.5 million of the net proceeds from the Concurrent Financing are currently being allocated to commence this project.

(3) *Operational Effectiveness / Expansion* –Minto is actively making changes to Minto Mine's operational footprint and technology to increase its efficiency. As set out in the above table, a portion of the net proceeds of the Concurrent Financing is being allocated to optimize milling operations, miming performance, rock crushing and camp expansion. Minto has and will require additional investment in these areas to continue to create more effective mining operations in the Yukon.

(4) Elimination of Outside Contractors – Minto is investigating bringing certain contracted serviced in house to increase effectiveness and decrease costs.

ITEM 7: DIVIDENDS AND OTHER DISTRIBUTIONS

Neither 778 nor Minto has declared or paid any cash dividends to its shareholders during the three most recently completed financial years or during its current financial year. 778's and Minto's current policy is to retain earnings to finance the growth and development of its business, and it is expected that such policy will continue to be applied by the Resulting Issuer. This policy may be reviewed in the future. Minto and 778 are not aware of any restrictions that could prevent the Resulting Issuer from paying dividends.

See "*Item 21 – Risk Factors – Risks Relating to the Operations of the Resulting Issuer – Dividend Policy*".

ITEM 8: MANAGEMENT'S DISCUSSION AND ANALYSIS

Included as Appendix "E" to this Listing Application is Minto's management's discussion and analysis for the fiscal years ended December 31, 2020 and 2019 and its management's discussion and analysis for the interim period ended June 30, 2021. Each management's discussion and analysis includes financial information from, and should be read in conjunction with, the audited annual financial statements of Minto for the years ended December 31, 2020 and 2019, and the notes thereto and the unaudited interim financial statements of Minto for the interim period ended June 30, 2021 and 2020 and the notes thereto, which are attached as Appendix "B" to this Listing Application, as well as the disclosure contained throughout this Listing Application.

Included as Appendix "F" to this Listing Application is 778's management's discussion and analysis for the period from incorporation on April 8, 2020 to December 31, 2020 and its management's discussion and analysis for the interim period ended June 30, 2021. It includes financial information from, and should be read in conjunction with, the audited financial statements of 778 for the period from incorporation on April 8, 2020 to December 31, 2020, together with the auditor's report thereon and the notes thereto, and the unaudited interim financial statements of 778 for the interim period ended June 30, 2021 and the notes thereto, which are attached as Appendix "C" to this Listing Application, as well as the disclosure contained throughout this Listing Application.

ITEM 9: DISCLOSURE OF OUTSTANDING SECURITY DATA ON A FULLY-DILUTED BASIS

Minto and 778 are seeking to list the Resulting Issuer Common Shares on the TSXV under the symbol "MNTO". The following table sets forth the expected fully-diluted share capital of the Resulting Issuer on a *pro forma* basis as at June 30, 2021 based on the share capital of Minto and 778 as at the same date.

Designation of Security	Amount Outstanding after the Completion of the RTO and the Concurrent Financing(2)	Percentage of Total Number of Resulting Issuer Common Shares to be Issued and Outstanding following Completion of the RTO and the Concurrent Financing
Resulting Issuer Common Shares based on the outstanding Post Consolidation Minto Common Shares prior to the completion of the RTO (other than the Minto Flow Through Shares)	60,228,863	83.0%
Resulting Issuer Common Shares underlying the Subscription Receipts issued in connection with the Concurrent Financing	6,302,876	8.7%

Designation of Security	Amount Outstanding after the Completion of the RTO and the Concurrent Financing[(2)]	Percentage of Total Number of Resulting Issuer Common Shares to be Issued and Outstanding following Completion of the RTO and the Concurrent Financing
Resulting Issuer Common Shares based on the Minto Flow Through Shares issued in connection with the Concurrent Financing	2,459,906	3.4%
Resulting Issuer Common Shares based on the Post Consolidation 778 Common Shares issued in connection with the Concurrent Financing	3,173,077	4.4%
Resulting Issuer Common Shares based on the outstanding Post Consolidation 778 Common Shares prior to the completion of the RTO (other than the Post Consolidation 778 Common Shares issued in connection with the Concurrent Financing)	327,129[(1)]	0.5%
Total Common Shares	**72,491,850**	**100.00%**

Note:

(1) Assumes full exercise of the 778 Options immediately prior to the completion of the RTO.

See "*Item 10 – Description of Securities to be Listed*" and "*Item 15 – Principal Securityholders*" for additional details.

ITEM 10: DESCRIPTION OF SECURITIES TO BE LISTED

Resulting Issuer Common Shares

This application is made to list the Resulting Issuer Common Shares on the TSXV under the symbol "MNTO". The TSXV has conditionally approved the Listing of the Resulting Issuer Common Shares on November 4, 2021. The Listing is subject to the fulfillment of all of the requirements of the TSXV on or before February 2, 2022. There can be no assurance that the TSXV will list the Resulting Issuer Common Shares. If the requirements of the TSXV are fulfilled, the Listing will be completed on the date the TSXV issues a Final Exchange Bulletin in respect of the Listing, which is expected to be shortly following the Effective Date.

778

778 is currently authorized to issue an unlimited number of common shares of which 3,000,000 778 Common Shares are issued and outstanding as of the date hereof. In addition, there are 778 Options issued and outstanding entitling the holder thereof to acquire up to 75,000 778 Common Shares upon the due exercise of the same. It is currently anticipated that the holder of the 778 Option will excise such options in full to acquire 75,000 778 Common Shares prior to the completion of the 778 Consolidation.

Immediately following the exercise of the 778 Options and the 778 Consolidation, 327,129 778 Common Shares will be issued and outstanding. Immediately following the 778 Consolidation, the 778 Subscription Receipt conversion and the issue and sale of 778 Common Shares under the Concurrent Financing but prior to the completion of the RTO, 9,803,080 778 Common Shares are expected to be issued and outstanding.

As of the date of this Listing Application, the 778 common shares are not listed or quoted for trading on any stock exchange.

778 Common Shares

Holders of 778 Common Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the 778, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each 778 Common Share held. The holders of 778 Common Shares shall be entitled to receive dividends if and when declared by the board of directors of 778. Furthermore, subject to the rights of holders of shares of any class ranking prior to the 778 Common Shares, holders of 778 Common Shares are entitled to receive the remaining property and assets of 778 upon the winding up, dissolution or liquidation of 778.

Minto

Minto is currently authorized to issue an unlimited number of class A common shares and an unlimited number of class B common shares, of which 79,502,100 class A common shares are issued and outstanding and 643,244,264 class B common shares are issued and outstanding. After effecting the Minto Consolidation, the following securities of Minto are expected to be issued and outstanding:

1. 6,625,175 Minto Class A Shares; and
2. 53,603,688 Minto Class B Shares.

Upon completion of the issue and sale of Minto Flow-Through Shares under the Concurrent Financing, it is expected that the following securities of Minto will be issued and outstanding immediately prior to the completion of the RTO:

1. 9,085,081 Minto Class A Shares; and
2. 53,603,688 Minto Class B Shares.

As of the date of this Listing Application, none of the common shares in the capital of Minto are currently listed or quoted for trading on any stock exchange.

Minto Class A Shares

Holders of Minto Class A Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Minto, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each Minto Class A Share held, provided that the holders of Minto Class A Shares shall not exercise any of their rights to cause Minto to take any action in respect of the matters referred to in Schedule A of the Articles of Minto absent a prior written consent of the majority of the Minto Shareholders holding a majority of Minto Class B Share at the time such consent is given or withheld, which may be given or withheld in the sole discretion of the holders of Minto Class B Shares. The holders of Minto Class A Shares shall have the right together with the holders of Minto Class B Shares to receive dividends if and when declared by the board of directors of Minto. Furthermore, holders of Minto Class A Shares are entitled to receive the remaining property and assets of Minto upon the winding up, dissolution or liquidation of Minto or other distribution of the assets of Minto, pro rata with the holders of Minto Class B Shares based on the number of Minto Class A Shares and Minto Class B Shares held.

Minto Class B Shares

Subject to the rights of the holders of Minto Class B Shares to vote at separate meetings of holders of Minto Class B Shares, the holders of Minto Class B shares do not have any voting rights with respect to the election of directors or for any other purpose and will not be entitled to receive any notice of, or to attend, any meeting of the shareholders of Minto. The holders of Minto Class B Shares shall have the right together with the holders of Minto Class A Shares to receive dividends if and when declared by the board of directors of Minto. Furthermore, subject to the rights of holders of shares of any class ranking prior to the Minto Class B Shares, holders of Minto Class B Shares are entitled to receive the remaining property and assets of Minto upon the winding up, dissolution or liquidation of Minto or other distribution of the assets of Minto, pro rata with the holders of Minto Class A Shares based on the number of Minto Class A Shares and Minto Class B Shares held. The holders of Minto Class B Shares have the right to cause the reclassification of all of the outstanding Minto Class A Shares and Minto Class B Shares into a single class of shares, to be undertaken only concurrently with or after both (i) the removal of Pembridge as a party to a surety agreement with Zurich Insurance Company dated as of December 2, 2013, as amended, pursuant to which, Zurich Insurance Company has agreed to act as surety with respect to certain prior, current and future actions of Minto; and (ii) a prior written consent of the majority of the holders of Minto Class B Shares.

Pursuant to the Minto Shareholders' Agreement, at any time following December 31, 2021, upon delivery of written notice to Minto and the Minto Shareholders, any holder of Minto Class B Shares (the "**Exercising Shareholder**") who holds no less than 20% of the Minto Common Shares has the right to require Minto to (a) determine the fair market value of all of the Minto Common Shares held by such Exercising Shareholder in accordance with the procedures set out in the Minto Shareholders' Agreement, at such time at the sole cost and expense of Minto, (b) use best efforts to develop a financing plan, at the sole cost and expense of Minto, to finance, by debt, equity or both without any funds being advanced or guaranteed by the Minto Shareholders, the purchase of all such Exercising Shareholder's Minto Common Shares, and (c) purchase or cause to be purchased all of such Exercising Shareholder's Minto Common Shares at the fair market value thereof.

Resulting Issuer

It is expected that following the RTO, the Resulting Issuer will be authorized to issue an unlimited number of Resulting Issuer Common Shares. Assuming the completion of the RTO and the Concurrent Financing, approximately 72,491,851 Resulting Issuer Common Shares will be issued and outstanding following the Effective Time.

Resulting Issuer Common Shares

Holders of the Resulting Issuer Common Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Resulting Issuer, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each Resulting Issuer Common Share held. The holders of Resulting Issuer Common Shares shall be entitled to receive dividends if and when declared by the board of directors of Resulting Issuer. Furthermore, subject to the rights of holders of shares of any class ranking prior to the Resulting Issuer Common Shares, holders of Resulting Issuer Common Shares are entitled to receive the remaining property and assets of Resulting Issuer upon the winding up, dissolution or liquidation of the Resulting Issuer.

Registration Rights Agreement

Pembridge, Cedro and Copper Holdings intend to enter into a Registration Rights Agreement with the Resulting Issuer (the "**Registration Rights Agreement**") immediately following completion of the RTO, pursuant to which each of the foregoing shareholders of the Resulting Issuer shall have the right (subject to certain limitations as set out in the Registration Rights Agreement), so long as they hold not less than 10% of the issued and outstanding Resulting Issuer Shares (on a non-diluted basis) to require the Resulting Issuer to file one or more prospectuses or take such other steps as may be reasonably necessary to facilitate an offering in Canada of all or any portion of the Resulting Issuer Common Shares held by such shareholder.

Voting Agreement

Pembridge, Cedro and Copper Holdings intend to enter into a Voting Agreement (the "**Voting Agreement**") immediately following completion of the RTO, pursuant to which each of the foregoing shareholders of the Resulting Issuer shall agree to vote their Resulting Issuer Shares to cause the size of the board of directors of the Resulting Issuer to be set at seven directors, or such other number as may be recommended by the board. In addition, each such shareholder has agreed to vote their Resulting Issuer Shares to cause the following persons to be elected as directors of the Resulting Issuer: (a) two persons designated by any of the foregoing shareholders, provided such shareholder (together with its affiliates) holds or exercises control over not less than 20% of the issued and outstanding Resulting Issuer Shares; or (b) one person designated by any of the foregoing shareholders, provided such shareholder (together with its affiliates) holds or exercises control over less than 20% but not less than 10% of the issued and outstanding

Resulting Issuer Shares. Each of the foregoing shareholders shall also agree to vote their Resulting Issuer Shares to ensure that no director of the Resulting Issuer elected pursuant to the Voting Agreement is removed, unless the appointing shareholder so directs or approves (provided that a director may be removed if they are no longer eligible to serve as a director of the Resulting Issuer), that if a director is removed, their replacement be chosen in accordance with the terms of the Voting Agreement, and that if an appointing shareholder requests the removal of a director, such director shall be removed.

ITEM 11: CONSOLIDATED CAPITALIZATION

The following table outlines the expected pro forma share capital of the Resulting Issuer, on a consolidated basis, as at June 30, 2021 after giving effect to the RTO and the Concurrent Financing. The table should be read in conjunction with Minto's Financial Statements, which are attached as Appendix "B" to this Listing Application, as well as the 778 Financial Statements which are attached as Appendix "C", and the pro forma financial statements of the Resulting Issuer (Unaudited) which are attached as Appendix "D".

Designation of Security	**Amount Outstanding after the Completion of the RTO and the Concurrent Financing(2)**	**Percentage of Total Number of Resulting Issuer Common Shares to be Issued and Outstanding following Completion of the RTO and the Concurrent Financing**
Resulting Issuer Common Shares based on the outstanding Post Consolidation Minto Common Shares prior to the completion of the RTO (other than the Minto Flow Through Shares)	60,228,863	83.0%
Resulting Issuer Common Shares underlying the Subscription Receipts issued in connection with the Concurrent Financing	6,302,876	8.7%
Resulting Issuer Common Shares based on the Minto Flow Through Shares issued in connection with the Concurrent Financing	2,459,906	3.4%
Resulting Issuer Common Shares based on the Post Consolidation 778 Common Shares issued in connection with the Concurrent Financing	3,173,077	4.4%
Resulting Issuer Common Shares based on the outstanding Post Consolidation 778 Common Shares prior to the completion of the RTO (other than the Post Consolidation 778 Common Shares issued in connection with the Concurrent Financing)	327,129(1)	0.5%
Total Common Shares	**72,491,850**	**100.00%**

Notes:

(1) Assumes exercise in full of the 778 Options prior to completion of the RTO.
(2) Pursuant to Exchange Policy 5.4, certain securities of the Resulting Issuer will be subject to escrow requirements as set out below under the heading *"Escrowed Securities and Securities Subject to Restrictions on Transfer"*.

See "*Item 10 – Description of Securities to be Listed*" and "*Item 15 – Principal Securityholders*" for additional details.

ITEM 12: RESULTING ISSUER INCENTIVE EQUITY PLAN

Neither 778 nor Minto have, as of the date hereof, a stock option plan or any other equity compensation plans. Prior to the completion of the RTO, it is expected that the board of directors of 778 will adopt the Resulting Issuer Equity Incentive Plan, which will continue as the Resulting Issuer Equity Incentive Plan of the Resulting Issuer. The Resulting Issuer Equity Incentive Plan will be established to attract and retain employees, consultants, officers or directors of the Resulting Issuer who will contribute the Resulting Issuer's long-range success, to provide incentives that align the interests of the holders with the those of the security holders of the Resulting Issuer and to promote the success of the Resulting Issuer's business.

Resulting Issuer Equity Incentive Plan

As at the date hereof, there are 778 Options to purchase 75,000 common shares in the capital of 778 and no options to purchase common shares in the capital of Minto outstanding.

The following information is intended as a brief description of the Resulting Issuer Equity Incentive Plan that is expected to be adopted prior to the completion of the RTO, and is qualified in its entirety by the full text of the Resulting Issuer Equity Incentive Plan attached as Appendix "G" to this Listing Application.

The Resulting Issuer Equity Incentive Plan will authorize the board of directors of the Resulting Issuer to issue a variety of equity-based awards that provide different types of incentives to be granted to directors, officers, employees and consultants. The Resulting Issuer Incentive Equity Plan will be implemented concurrently with the Resulting Issuer listing the Resulting Issuer Common Shares on the TSXV. The Resulting Issuer Incentive Equity Plan will facilitate granting of Resulting Issuer Awards representing the right to receive one Resulting Issuer Common Share (and in the case of Resulting Issuer PSUs, Resulting Issuer Restricted Awards and Resulting Issuer SARs, one Resulting Issuer Common Share, the cash equivalent of one Resulting Issuer Common Share, or a combination thereof) in accordance with the terms of the Resulting Issuer Incentive Equity Plan.

Under the terms of the Resulting Issuer Incentive Equity Plan the board of directors (or a committee thereof) of the Resulting Issuer may grant Resulting Issuer Awards to eligible participants. Resulting Issuer Awards may be granted at any time and from time to time in order to (i) increase participants' interest in Resulting Issuer's welfare; (ii) provide incentives for participants to continue their services; (iii) reward participants for their performance of services, and (iv) provide a means through which the Resulting Issuer may attract and retain people to enter its employment. Participation in the Resulting Issuer Incentive Equity Plan is voluntary and, if an eligible participant agrees to participate, the grant of Resulting Issuer Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Resulting Issuer Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, except upon the death of the participant.

The Resulting Issuer Incentive Equity Plan will provide that appropriate adjustments, if any, will be made by the board of directors of the Resulting Issuer in connection with a reclassification, reorganization or other change to the Resulting Issuer Common Shares, consolidation, distribution, merger or amalgamation, in the Resulting Issuer Common Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the Resulting Issuer Incentive Equity Plan. In the event that a participant receives Resulting Issuer Common Shares in satisfaction of a Resulting Issuer Award during a black-out period, such participant shall not be entitled to sell or otherwise dispose of such Resulting Issuer Common Shares until such black-out period has expired.

The maximum number of Resulting Issuer Common Shares reserved for issuance under the Resulting Issuer Incentive Equity Plan will be 10% of the aggregate number of Resulting Issuer Shares issued and outstanding from time to time, provided that no more than 5% of the aggregate number of Resulting Issuer Shares issued and outstanding from time to time may be issued under the Resulting Issuer Equity Incentive Plan or any other proposed or established share-based compensation arrangement within any one-year period. The aggregate number of Resulting Issuer Common Shares (i) issued to insiders under the Resulting Issuer Equity Incentive Plan or any other proposed or established share-based compensation arrangement within any one-year period and (ii) issuable to insiders at any time under the Resulting Issuer Incentive Equity Plan or any other proposed or established share-based compensation arrangement, shall in each case not exceed 10% of the aggregate number of issued and outstanding Resulting Issuer Shares from time to time or such other number as may be approved by the TSXV and the shareholders of the Resulting Issuer from time to time.

In addition, at all times when the Resulting Issuer is listed on the TSXV: (i) the total number of Resulting Issuer Common Shares which may be reserved for issuance to any one eligible participant under the Resulting Issuer Incentive Equity Plan together with all of the Resulting Issuer's other previously established or proposed share compensation arrangements shall not exceed 5% of the issued and outstanding Resulting Issuer Common Shares on the grant date (on a non-diluted basis); (ii) the aggregate number of Resulting Issuer Awards to any one eligible participant that is a consultant of the Resulting Issuer in any 12 month period must not exceed 2% of the issued Resulting Issuer Shares calculated at the first such grant date; (iii) the aggregate number of Resulting Issuer Options to all persons retained to provide investor relations activities must not exceed 2% of the issued Resulting Issuer Shares in any 12-month period calculated at the first such grant date (and including any eligible participant that performs investor relations activities and/or whose role or duties primarily consist of investor relations activities); (iv) Resulting Issuer Options granted to any person retained to provide investor relations activities must vest in a period of not less than 12 months from the date of grant of the Resulting Issuer Award and with no more than 25% of the Resulting Issuer Options vesting in any three (3) month period notwithstanding any other provision of the Resulting Issuer Equity Incentive Plan; (v) the aggregate number of share units to any one eligible participant must not exceed (a) 1% of the issued Resulting Issuer Shares at the first such grant date and (b) 2% of the issued Resulting Issuer Shares in any 12-month period calculated at the first such grant date. At all times when the Resulting Issuer is listed on the TSXV, the Resulting Issuer is required to seek annual TSXV and shareholder approval for the Resulting Issuer Equity Incentive Plan in conformity with the rules of the TSXV.

The board of the Resulting Issuer shall determines the vesting provisions applicable to a Resulting Issuer Award at the time of grant (provided that any Resulting Issuer Restricted Awards with a deferral feature ("**DSUs**") shall not have a vesting date that extends past December 31 of the third year following the year in which the Resulting RSU is granted and all vesting conditions shall be such that the Resulting Issuer Restricted Awards comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the *Income Tax Act* (Canada) or any successor provision thereto). The exercise price of any Resulting Issuer Option shall be fixed by the board of directors when such Resulting Issuer Option is granted, but shall be no less than the five-day volume weighted average trading price of the Resulting Issuer Common Shares on the TSXV on the day prior to the date of grant (the "**Resulting Issuer Market Value**"). A Resulting Issuer Option shall be exercisable during a period established by the board of directors, which shall commence on the date of the grant and shall terminate no later than ten years after the date of granting the Resulting Issuer Option, or such shorter period of time as the board of the Resulting Issuer may determine.

The Resulting Issuer Incentive Equity Plan will provide that the exercise period shall automatically be extended if the date on which such Resulting Issuer Option is scheduled to terminate shall fall during a black-out period. In such cases, the extended exercise period shall terminate 10 Business Days following the last day of the blackout-period.

The following table describes the impact of certain events upon the rights of holders of Resulting Issuer Awards under the Resulting Issuer Incentive Equity Plan, including termination for cause, resignation, termination other than for cause, retirement and death, subject to the terms of a participant's employment agreement:

Event Provisions	Provisions
Termination for Cause	Immediate expiration and termination of all vested and unvested Resulting Issuer Options upon notification being given of such termination for cause.
Termination without Cause	Unless otherwise set out in a Resulting Issuer Award, unvested Resulting Issuer Options will continue to vest in accordance with their terms and may be exercised or surrendered at any time during the period that terminates on the earlier of (i) the expiry date of the Resulting Issuer Option or (ii) the 90th day after termination.

Death	Unless otherwise set out in a Resulting Issuer Award, all unvested Resulting Issuer Options shall vest immediately and may be exercised or surrendered at any time during the period that terminates on the earlier of (i) the expiry date of the Resulting Issuer Option or (ii) the first anniversary following death.
Retirement	Unless otherwise set out in a Resulting Issuer Award, unvested Resulting Issuer Options will continue to vest in accordance with their terms and may be exercised or surrendered at any time during the period that terminates on the earlier of (i) the expiry date of the Resulting Issuer Option or (ii) the first anniversary following retirement.
Resignation	Unless otherwise set out in a Resulting Issuer Award, all unvested Resulting Issuer Options shall terminate and expire immediately and the vested portion may be exercised or surrendered at any time during the period that terminates on the earlier of (i) the expiry date of the Resulting Issuer Option or (ii) 90 days after resignation.
Disability or Leave of Absence	Unless otherwise set out in a Resulting Issuer Award, unvested Resulting Issuer Options will continue to vest in accordance with their terms and may be exercised or surrendered at any time until the expiry date of the Resulting Issuer Option.

In connection with a change of control of the Resulting Issuer, the Resulting Issuer Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Resulting Issuer Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity; provided that the Resulting Issuer Board may accelerate the vesting of Resulting Issuer Awards if: (i) the required steps to cause the conversion or exchange or replacement of Resulting Issuer Awards are impossible or impracticable to take or are not being taken by the parties required to take such steps (other than the Resulting Issuer); or (ii) the Resulting Issuer has entered into an agreement which, if completed, would result in a change of control and the counterparty or counterparties to such agreement require that all outstanding Resulting Issuer Awards be exercised immediately before the effective time of such transaction or terminated on or after the effective time of such transaction. If a participant is terminated without cause or resigns as a result of constructive dismissal during the 2 year period following a change of control, or after the Resulting Issuer has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Resulting Issuer Awards will immediately vest and may be exercised within 90 days of such date.

With respect to Resulting Issuer SARs, Resulting Issuer Restricted Awards, Resulting Issuer PSUs, Resulting Issuer Performance Compensation Awards and Resulting Issuer Other Equity-Based Awards, the board of directors shall determine the relevant conditions and vesting provisions of such Resulting Issuer Awards at the time of their grant. Resulting Issuer SARs shall be granted in respect of services to be rendered by a participant in the Resulting Issuer Incentive Equity Plan and not in respect of services previous rendered, and may be granted alone or in tandem with a Resulting Issuer Option. With respect to Resulting Issuer Restricted Awards, shall be subject to forfeiture until the expiration of the restricted period, which shall be set by the board at the time of grant. With respect to Resulting Issuer PSUs, unless otherwise approved by the Resulting Issuer Board and except as otherwise provided in a participant's grant agreement or any other provision of the Resulting Issuer Incentive Equity Plan, Resulting Issuer PSUs will vest subject to performance and time vesting. The board (or a committee thereof) shall have the authority to grant Resulting Issuer other Equity-Based Awards, wither alone or in tandem with other Resulting Issuer Awards subject to such terms and conditions as the board may determine. In addition, the board shall have the authority at the time of grant of any Resulting Issuer Award (other than Resulting Issuer Options or Resulting Issuer SARs with an exercise price equal to or greater than the Resulting Issuer Market Value on the date of grant) to designate such Resulting Issuer Award as Performance Compensation Award.

The Resulting Issuer Board may, in its sole discretion, suspend or terminate the Resulting Issuer Equity Incentive Plan at any time, or from time to time, amend, revise or discontinue the terms and conditions of the Resulting Issuer Equity Incentive Plan or of any Resulting Issuer Award granted under the Resulting Issuer Equity Incentive Plan and any grant agreement relating thereto, subject to any required regulatory and TSXV approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Resulting Issuer Award previously granted except as permitted by the terms of the Resulting Issuer Equity Incentive Plan or as required by applicable laws.

The Resulting Issuer Board may amend the Resulting Issuer Equity Incentive Plan or any Resulting Issuer Award at any time without the consent of a participant; provided that such amendment shall (i) not adversely alter or impair any Resulting Issuer Award previously granted, except as permitted by the terms of the Resulting Issuer Equity Incentive Plan, (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSXV, and (iii) be subject to shareholder approval, where required by law, the requirements of the TSXV or the Resulting Issuer Equity Incentive Plan; provided, however, that shareholder approval shall not be required for the following amendments and the Resulting Issuer Board may make any changes which may include but are not limited to:

- amendments of a general housekeeping or clerical nature that, among others, clarify, correct or rectify any ambiguity, inconsistency, defective provision, error or omission in the Resulting Issuer Equity Incentive Plan;
- any amendment necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body (provided, however, that the TSXV may require shareholder approval of any such amendments);
- amendments necessary for Resulting Issuer Awards to qualify for favorable treatment under applicable tax laws;
- amendments to the vesting provisions of the Resulting Issuer Equity Incentive Plan or any Resulting Issuer Award;
- amendments to include or modify a cashless exercise feature, payable in cash or Resulting Issuer Common Shares, which provides for a full deduction of the number of underlying Resulting Issuer Common Shares from the Resulting Issuer Equity Incentive Plan maximum;
- amendments to the termination or early termination provisions of the Resulting Issuer Equity Incentive Plan or any Resulting Issuer Award, whether or not such Resulting Issuer Award is held by an insider of the Resulting Issuer, provided such amendment does not entail an extension beyond the original expiry date of the Resulting Issuer Award;
- amendments necessary to suspend or terminate the Resulting Issuer Equity Incentive Plan; and
- any other amendment that does not require the approval of the shareholders,

provided that the alteration, amendment or variance does not:

- increase the maximum number of Resulting Issuer Shares issuable under the Resulting Issuer Equity Incentive Plan, other than pursuant to the adjustment provisions;
- any amendment to the Resulting Issuer Equity Incentive Plan that increases the length of the period after a Blackout Period during which Options may be exercised;
- reduce the exercise price of the Resulting Issuer Awards;
- any amendment that would permit the introduction of non-employee directors of the Resulting Issuer as participants under the Resulting Issuer Equity Incentive Plan;
- remove or exceed the insider participation limit;
- any amendment extending the term of an Resulting Issuer Option beyond the original expiry date, other than in connection with a blackout period;
- any amendment that would allow for the transfer or assignment of Resulting Issuer Awards under this Resulting Issuer Equity Incentive Plan, other than for normal estate settlement purposes;
- amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the TSXV; or
- amend the amendment provisions of the Resulting Issuer Equity Incentive Plan.

No such amendment to the Resulting Issuer Equity Incentive Plan shall cause the Resulting Issuer Equity Incentive Plan in respect of Resulting Issuer RSUs to cease to be a plan described in section 7 of the Tax Act or any successor to such provision.

See *"Item 17: Executive Compensation - Employment, Consulting and Management Agreements"*.

ITEM 13: PRIOR SALES

No securities of Minto have been issued within the 12-month period prior to the date hereof. The Minto Common Shares are not currently traded or quoted on a Canadian or foreign marketplace.

No securities of 778 have been issued within the 12-month period prior to the date hereof, other than:

778 Options

Date	Number of Securities(1)	Exercise Price per 778 Common Shares
December 22, 2020	75,000 778 Options	$0.10

Notes:

(1) 778 Options issued to James Ward, CEO of 778. Each 778 Option is exercisable for one common shares in the capital of 778 at a price of $0.10 per common share for a period of five years from the date of grant.

778 Subscription Receipts

Date	Number of Securities(1)	Issue Price per Security	Aggregate Issue Price
September 21, 2021	5,857,938 778 Subscription Receipts	$2.60	$15,230,638.80
October 22, 2021	444,798 778 Subscription Receipts	$2.60	$1,156,474.80

Notes:

(1) 778 Subscription Receipts issued in connection with the Concurrent Financing. Each 778 Subscription Receipt will automatically convert into one 778 Common Share immediately prior to the completion of the RTO. As part of the RTO, each 778 Common Share will be exchanged for one Resulting Issuer Common Share.

The 778 Common Shares are not currently traded or quoted on a Canadian or foreign marketplace.

ITEM 14: ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER

Escrowed Securities

Upon completion of the RTO, the following Resulting Issuer Common Shares are expected to be held in escrow or subject to contractual restrictions on transfer.

Designation of Class	Number of securities held in escrow or that are subject to a contractual restrictions on transfer	Percentage of Class
Resulting Issuer Common Shares to be received by Principals of the Resulting Issuer	55,412,507(1)	76.4%
Resulting Issuer Common Shares to be received by former Minto Shareholders which will be subject to contractual restrictions on transfer	4,035,334(2)	5.6%
Resulting Issuer Common Shares to be received by former 778 Shareholders which will be subject to SSRRs	327,129(3)	0.5%
TOTAL	**59,774,970**	**82.5%**

Notes:

(1) Resulting Issuer Common Shares to be held in escrow pursuant to the Resulting Issuer Surplus Escrow Agreement.

(2) Resulting Issuer Common Shares subject to contractual restrictions on transfer entered into in favour of the Agents under the Agency Agreement (but excluding any Resulting Issuer Common Shares that are also to be held in escrow pursuant to the Resulting Issuer Surplus Escrow Agreement).

(3) Resulting Issuer Common Shares to be held in escrow pursuant to the Resulting Issuer Value Escrow Agreement.

Contractual Lock-Up Agreements

In connection with the Concurrent Financing, the Agents required that each director and officer of the Resulting Issuer and holders of 5% or more of the issued and outstanding Resulting Issuer Common Shares as of the date of the closing of the Concurrent Financing entered into lock-up agreements in favour of the Agents, pursuant to which each such individual or company agreed that, commencing on the date of the closing of the Concurrent Financing and ending on the date that is 180 days following the Escrow Release Date, subject to certain limited exceptions, such Persons will not, without the prior written consent of the Agents (such consent not to be unreasonably withheld), directly or indirectly offer, sell, contract to sell, transfer, assign, pledge, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any securities of the Resulting Issuer, whether now owned directly or indirectly by such Persons, or under control or direction of such Persons or with respect to which such Persons has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of securities of the Resulting Issuer, other than (A) pursuant to (i) a take-over bid or any similar transaction made generally to all of the shareholders of the Resulting Issuer; (ii) the exercise of stock options or outstanding warrants, or (iii) transfer to affiliates for tax or similar planning purposes provided that the transferee(s) sign(s) a joinder agreement to the lock-up agreements.

The holders of Resulting Issuer Common Shares who have entered into contractual lock-up agreements with the Agents are as follows:

Shareholder	Designation of Class	Number of Resulting Issuer Common Shares held in Contractual Lock-Up	Percentage of Class
Cedro Holdings I, LLC	Resulting Issuer Common Shares	20,076,288	27.7%
Copper Holdings, LLC	Resulting Issuer Common Shares	26,801,844	37.0%
Pembridge Resource plc	Resulting Issuer Common Shares	6,625,175	9.1%
Alondra LLC	Resulting Issuer Common Shares	4,035,334	5.6%
Total		**57,538,641**	**79.4%**

Resulting Issuer Principal Escrow (Surplus Securities)

Pursuant to the policies of the Exchange, the following securities of the Resulting Issuer are expected to be held in escrow after giving effect to the RTO:

Shareholder	Designation of Class	Number of Resulting Issuer Common Shares held in Exchange Escrow	Percentage of Class
Pembridge Resources	Resulting Issuer Common Shares	8,086,714	11.2%
Cedro Holdings I, LLC	Resulting Issuer Common Shares	20,076,288	27.7%
Copper Holdings, LLC	Resulting Issuer Common Shares	26,801,844	37.0%

Shareholder	Designation of Class	Number of Resulting Issuer Common Shares held in Exchange Escrow	Percentage of Class
Chris Stewart	Resulting Issuer Common Shares	60,000	0.08%
David Birch	Resulting Issuer Common Shares	24,000(1)	0.03%
Greg McKnight	Resulting Issuer Common Shares	50,000(2)	0.07%
Edie Hofmeister	Resulting Issuer Common Shares	100,000	0.14%
Gati Al-Jebouri	Resulting Issuer Common Shares	96,354(3)	0.13%
Lazaros Nikeas	Resulting Issuer Common Shares	96,153	0.13%
Joe Phillips	Resulting Issuer Common Shares	19,231	0.02%
David Benson	Resulting Issuer Common Shares	1,923	<0.01%
Total		**55,412,507**	**76.4%**

Notes:

(1) Including 1,000 Resulting Issuer Common Shares held by relatives residing at the same residence as David Birch.
(2) Including 1923 Resulting Issuer Common Shares held by the spouse of Greg McKnight.
(3) Including 200 Resulting Issuer Common Shares held by the spouse or relatives residing at the same residence of Gati Al-Jebouri.

The surplus securities will be subject to a Resulting Issuer Surplus Escrow Agreement upon closing of the RTO among certain shareholders of the Resulting Issuer and the Escrow Agent, pursuant to the policies of the Exchange. Under the Resulting Issuer Surplus Escrow Agreement, the Resulting Issuer Escrow Shares will be released as follows:

(a) 10% of the securities will be released on the date of the Final Exchange Bulletin;
(b) 20% of the securities will be released 6 months from the Final Exchange Bulletin;
(c) 30% of the securities will be released 12 months from the Final Exchange Bulletin; and
(d) 40% of the securities will be released 18 months from the Final Exchange Bulletin.

The Resulting Issuer Escrow Shares held pursuant to the Resulting Issuer Surplus Escrow Agreement may not be sold, assigned, transferred, redeemed, mortgaged, pledged, surrendered or otherwise dealt with in any manner except as provided by the Resulting Issuer Surplus Escrow Agreement. The Resulting Issuer Escrow 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 Resulting Issuer Surplus Escrow Agreement. In the event of the bankruptcy of a holder of Resulting Issuer Escrow Shares, the Resulting Issuer Escrow Shares held by such holder may be transferred within escrow to the trustee in bankruptcy or other Person legally entitled to such Resulting Issuer Escrow Shares provided that certain prescribed Exchange requirements are met.

Seed Share Resale Restrictions

In addition to the above, applicable SSRRs will be imposed on securities purchased by non-principals in certain circumstances at a price which was below $0.05 per Resulting Issuer Common Share were issued (the "**Seed Shares**"). It is expected that, other than as set out below, no additional securities of the Resulting Issuer will be subject to any resale restrictions in addition to those set out above.

Shareholder	Designation of Class	Number of Resulting Issuer Common Shares held in Exchange Escrow	Percentage of Class[(1)]
1261648 B.C. Ltd.	Resulting Issuer Common Shares	159,574	0.2%
B. Keast Family Holdings Inc.	Resulting Issuer Common Shares	53,192	0.1%
R. Keast Family Holdings Inc.	Resulting Issuer Common Shares	53,192	0.1%
SFH Inc.	Resulting Issuer Common Shares	53,192	0.1%
James Ward[(1)]	Resulting Issuer Common Shares	7,979	<0.1%
TOTAL		**327,129**	**0.5%**

Notes:

(1) Assumes the full exercise of the 778 Options held by Mr. Ward.

These securities will be subject to a Resulting Issuer Value Escrow Agreement upon closing of the RTO among certain shareholders of the Resulting Issuer and the Escrow Agent, pursuant to the policies of the Exchange. Under the Resulting Issuer Value Escrow Agreement, the Resulting Issuer Escrow Shares will be released as follows:

(a) 25% of the securities will be released on the date of the Final Exchange Bulletin;
(b) 25% of the securities will be released 6 months from the Final Exchange Bulletin;
(c) 25% of the securities will be released 12 months from the Final Exchange Bulletin; and
(d) 25% of the securities will be released 18 months from the Final Exchange Bulletin.

The Resulting Issuer Escrow Shares held pursuant to the Resulting Issuer Value Escrow Agreement may not be sold, assigned, transferred, redeemed, mortgaged, pledged, surrendered or otherwise dealt with in any manner except as provided by the Resulting Issuer Value Escrow Agreement. The Resulting Issuer Escrow 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 Resulting Issuer Value Escrow Agreement. In the event of the bankruptcy of a holder of Resulting Issuer Escrow Shares, the Resulting Issuer Escrow Shares held by such holder may be transferred within escrow to the trustee in bankruptcy or other Person legally entitled to such Resulting Issuer Escrow Shares provided that certain prescribed Exchange requirements are met.

Other than as disclosed above, no other securities of the Resulting Issuer are held in escrow or are anticipated to be held in escrow.

ITEM 15: PRINCIPAL SECURITYHOLDERS

Except as set out below, no Person will, to 778's and Minto's knowledge, beneficially own, directly or indirectly, or exercise control or direction over 10% or more of the outstanding Resulting Issuer Common Shares following the RTO:

Name	Number of post-Minto Consolidation Minto Common Shares	Percentage of Outstanding post-Minto Consolidation Minto Common Shares (Undiluted)	Number of post-778 Consolidation 778 Common Shares(1)	Percentage of Outstanding post-778 Consolidation 778 Common Shares (Undiluted)	Number of 778 Subscription Receipts subscribed for in Concurrent Financing	Number of Resulting Issuer Common Shares	Percentage of Outstanding Resulting Issuer Common Shares (Undiluted)
Pembridge Resources plc(2)	6,625,175	11%	Nil	Nil	1,461,539	8,086,714	11.2%
Cedro Holdings I, LLC(3)	20,076,288	33%	Nil	Nil	Nil	20,076,288	27.7%
Copper Holdings, LLC(4)	26,801,844	44%	Nil	Nil	Nil	26,801,844	37.0%

Notes:

(1) Excluding the Minto Common Shares to be issued immediately prior to closing of the RTO upon conversion of the Subscription Receipts

(2) Pembridge Resources plc is a public company that is listed for trading on the London Stock Exchange. Gati Al-Jebouri is the CEO and Chairman of Pembridge Resources plc and a director of Minto. Following completion of the RTO, Mr. Al-Jebouri is a proposed director of the Resulting Issuer.

(3) Cedro Holdings I, LLC is a fund vehicle which is managed by Lion Point Capital, LP, a SEC registered investment advisor. Didric Cederholm indirectly controls Lion Point Capital, LP and makes the investment decisions on behalf of Cedro Holdings I, LLC. Isrhad Karim, a proposed director of the Resulting Issuer is the General Counsel and Chief Compliance Officer of Lion Point Capital, LP.

(4) Copper Holdings, LLC is a fund which is managed by Lazaros Nikeas and Derek White, both of whom are proposed directors of the Resulting Issuer.

ITEM 16: DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table provides the names, province or state and country of residence, position, and principal occupations of each individual expected to be an executive officer and/or director of the Resulting Issuer, as well as the number and percentage of Resulting Issuer Common Shares that are expected to be beneficially owned, directly or indirectly, or which control or direction is expected to be exercised, by each such person. It is expected that the term of each director listed below will conclude at the end of the Resulting Issuer's next annual meeting of shareholders subject to reappointment by the shareholders of the Resulting Issuer at such meeting.

Name and Province of Residence	Positions Held with Resulting Issuer	Principal Occupation During Last Five Years	Number of Resulting Issuer Common Shares Beneficially Owned, or Controlled	Percentage of Resulting Issuer Common Shares Beneficially Owned, or Controlled
Chris Stewart (Kingston, Ontario, Canada)	President & CEO	Currently President and CEO of Minto; previously President and COO of	60,000	0.08%

		McEwan Mining Inc., a public mining company listed on the TSX from August 2018 to March 2020 and prior to that President and CEO of Treasury Metals Inc. a public mining company listed on the TSX from December 2016 to August 2018.		
David Birch (Mississauga, Ontario, Canada)	CFO and Corporate Secretary	Currently CFO and Corporate Secretary of Minto; previously CFO at Waterloo Brewing Ltd., a public brewing company listed on the TSX from February 2018 to July 2021 and prior thereto Vice President, Finance and Administration at McClelland Premium Imports, a beer importer, from September 2013 to January 2018.	23,000	0.03%
Greg McKnight[(2)] (Etobicoke, Ontario, Canada)	Chairman	Co-Chairman of the Board of Northstar Gold Corp, a public mining company listed on the CSE from January 2020; prior thereto Executive Vice President, Business Development of Yamana Gold Inc., a public mining company listed on the TSX from January 2003 to December 2018.	96,153	0.14%
Irshad Karim [(1)(2)] (New York, New York, USA)	Director	General Counsel and Chief Compliance Officer of Lion Point Capital, LP, a SEC registered investment advisor Since August 2015.	Nil[(7)]	N/A
Derek White[(1)(3)] (West Vancouver, British Columbia, Canada)	Director	President & CEO of Ascot Resources Ltd., a public mining company listed on the TSX; prior thereto Principal of Traxys Capital Partners LLP, a private equity firm specializing in the mining and minerals sectors.	Nil[(6)]	N/A
Edie Hofmeister [(2)(3)] (Berkeley, California, USA)	Director	Executive Vice President, Corporate Affairs and General Counsel at Tahoe Resources, a public	100,000	0.14%

		mining company that traded on the NYSE from February 2010 to March 2019.		
Gati Al-Jebouri[(1)] (Geneva, Switzerland)	Director	CEO and Chairman of Pembridge Resources Plc, a public company trading on the LSE since September 2019; previously Executive Director and Managing Director of LUKOIL International Secondment BV, a multinational oil and gas company, from February 2010 to April 2019.	96,154[(5)]	0.13%
Lazaros Nikeas[(2)] (New Canaan, Connecticut, USA)	Director	Principal Investment Manager of Weston Energy LLC, a Yorktown Partners LLC portfolio company with investments in energy minerals assets since 2018; previously partner of Traxys Capital Partners, a private equity firm backed by The Carlyle Group from 2016 to 2017 and prior thereto Head of Minerals and Materials Advisory for North America for BNP Paribas from 2010 to 2016.	96,153[(6)]	0.13%
Joe Phillips[(3)] (Redington Shores, Florida, USA)	Director	Current Director and Chief Operating Officer of Three Valley Copper in Toronto, Ontario; prior thereto operated as a private mining consultant from 2014 to 2021.	19,231	0.02%
David Benson (Headingley, Manitoba, Canada)	VP Exploration	Currently VP Exploration at Minto; previously Exploration Manager at Impala Canada Ltd., a mining company from December 2019 to June 2021 and Vice-President, Exploration at Bison Gold Resources, a mining company listed on the TSXV, from January 2010 to September 2017 and prior thereto, Exploration Manager with	1,923	<0.01%

Loralee Johnstone (Whitehorse, Yukon, Canada)	VP ESG	North American Palladium Inc. from October 2014 to December 2019. Currently, VP ESG; previously VP, CSR with Whitehorse Gold Corp. from November 2020 to November 2021 and prior thereto, Director, Permitting and Community Affairs with Coeur Mining, Inc.	Nil	N/A

Notes:

(1) Member of the Audit Committee.
(2) Member of the Corporate NG&C Committee.
(3) Member of the HSE and Technical Committee.
(4) In addition, Mr. Al-Jebouri is the CEO and Chairman of Pembridge, a public company listed on a stock exchange in the United Kingdom. Pembridge will hold 8,086,714 Resulting Issuer Common Shares. See "*Principal Securityholders*" above.
(5) In addition, Lazaros Nikeas and Derek White manage Copper Holdings, LLC. Copper Holdings, LLC will hold 26,801,844 Resulting Issuer Common Shares. See "*Principal Securityholders*" above.
(6) Mr. Karim is the General Counsel and Chief Compliance Officer of Lion Point Capital, LP, which manages Cedro Holdings I, LLC. Cedro Holdings I, LLC will hold 20,076,288 Resulting Issuer Common Shares. See "*Principal Securityholders*" above.

The executive officers and directors of the Resulting Issuer are expected to own, directly or indirectly, or exercise control or direction over 444,613 Resulting Issuer Common Shares, representing approximately 0.6% of the Resulting Issuer Common Shares expected to be issued and outstanding following the RTO.

In addition, Derek White and Lazaros Nikeas, directors of the Resulting Issuer, manage Copper Holdings, LLC, which will hold 26,801,844 (37.0%) Resulting Issuer Common Shares and Gati Al-Jebouri, a director of the Resulting Issuer is the Chairman and CEO of Pembridge Resources plc, which will hold 8,086,714 (11.2%) of the Resulting Issuer Common Shares.

Biographies

Biographical information regarding each such executive officer and director is presented below.

Chris Stewart, President & Chief Executive Officer

Chris Stewart is a Professional Engineer with over 29 years of management, operational and technical experience in the mining industry. Chris worked for the first 15 years of his career with DMC Mining building, expanding and operating various mine operations across Canada and the USA and for the past 15 years, he has worked for several mining companies. Prior to joining Minto Exploration, Chris was President & COO for McEwen Mining, a precious metals producer with operations in Canada, USA, Mexico and Argentina. Prior to that he held various senior roles including President & CEO for Treasury Metals, Vice President of Operations for Kirkland Lake Gold, President & CEO of Liberty Mines, BHP Billiton, Lake Shore Gold Corporation and DMC Mining Services. Chris holds a Bachelor of Science in Mining Engineering from Queen's University.

David Birch, Chief Financial Officer and Corporate Secretary

David Birch has over 20 years of senior financial management experience at publicly traded, enterprise-level companies. Prior to joining Minto, David worked at Waterloo Brewing Ltd. as Chief Financial Officer & Secretary from January 2018 to July 2021. Prior thereto, David served as CFO for Liberty Mines along with serving at Anheuser Busch InBev in senior financial roles including Vice President, Commercial Finance, and Director of Finance. David is a Chartered Professional Accountant (CPA-CMA) and has earned a Bachelor's Degree in Economics from York University.

R. Greg McKnight, Chairman

Greg McKnight has over 30 years of mining focused investment banking and corporate experience. He is currently the Co-Chairman of Northstar Gold Corp., a junior exploration company focused in Northeastern Ontario. For 15 years ending December 2018, he was the Executive Vice President, Business Development at Yamana Gold Inc. ("**Yamana**") where he helped grow the business from a junior gold producer to a senior gold and copper mining company with operations spanning multiple jurisdictions. During the year prior to joining Yamana, Mr. McKnight was instrumental in his capacity as an investment banker in structuring the reverse takeover transaction and raising the equity for Yamana that enabled the company to recapitalize and re-position itself as a gold production company. Mr. McKnight holds a Bachelor of Commerce degree from the University of Toronto and a Masters of Business Administration from the Ivey School of Business at the University of Western Ontario. He also earned his ICD.D designation from the Canadian Institute of Corporate Directors in early 2021.

Gati Al-Jebouri, Director

Gati Al-Jebouri has 30 years of international operations and trading experience in the natural resources sector. He is CEO and Chairman of the Board of Directors of Pembridge from September 2019, having served as a non-executive director since September 2017. Prior to that Mr. Al-Jebouri worked at LUKOIL where he was VP Middle East Upstream and Managing Director of their 400,000 barrel per day Iraq operations. Before LUKOIL upstream management roles, Mr. Al-Jebouri was CFO and latterly CEO of LITASCO (LUKOIL International Trading and Supply Company). Mr. Al-Jebouri has also held positions of Deputy Minister of Energy and First Deputy Minister of Finance in Bulgaria. He holds a Civil Engineering degree from the University of Bristol and is a UK Chartered Accountant.

Irshad Karim, Director

Irshad Karim has over 35 years of experience as a corporate lawyer. He has served as the General Counsel and Chief Compliance Officer at Lion Point Capital, an SEC-registered investment adviser in New York, since 2015. Before joining Lion Point Capital, Irshad was General Counsel and Chief Compliance Officer for several hedge funds over the prior decade. He previously spent 10 years at JPMorgan and over 4 years at Credit Suisse where he had legal and compliance responsibilities for a variety of businesses, including debt and equity capital markets, sales and trading, investment banking, and alternative assets. Irshad started his career in private practice at Cravath, Swaine & Moore and Sullivan & Cromwell. Irshad graduated summa cum laude with a BA from New York University, and cum laude with a JD from Harvard Law School. Irshad is licensed to practice law in New York.

Edie Hofmeister, Director

Edie Hofmeister has worked as an advocate for extractive companies for 17 years. Most recently she served as EVP Corporate Affairs and General Counsel of Tahoe Resources where she headed the Legal, Sustainability and Government Affairs Departments. Since 2006 Edie has worked alongside rural and Indigenous communities in India, Peru, Guatemala and Canada to enhance food, work and water security. She serves as the Vice Chair of the International Bar Association's Business and Human Rights Committee. Edie received a Bachelor of Arts degree in international relations from UCLA, a Master of Arts degree in international peace studies from the University of Notre Dame and a Juris Doctor degree from the University of San Francisco.

Lazaros Nikeas, Director

Lazaros Nikeas has more than 20 years of strategy and capital markets advisory for resource, chemicals and industrial companies, with over US$25B of M&A transactions completed. He is currently a Principal Investment Manager of Weston Energy LLC, a Yorktown Partners LLC portfolio company with investments in energy minerals assets. Prior to that, he was a partner of Traxys Capital Partners, a private equity firm backed by The Carlyle Group. Previously he was the Head of North American Advisory for materials and mining for BNP Paribas, Partner with Hill Street Capital and M&A analyst for Morgan Stanley.

Derek White, Director

Derek White has over 33 years of experience in the mining and metals industry. He holds an undergraduate degree in Geological Engineering from the University of British Columbia and is also a Chartered Accountant. He is currently President & CEO of Ascot Resources Ltd. ("Ascot"). Prior to joining Ascot, Mr. White was the Principal of Traxys Capital Partners LLP, a private equity firm specializing in the mining and minerals sectors. Mr. White was President and CEO of KGHM International Ltd. from 2012 to 2015, and also held the positions of Executive Vice President, Business Development and Chief Financial Officer of Quadra FNX Mining Ltd. from 2004 to 2012. Mr. White has held executive positions with International Vision Direct Ltd., BHP-Billiton Plc, Billiton International Metals BV and Impala Platinum Ltd., in Vancouver, Toronto, London, The Hague, and Johannesburg. Mr. White is also an ICSA Accredited Director.

Joe Phillips, Director

Mr. Phillips is a senior mining executive with 48 years of experience in the construction, commissioning and operation of mining projects in 13 countries (7 in Latin America) in 5 continents. Over his career he has directed the construction, commissioning and operation of 11 plants and mining operations, all of which met or exceeded their designed capacities. Mr. Phillips has held senior positions in US and Canadian mining companies including COO and Chairman of the Board of Lydian Resources, Armenia, Chief Development Officer of Coeur Mining, COO of Silver Standard Resources, and Senior VP Development for Pan American Silver Corp.

Mr. Phillips is a non-practicing Registered Professional Mining Engineer, graduating from the Colorado School of Mines ("CSM"), and with graduate studies in Engineering Management at the University of South Florida. Mr. Phillips' experience includes the mining of several different minerals including coal, phosphate rock, gold, silver, zinc, copper, limestone, clay and aggregates. He has held Directorships in the Chambers of Mines in three countries including Chile, Mexico and Ghana, Africa.

David Benson, VP Exploration

Mr. Benson is a Professional Geologist and has over 15 years of experience in the mining industry, in various leadership roles where he was accountable for leading the Exploration Department. He has spent a great deal of his career on successful exploration and drilling programs at the organizations he worked for including most recently at Impala Lac Des Isle Mine where he and his team discovered new, high-grade ore lenses. David has held various Geologist and Exploration Manager positions in the past including Vice President, Exploration and Director at Bison Gold Resources.

Loralee Johnstone, VP ESG

Loralee Johnstone has over 25 years of experience in Community and Government Relations, Environmental Assessment and Management, Permitting, Policies and Procedures. Loralee has held several senior leadership roles and most recently VP, Corporate Social Responsibility at Whitehorse Corp. and Director, Permitting & Community Relations at Coeur Mining. Loralee has considerable knowledge in the mining industry in British Columbia and the Yukon and has also held key local roles including Manager for Yukon Environmental and Socio-Economic Assessment Board (YESAB) and Chair of the Yukon Water Board.

Reporting Issuer Experience

The following table describes each director and officer's personal experience as a director or officer of another reporting issuer (or the equivalent in another jurisdiction) in the last five-year period:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market(s)	Position Held	From	To
Chris Stewart	Cassiar Gold Corp. (British Columbia)	OTCQX	Director	November 2016	May 2021
	Treasury Metals Inc. (Ontario)	TSX	Director, President and CEO	December 2016	August 2018
	Kirkland Lake Gold Ltd. (Ontario)	TSX	Vice President of Operations	May 2014	September 2016
David Birch	Waterloo Brewing Ltd.	TSX	CFO and Corporate Secretary	February 2018	July 2021
	Liberty Mines Incorporated	TSX	CFO	June 2012	July 2013
Greg McKnight	Yamana Gold Inc. (Ontario)	TSX	Executive VP Business Development	Jan. 2003	Dec. 2018
	Northstar Gold Corp. (Ontario)	CSE	Director, Co-Chair	Jan. 2020	Current
Edie Hofmeister	Tahoe Resources Inc. (British Columbia)	TSX	Executive Vice President, General Counsel	June 2010	February 2019
Gati Al-Jebouri	Pembridge Resources Plc (United Kingdom)	LSE	CEO, Director and Chairman of the Board	September 2019	Current
Joe Phillips	Coeur Mining, Inc. (United States)	NYSE	Chief Development Officer	June 2013	Dec, 2016
	Three Valley Copper Corp.	TSXV	Director	December 2017	Present
David Benson	Bison Gold Resources Inc.	TSXV	Director and Vice-President Exploration	September 2010	September 2017
	Champion Bear Resources Inc.	TSXV	Director	June 2014	July 2016
Lazaros Nikeas	Battery Minerals Resources Corp.	TSXV	Executive Chairman	February 2021	Present
	Eden Innovations Ltd.	ASX	Director	May 2018	Present
	Rhino Resources Partners L.P.	NYSE	Director	January 2019	January 2020
Loralee Johnstone	Whitehorse Gold Corp.	TSXV	Vice President, CSR	November 2020	November 2021

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No person expected to be a director or executive officer of the Resulting Issuer, is, as of the date of this Listing Application, or has been, within the 10 years preceding the date of this Listing Application, a director, chief executive officer or chief financial officer of any company, that:

(a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, 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.

No person expected to be a director or executive officer of the Resulting Issuer, or to the best of 778 and Minto's knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer:

(a) is, as of the date of this Listing Application, or has been within 10 years preceding the date of this Listing Application, a director or executive officer of any company, 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; or

(b) has, within the 10 years before the date of this Listing Application, become 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 the assets of the director, executive officer or shareholder.

No person expected to be a director or executive officer of the Resulting Issuer, or to the best of 778 and Minto's knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer, has been subject to:

(a) 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

(b) 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.

Conflicts of Interest

There are potential conflicts of interest to which the proposed directors and officers of the Resulting Issuer will be subject to in connection with the operations of the Resulting Issuer. In particular, certain of the proposed directors and officers of the Resulting Issuer are involved in managerial or director positions with other companies whose operations may, from time to time, be in direct competition with those of the Resulting Issuer or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies available under the Business Corporations Act. The Business Corporations Act provides that, in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the Business Corporations Act. As at the date of this Listing Application, the Resulting Issuer is not aware of any existing or potential material conflicts of interest between the Resulting Issuer and any proposed director or officer of the Resulting Issuer.

ITEM 17: EXECUTIVE COMPENSATION

Minto was not a reporting issuer at any time during the most recently completed financial year and has not yet fully implemented a compensation program. Upon listing on the TSXV, it is anticipated the Resulting Issuer will adopt a compensation program that reflects its stage of development, the main elements of which are expected to be comprised of base salary, grants of Resulting Issuer Options and other Resulting Issuer Awards and annual cash incentives. This section sets out, to the extent currently known and determined, all significant elements of the compensation awarded to, earned by, paid to, or payable to directors and officers of Minto, who will become the directors and officers of the Resulting Issuer. Such details regarding compensation of directors and officers are based on Minto's current expectations and upon listing on the TSXV, may be different than as disclosed herein.

In this section "**Named Executive Officer**" or "**NEO**" means the, CEO, the CFO, and the three most highly-compensated other executive officers who were serving as executive officers at December 31, 2020 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an NEO of Minto as of December 31, 2020.

It is anticipated that the NEOs of the Resulting Issuer will be: Chris Stewart, President & CEO, David J. Birch CFO, David Benson, VP Exploration and Loralee Johnstone, VP ESG, which are those individuals comprising the NEOs of Minto as at the date hereof.

Objective, Oversight, and Description of Director and Named Executive Officer Compensation

The board of directors of Minto reviews and approves compensation paid to its directors and officers. The Resulting Issuer is expected to adopt and maintain Minto's executive compensation policies following the completion of the RTO. Upon listing on the TSXV, it is anticipated that the Resulting Issuer will establish a Corporate Nominating, Governance and Compensation Committee (for the purposes of this section, the "**Corporate NG&C Committee**") which will recommend how directors and executive officers will be compensated for their services as directors and executive officers. See "*Item 19 – Audit Committees and Corporate Governance – Corporate Governance – Corporate NG&C Committee*" for further details.

Executive officer compensation is determined by the board of Minto, based in part on recommendations from the CEO. The board of Minto recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility.

The board of Minto believes that Minto's compensation plan is consistent with the companies it competes with for talent. The objectives of Minto's compensation policies and practices include the following:

- attracting and retaining highly-qualified individuals;
- creating among directors, officers, consultants and employees, a corporate environment which will align their interests with those of the Minto Shareholders; and
- ensuring competitive compensation that is also affordable for Minto.

The compensation program is designed to provide competitive levels of compensation. Minto recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, Minto's directors and officers may receive compensation that comprises three components:

- base salary, wages or contractor payments; and
- incentive bonuses.

The objectives and reasons for this system of compensation are to allow Minto to remain competitive compared to its peers in attracting experienced personnel. The salaries are set on the basis of a review and comparison of salaries paid to executives at similar companies.

Any bonuses paid are allocated on an individual basis and are based on review by the board of Minto of the work planned during the year and the work achieved during the year, including work related to operations, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

The Resulting Issuer Equity Incentive Plan will be adopted by 778 prior to completion of the RTO, and will take effective following the Effective Date. See "*Item 12 – Resulting Issuer Incentive Plan*".

As a mining company, Minto remains at risk of losing qualified personnel to companies with greater financial resources and it attempts to mitigate this risk wherever possible through appropriately written contracts.

Base Salary

The objectives of the base salary are to provide compensation in accord with market value, and to acknowledge the competencies and skills of individuals. The base salary paid to NEOs is reviewed annually by the board of Minto as part of the annual review of executive officers (and such practice will be continued by the Resulting Issuer Board). The decision whether to grant an increase to the executive's base salary and the amount of any such increase will be in the sole discretion of the Resulting Issuer Board.

Incentive Bonuses

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees.

Resulting Issuer Equity Incentive Plan

The Resulting Issuer Equity Incentive Plan will be adopted by 778 prior to completion of the RTO, and will take effective following the Effective Date. See "*Item 12 – Resulting Issuer Incentive Plan*".

Employment, Consulting and Management Agreements

Minto had entered into the following employment or consulting contracts with the following NEOs and directors as of the end of the most recently completed financial year:

Chris Stewart, President & Chief Executive Officer

Mr. Stewart entered into an executive employment agreement with Minto dated April 13, 2021, pursuant to which he agreed to be employed in the position of President and Chief Executive Officer effective as of April 1, 2021. Pursuant to the agreement, in the event that Mr. Stewart's employment is terminated without cause he shall be entitled to receive a payment equal to 18 months, plus 1 additional month for each completed year of service, up to a maximum of 24 months (the "**Notice Period**"), of remuneration (including salary, vacation pay, stock or share options, restricted stock or share options and all bonus entitlements (which will be based on the bonus paid in the previous 2 years, or if not yet paid, 100% of the target bonus)) (the "**Severance Payment**"). In addition, all unvested stock or share options that have not vested on the date of termination shall immediately vest and be exercisable in accordance with the applicable plan and Mr. Stewart is entitled to continue to receive during the Notice Period all health, dental and life insurance benefits. In the event that Mr. Stewart resigns for good reason or has his employment terminated following a change of control of Minto, he is entitled to receive a lump sum payment equal to 150% of the Severance Payment, up to a maximum of 36 months. In addition, all unvested stock or share options that have not vested on the date of termination shall immediately vest and be exercisable in accordance with the applicable plan and Mr. Stewart would be entitled to continue to receive all health, dental and life insurance benefits for a period 1.5 times longer than the Notice Period. Mr. Stewart is entitled to receive a salary of $375,000 per annum and the base target for his annual performance bonus is 100% of his base salary. Accordingly, in the event that Mr. Stewart's employment had been terminated on April 1, 2021, he would have been entitled to receive (at a minimum and not including any amounts for vacation, stock or share options or benefits) $1,125,000 if his employment was terminated without cause and $1,687,500 if he resigned for good reason or was terminated without cause following a change in control of Minto.

The employment agreement contains covenants regarding confidentiality and non-solicitation.

<u>David J. Birch Chief Financial Officer and Corporate Secretary</u>

Mr. Birch entered into an executive employment agreement with Minto dated June 25, 2021, pursuant to which he agreed to be employed in the position of Chief Financial Officer effective as of July 22, 2021. Pursuant to the agreement, in the event that Mr. Birch's employment is terminated without cause he shall be entitled to receive a payment equal to 18 months, plus 1 additional month for each completed year of service, up to a maximum of 24 months (the "**Notice Period**"), of remuneration (including salary, vacation pay, stock or share options, restricted stock or share options and all bonus entitlements (which will be based on the bonus paid in the previous 2 years, or if not yet paid, 100% of the target bonus)) (the "**Severance Payment**"). In addition, all unvested stock or share options that have not vested on the date of termination shall immediately vest and be exercisable in accordance with the applicable plan and Mr. Birch is entitled to continue to receive during the Notice Period all health, dental and life insurance benefits. In the event that Mr. Birch resigns for good reason or has his employment terminated following a change of control of Minto, he is entitled to receive a lump sum payment equal to 150% of the Severance Payment, up to a maximum of 36 months. In addition, all unvested stock or share options that have not vested on the date of termination shall immediately vest and be exercisable in accordance with the applicable plan and Mr. Birch would be entitled to continue to receive all health, dental and life insurance benefits for a period 1.5 times longer than the Notice Period. Mr. Birch is entitled to receive a salary of $276,000 per annum and the base target for his annual performance bonus is 75% of his base salary. Accordingly, in the event that Mr. Birch's employment had been terminated as of the date hereof, he would have been entitled to receive (at a minimum and not including any amounts for vacation, stock or share options or benefits) $724,000 if his employment was terminated without cause and $1,086,750 if he resigned for good reason or was terminated without cause following a change in control of Minto.

<u>David Benson, VP Exploration</u>

Mr. Benson entered into an executive employment agreement with Minto dated June 1, 2021, pursuant to which he agreed to be employed in the position of Vice President, Exploration effective as of June 15, 2021. Pursuant to the agreement, in the event that Mr. Benson's employment is terminated without cause he shall be entitled to receive a payment equal to 12 months, and after 2 years of continual service, an 1 additional month for each completed year of service, up to a maximum of 6 additional months (the "**Notice Period**"), of remuneration (including salary, vacation pay, stock or share options, restricted stock or share options and all bonus entitlements (which will be based on the average bonus paid in the previous 2 years, or if not yet paid, 50% of the target bonus)) (the "**Severance Payment**"). In the event that Mr. Benson resigns for good reason or has his employment terminated following a change of control of Minto, he is entitled to receive a lump sum payment equal to 150% of the Severance Payment, up to a maximum of 24 months. In addition, all unvested stock or share options that have not vested on the date of termination shall immediately vest and be exercisable in accordance with the applicable plan and Mr. Benson would be entitled to continue to receive all health, dental and life insurance benefits for a period 1.5 times longer than the Notice Period. Mr. Benson is entitled to receive a salary of $230,000 per annum and the base target for his annual performance bonus is 50% of his base salary. Mr. Benson is also entitled to a long term incentive performance bonus and the case target is 75% of his base salary. Accordingly, in the event that Mr. Benson's employment had been terminated as of the date hereof, he would have been entitled to receive (at a minimum and not including any amounts for vacation, stock or share options or benefits) $345,000 if his employment was terminated without cause and $517,500 if he resigned for good reason or was terminated without cause following a change in control of Minto.

<u>Loralee Johnstone, VP ESG</u>

Ms. Johnstone entered into an executive employment agreement with Minto dated September 24, 2021, pursuant to which she agreed to be employed in the position of Vice President, Sustainability, Community & Government Relations effective as of November 1, 2021. Pursuant to the agreement, in the event that Ms. Johnstone's employment is terminated without cause he shall be entitled to receive a payment equal to 12 months, and after 2 years of continual service, an 1 additional month for each completed year of service, up to a maximum of 6 additional months (the "**Notice Period**"), of remuneration (including salary, vacation pay, stock or share options, restricted stock or share options and all bonus entitlements (which will be based on the average bonus paid in the previous 2 years, or if not yet paid, 50% of the target bonus)) (the "**Severance Payment**"). In the event that Ms. Johnstone resigns for good reason or has her employment terminated following a change of control of Minto, she is entitled to receive a lump sum payment equal to 150% of the Severance Payment, up to a maximum of 24 months. In addition, all unvested stock or share options that have not vested on the date of termination shall immediately vest and be exercisable in accordance with the applicable plan and Ms. Johnstone would be entitled to continue to receive all health, dental and life insurance benefits for a period 1.5 times longer than the Notice Period. Ms. Johnstone is entitled to receive a salary of $240,000 per annum and the base target for her annual performance bonus is 35% of her base salary. Ms. Johnstone is also entitled to a long term incentive performance bonus and the case target is 50% of her base salary. Accordingly, in the event that Ms. Johnstone's employment had been terminated as of the date hereof, she would have been entitled to receive (at a minimum and not including any amounts for vacation, stock or share options or benefits) $360,000 if her employment was terminated without cause and $540,000 if she resigned for good reason or was terminated without cause following a change in control of Minto.

Pension and Retirement Plans

Minto has no pension or retirement plans or other forms of retirement compensation. Furthermore, it is not anticipated that the Resulting Issuer will have any pension or retirement plan or deferred compensation plan, other than the Resulting Issuer Equity Incentive Plan, in the 12 months following completion of the RTO.

Summary Compensation Table, excluding Compensation Securities

The following table is a summary of compensation paid to NEOs of Minto the financial years ended December 31, 2019 and December 31, 2020:

Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Jack Cartmel(1)(2)	2020	200,000	-	-	-	-	200,000

(1) Mr. Cartmel is compensated through his management company Numis Consulting Inc. Mr. Cartmel ceased to act as Interim CFO on August 31, 2021.
(2) No other NEOs were employed by Minto during the years ended December 31, 2020 or 2019.

Please see "*Employment, Consulting and Management Contracts*" above for information regarding Chris Stewart's, David Birch's, David Benson's and Loralee Johnstone's employment which commenced in 2021.

Stock Option Plan, Stock Options and Other Compensation Securities

Minto does not have a stock option plan or any other equity security compensation plan. Furthermore, no options to purchase common shares in the capital of Minto or other compensation securities have, as of the date hereof, been awarded to any director or NEO of Minto. The Resulting Issuer Equity Incentive Plan will be adopted by 778 prior to completion of the RTO, and will take effective following the Effective Date. See "*Item 12 – Resulting Issuer Incentive Plan*".

ITEM 18: INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or senior officer of Minto, 778, or expected director, executive officer or senior officer of the Resulting Issuer, or any associates of such persons, is indebted to Minto, 778 or is expected to be indebted to the Resulting Issuer immediately following the completion of the RTO and no indebtedness of such persons in the Listing Application subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by Minto, 778 or the Resulting Issuer.

ITEM 19: AUDIT COMMITTEES AND CORPORATE GOVERNANCE

Audit Committee

Audit Committee Charter

It is anticipated that, upon completion of the RTO, the Resulting Issuer will adopt the audit committee charter attached as Appendix "H" to this Listing Application.

Composition of the Audit Committee

The following individuals will be the members of the Resulting Issuer’s Audit Committee: Gati Al-Jebouri (Chair), Irshad Karim and Derek White. All audit committee members will be financially literate and a majority of the Audit Committee shall be independent.

For additional details regarding the relevant experience of each member of the Resulting Issuer's Audit Committee, see the relevant biographical experiences for each of the Resulting Issuer's directors and officers under the heading "*Item 16 – Directors and Executive Officers – Name, Occupation and Security Holding of Directors and Officers*".

Audit Committee Oversight

The primary function of the Audit Committee will be to assist the Resulting Issuer Board in fulfilling its financial oversight responsibilities by reviewing the Resulting Issuer's: (i) financial statements and other financial information provided by the Resulting Issuer to regulatory authorities and shareholders; and (ii) auditing, accounting and financial reporting processes.

The Resulting Issuer Board will adopt a written charter for the Audit Committee which sets out the Audit Committee's responsibility in reviewing the financial statements of the Resulting Issuer and public disclosure documents containing financial information and reporting on such review to the Resulting Issuer Board, ensuring that adequate procedures are in place for the review of the Resulting Issuer's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors, setting policies and procedures for the engagement of non-audit services and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management.

Reliance on Certain Exemptions

As the Resulting Issuer will be listed on the TSXV, it will be a "venture issuer" and may avail itself of exemptions from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110, which require the independence of each member of an audit committee, subject to limited exceptions and the disclosure of audit committee information in an annual information form, respectively.

External Auditor Services Fees

Minto's auditor is Deloitte LLP. The following table provides the aggregate fees billed by Minto's external auditor in each of the last two fiscal years.

Nature of Services	**Fees Billed by Auditor for the fiscal year ended**[5]	
	December 31, 2020	**December 31, 2019**
Audit Fees[1]	$104	$70
Audit-Related Fees[2]	$-	$-

Nature of Services	Fees Billed by Auditor for the fiscal year ended[5]	
Tax Fees[3]	$-	$-
All Other Fees[4]	$-	$-
Total	**$104**	**$70**

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of Minto's consolidated financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include aggregate fees for employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services, in the aggregate.

(5) In thousands of Canadian dollars.

778's auditor is Baker Tilly WM LLP. The following table provides the aggregate fees billed by 778's external auditor since incorporation.

Nature of Services	Fees Billed by Auditor for the fiscal year ended
	December 31, 2020
Audit Fees[1]	$2,500
Audit-Related Fees[2]	Nil
Tax Fees[3]	Nil
All Other Fees[4]	Nil
Total	**$2,500**

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of Minto's consolidated financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include aggregate fees for employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services, in the aggregate.

Corporate Governance

Canadian securities regulatory policy as reflected in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires that venture issuers like the Resulting Issuer must disclose on an annual basis their approach to corporate governance. National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") provides regulatory staff guidance on preferred governance practices, although the guidelines are not prescriptive, other than for audit committees. The Resulting Issuer's expected approach to corporate governance in the context of NI 58-101 and NP 58-201 (together the "**Policies**") as well as its compliance with the mandatory rules relating to audit committees is set out below.

Board of Directors

The Policies require that the board of directors of a venture issuer determine and disclose the status of each director as independent or not, based on each director's interest in or other relationship with the issuer. Under the Policies, the applicable definition of independence is that contained in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), under which a director is "independent" where he or she "has no direct or indirect material relationship" with the issuer. A "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement. 52-110 also deems certain individuals as having a material relationship with the issuer, and who are therefore not independent.

The Resulting Issuer intends to have seven directors, five (5) of whom will be independent. The independent directors are Greg McKnight, Irshad Karim, Edie Hofmeister, Gati Al-Jebouri and Joe Phillips. Derek White and Lazaros Nikeas are not independent as they manage Copper Holdings, LLC, which will be a principal shareholder of the Resulting Issuer.

The Resulting Issuer Board will have responsibility for the stewardship of the Resulting Issuer including responsibility for strategic planning, identification of the principal risks of the Resulting Issuer's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Resulting Issuer's internal control and management information systems.

The Resulting Issuer Board will set long-term goals and objectives for the Resulting Issuer and will formulate the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Resulting Issuer Board may delegate the responsibility for managing the day-to-day affairs of the Resulting Issuer to senior management but will retain a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Resulting Issuer and its business. The Resulting Issuer Board is responsible for protecting Resulting Issuer Shareholders' interests and ensuring that the incentives of the Resulting Issuer Shareholders and of management are aligned.

Directorships

For details regarding the relevant directorship experience of Resulting Issuer Board, see "*Item 16 – Directors and Executive Officers – Reporting Issuer Experience*".

Orientation and Continuing Education

It is anticipated that the Resulting Issuer Board will have formal orientation and training programs. Each new director will receive an orientation, minutes of meetings, written mandates, guidelines and other relevant corporate documents needed to understand the Resulting Issuer's business and processes. The commitment needed from directors, particularly the commitment of time and energy, will be emphasized to directors prior to their appointment nomination.

Directors will be encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to keep themselves up to date with best director and corporate governance practices. The Resulting Issuer intends to provide continuing education for its directors as the need arises. Directors of the Resulting Issuer will have full access to the Resulting Issuer's records.

Ethical Business Conduct

The Resulting Issuer Board intends to adopt a written code of business conduct and ethics for its directors, officers, employees, and contractors (the "**Code**"). The Resulting Issuer Board will be responsible for monitoring compliance with the Code.

The Resulting Issuer Board will take appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors will abstain from portions of board or committee meetings to allow independent discussion of points in issue.

Nomination of Directors

The Resulting Issuer intends to establish the Corporate NG&C Committee. The Corporate NG&C Committee will be responsible for, among other things, establishing sound corporate governance practices that are in the interest of shareholders and contribute to effective and efficient decision-making and filling vacancies on the Resulting Issuer Board and recommending potential nominees for directors. The Corporate NG&C Committee will analyze the needs of the board when vacancies arise and identify and propose new nominees who have the necessary competencies and characteristics to meet those needs. In order to foster an objective nomination process, the independent members of the Resulting Issuer Board will be encouraged to recommend nominees for the Resulting Issuer Board. In addition, the Corporate NG&C Committee is expected to have responsibilities for, amongst other things, monitoring and ensuring board independence, establishing procedures for Resulting Issuer Board meetings to ensure that board members possess an appropriate balance of skills and areas of expertise needed to effectively govern the Resulting Issuer's affairs, establishing position descriptions for the key members of the Resulting Issuer Board and senior management and overseeing the Resulting Issuer Board's diversity, renewal, orientation and continuing education.

The following will be the members of the Corporate NG&C Committee: Edie Hofmeister (Chair), Greg McKnight, Irshad Karim and Lazaros Nikeas.

For additional details regarding the relevant experience of each member of the Resulting Issuer's Corporate NG&C Committee, see the relevant biographical experiences for each of the Resulting Issuer's directors and officers under the heading "*Item 16 – Directors and Executive Officers – Name, Occupation and Security Holding of Directors and Officers*".

Compensation

The Corporate NG&C Committee will review directors' compensation once a year, taking into consideration the compensation paid to directors of comparable publicly traded Canadian companies. The Corporate NG&C Committee will decide the compensation of the Resulting Issuer's officers based on industry standards and the Resulting Issuer's financial situation. In addition, the Corporate NG&C Committee will assist the Resulting Issuer Board in its oversight of executive and director compensation, including with respect to: (i) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of these goals and objectives and, either as a committee or together with other independent directors, determining and approving the CEO's compensation level based on such evaluation; (ii) recommending to the Resulting Issuer Board non-CEO compensation, incentive-based plans, equity-based plans and policies relating to the determination and payment of bonuses, if any; (iii) reviewing compensation disclosure in public documents, and producing the Corporate NG&C Committee 's annual report on executive compensation, in accordance with applicable rules and regulations; and (iv) performing any other activities consistent with the mandate of the Corporate NG&C Committee.

Other Board Committees

The Resulting Issuer intends to establish a health, safety, environment, community and technical committee (the "**HSEC and Technical Committee**"), the purpose of which will be to assist the Resulting Issuer Board in fulfilling its oversight responsibilities with respect to the operational performance and operating risks of the Resulting Issuer, particularly regarding those areas where technical understanding is required.

The following will be the members of the HSEC and Technical Committee: Joe Phillips (Chair), Derek White and Edie Hofmeister.

For additional details regarding the relevant experience of each member of the Resulting Issuer's HSEC and Technical Committee, see the relevant biographical experiences for each of the Resulting Issuer's directors and officers under the heading "*Item 16 – Directors and Executive Officers – Name, Occupation and Security Holding of Directors and Officers*".

The Resulting Issuer Board will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Resulting Issuer Board.

Assessments

The Resulting Issuer Board will monitor the adequacy of information given to directors, communication between the Resulting Issuer Board and management and the strategic direction and processes of the Resulting Issuer Board and its committees.

ITEM 20: AGENT, SPONSOR OR ADVISOR

Minto and 778 have applied to the TSXV for an exemption from the sponsorship requirement in connection with its application to list the Resulting Issuer Common Shares on the TSXV. While Minto and 778 believe the Resulting Issuer qualifies for an exemption, there can be no assurance that the exemption will be granted by the TSXV.

ITEM 21: RISK FACTORS

An investment in the securities of Minto, 778 or the Resulting Issuer is highly speculative, involves a high degree of risk and should be undertaken only by Persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prior to investing in such securities, you should carefully consider the risks described below, together with other information included in or incorporated by reference into this Listing Application and filed on SEDAR at www.sedar.com. If any of the following risks materialize, the business, financial condition, results of operation and future prospects of Minto, 778 and the Resulting Issuer will likely be materially and adversely affected. This could cause actual future events to differ materially from those described in forward-looking statements and may cause the trading price of the Resulting Issuer's securities to decline.

The risks presented below should not be considered exhaustive and may not be all the risks the Resulting Issuer may face. Management of Minto believes that factors set out below could cause actual results to be different from expected and historical results. Other sections of this Listing Application include additional factors that could have an effect on the business and financial performance of the Resulting Issuer's business following the completion of the RTO. New risks may emerge from time to time and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results. Additional risks and uncertainties not presently known to Minto, 778 or which Minto and 778 currently deem immaterial may also impair the Resulting Issuer's business operations. If any of the possibilities described in such risks actually occurs, the Resulting Issuers' business, financial condition and operating results could be materially adversely harmed. The following risk factors may not be a definitive list of all risk factors associated with the RTO, an investment in the Resulting Issuer or in connection with the Resulting Issuer's business or operations.

References below to "Minto" will, as the context permits or requires, be read to include the "Resulting Issuer" upon the completion of the RTO. Furthermore, references below to the "Resulting Issuer" refer to the Resulting Issuer and all of its subsidiaries, as applicable.

Risks Relating to the Amalgamation

The Amalgamation Agreement may be terminated by 778 or Minto in certain circumstances

Each of Minto and 778 has the right to terminate the Amalgamation Agreement in certain circumstances. Accordingly, there is no certainty that the Amalgamation Agreement will not be terminated by Minto and 778 before the completion of the RTO. For example, each of Minto and 778 has the right to terminate the Amalgamation Agreement if any party is in material breach of the Amalgamation Agreement. There is no assurance that such a breach will not occur before the Effective Date, in which case Minto or 778 could elect to terminate the Amalgamation Agreement and the RTO would not proceed.

There can be no certainty that all conditions precedent to the RTO will be satisfied

The completion of the RTO is subject to several conditions precedent certain of which are outside the control of 778 or Minto. There can be no assurance that any of the conditions will be met or that the RTO will be completed on the terms set out in the Amalgamation Agreement. In the event that any of the conditions precedent are not satisfied or waived by the relevant party, the RTO may not be completed. The RTO may not be completed, due to failure to obtain consents or approvals, failure to timely satisfy conditions to closing, termination of the Amalgamation Agreement by either party, or for other reasons. There is no guarantee that: (i) the conditions to closing will be timely satisfied; or (ii) the circumstances under which 778 or Minto may terminate Amalgamation Agreement will not occur. As such, the RTO may not occur.

There is no assurance that the RTO will receive necessary regulatory and Exchange approval or approval of any third parties, as applicable.

The TSXV may not approve the Resulting Issuer's Listing Application

The Resulting Issuer Common Shares are currently not listed. Although an application has been made to have the Resulting Issuer Common Shares listed on the TSXV and the TSXV has granted conditional approval of the Listing, any such final listing is subject to the approval of the TSXV in accordance with its original listing requirements and there is no assurance that the TSXV or another stock exchange will approve the Listing Application. The lack of a listing may make it difficult to sell the Resulting Issuer Common Shares and could lead to the price of the Resulting Issuer Common Shares being depressed.

Minto and 778 may incur costs even if the RTO is not completed

Certain costs related to the RTO, such as legal, accounting and certain financial advisor fees, must be paid by Minto and 778 even if the RTO is not completed. There are also opportunity costs associated with the diversion of management attention away from the conduct of Minto's and 778’s business in the ordinary course.

Risks Relating to the Operations of the Resulting Issuer

COVID-19

The Resulting Issuer's business, operations and financial condition could be materially adversely affected by the outbreak of pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility, and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Resulting Issuer's operations, and the operations of suppliers, contractors and service providers.

The Resulting Issuer may experience business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events outside of its control, which could have a material adverse impact on its business, operations and operating results, financial condition and liquidity.

As at the date hereof, the duration of the business disruptions internationally and related financial impact of COVID-19 cannot be reasonably estimated. It is unknown whether and how the Resulting Issuer may be affected if the pandemic persists for an extended period of time. The Resulting Issuer's exposure to such public health crises also includes risks to employee health and safety. Should an employee, contractor, community member or visitor become infected with a serious illness that has the potential to spread rapidly, this could place the Resulting Issuer's workforce at risk.

Additional Capital

The Resulting Issuer plans to continue its focus on mining extraction and the processing of that extraction. The Resulting Issuer will use its working capital to carry out such endeavors. However, the Resulting Issuer may require substantial additional financing. Further extraction and processing capacities may be dependent upon its ability to obtain financing through equity or debt, and there can be no assurance that it 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 result in the delay or indefinite postponement of further exploration, development, and processing of the Resulting Issuer's projects.

Lack of Funding to Satisfy Contractual Obligations

It is expected that the Resulting Issuer may in the future enter into partnerships or joint ventures in order to fully exploit the Minto Mineral resources available. The Resulting Issuer may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Resulting Issuer may have its property interests subject to such agreements reduced as a result or even face termination of such agreements.

Exploration Risks

The Resulting Issuer will be a resource company focused primarily on the continued exploration and development of Minto Mineral resources in the Yukon. There is no assurance that any of the Resulting Issuer's discovered or acquired projects can be mined profitably, nor that the Minto Mine Property can be continued to mined profitably. Accordingly, it is not assured that the Resulting Issuer will realize any profits in the short to medium term, if at all. Any profitability from the business of the Resulting Issuer will be dependent upon the continued extraction and processing of the economic deposits of Minto Minerals, which in itself is subject to numerous risk factors.

The exploration, development, and processing of Minto Mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. Major expenses may be required to continue establishing reserves by drilling and constructing mining and processing facilities at a particular site. The profitability of the Resulting Issuer's operations will be, in part, directly related to the cost and success of its exploration, development and production programs, which may be affected by a number of factors. Substantial expenditures are required to maintain and capitalize upon Minto Mineral reserves that are sufficient to support the commercial mining operations and the construction of new and maintaining of existing processing facilities on those properties that are actually developed.

Replacement of Reserves

The Minto Mine Property deposits are the current source of metals production. Current life-of-mine plans provide for a defined production life for the mine. If the mineral reserves are not replaced either by the development or discovery of additional reserves and/or extension of the life-of-mine at the current operating mine or through the acquisition or development of additional producing mines, this could have an adverse impact on future cash flows, earnings, results of operations, and financial condition, and this may be compounded by requirements to expend funds for reclamation and decommissioning.

Imprecision in Mineral Reserve and Mineral Resource Estimates

There is a degree of uncertainty attributable to the estimation of mineral reserves and mineral resources. Until mineral reserves or mineral resources are actually mined and processed, the quantity and grade of mineral resources and mineral reserves must be considered as estimates only and no assurances can be given that the estimated levels of metals will be produced or that we will receive the price assumed in determining our mineral reserves. These estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral reserve and mineral resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and interpretations that may ultimately prove unreliable.

Furthermore, fluctuations in the market price of metals, as well as increased capital or production costs or reduced recovery rates may render mineral reserves uneconomic and may ultimately result in a reduction of mineral reserves. The extent to which resources may ultimately be reclassified as proven or probable mineral reserves is dependent upon the demonstration of their profitable recovery. The evaluation of mineral reserves or mineral resources is always influenced by economic and technological factors, which may change over time. No assurances can be given that any resource estimate will ultimately be reclassified as proven or probable mineral reserves or that mineralization can be mined or processed profitably. If our mineral reserve or mineral resource figures are inaccurate or are reduced in the future, this could have an adverse impact on future cash flows, earnings, results of operations, and financial condition.

Inaccuracies in Production and Cost Estimates

The Resulting Issuer will prepare estimates of future production and future production costs of operations. No assurance can be given that production and cost estimates will be achieved. These production and cost estimates are based on, among other things, the following factors: the accuracy of mineral reserve estimates; the accuracy of assumptions regarding ground conditions and physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics; equipment and mechanical availability; labour availability and productivity; access to the mine; facilities and infrastructure; sufficient materials and supplies on hand; and the accuracy of estimated rates and costs of mining and processing, including the cost of human and physical resources required to carry out our activities. Failure to achieve production or cost estimates, or increases in costs, could have an adverse impact on our future cash flows, earnings, results of operations, and financial condition.

Actual production and costs may vary from estimates for a variety of reasons, including actual metals mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the mineral reserves**,** such as the need for sequential development of minerals and the processing of new or different mineral grades. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue. Costs of production may also be affected by a variety of factors, including: changing stripping ratios, mineral grade metallurgy, labour costs and productivity, costs of supplies and services (such as, for example, fuel and power), general inflationary pressures, and currency exchange rates. Failure to achieve production estimates could have an adverse impact on future cash flows, earnings, results of operations, and financial condition.

Network Systems

Equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Resulting Issuer's network could disrupt Resulting Issuer's business functions, including Resulting Issuer's exploration, production, and processing activities. The mining industry has become increasingly dependent on digital technologies. Modern day mines and mills are automated and networked, and Resulting Issuer relies on digital technologies to conduct certain exploration, development, production, processing and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact Resulting Issuer's operations. A corruption of Resulting Issuer's financial or operational data or an operational disruption of Resulting Issuer's production infrastructure could, among other potential impacts, result in: (i) loss of production or accidental discharge; (ii) expensive remediation efforts; (iii) distraction of management; (iv) damage to Resulting Issuer's reputation or its relationship with customers, vendors employees and joint venture partners; or (v) events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on Resulting Issuer's reputation, profitability, future cash flows, earnings, results of operations and financial condition.

Land Title and Royalty Risks

General

Although the title to the properties in which Minto holds an interest were reviewed by or on behalf of Minto, no formal title opinions were delivered to Minto and, consequently, no assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available, and the Resulting Issuer's ability to ensure that it has obtained from Minto secure claim to individual Minto Mineral properties or mining concessions may be severely constrained. The Resulting Issuer has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Resulting Issuer's Minto Mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including indigenous land claims, and title may be affected by, among other things, undetected defects. This is a risk inherent in all unpatented mining claims. The Quartz Mining lease in the Yukon will have a registered survey. In addition, the Resulting Issuer may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

There are uncertainties as to title matters in the mining industry. Any defects in title could cause the Resulting Issuer to lose rights in its Minto Mineral properties and jeopardize its business operations. The Resulting Issuer's Minto Mineral properties currently consist of unpatented mining claims located on lands administered by the Yukon Government to which the Resulting Issuer only has possessory title. Because title to unpatented mining claims is subject to inherent uncertainties, it is difficult to determine conclusively ownership of such claims. These uncertainties relate to such things as sufficiency of Minto Mineral discovery, proper location and posting and marking of boundaries, proper and timely payment of annual claim maintenance fees, the existence and terms of royalties, and possible conflicts with other claims not determinable from descriptions of record.

The present status of the Resulting Issuer's unpatented mining claims located on public lands gives the Resulting Issuer the right to mine and remove valuable minerals, such as precious and base metals, pursuant to its Quartz Mining Lease with the Yukon Government, from the claims conditioned upon applicable environmental reviews and permitting programs. The Resulting Issuer is also allowed to use the surface of the land solely for purposes related to mining and processing the Minto Minerals. The Resulting Issuer remains at risk that the mining claims may be forfeited either to the Yukon or to rival private claimants due to failure to comply with regulatory requirements.

Title to Minto Mine Property Interests may be Challenged

There may be challenges to title to the Minto Mineral properties in which the Resulting Issuer holds a material interest. If there are title defects with respect to any properties, the Resulting Issuer might be required to compensate other persons or perhaps reduce its interest in the affected property. Furthermore, in any such case, the investigation and resolution of these issues would divert the Resulting Issuer management's time from ongoing management of production and processing of the Minto Minerals.

Minto Mine Property may be Subject to Defects in Title

The ownership and validity or title of unpatented mining claims and concessions are often uncertain and may be contested. The Resulting Issuer also may not have, or may not be able to obtain, all necessary surface rights to develop a property. The Resulting Issuer has taken reasonable measures, in accordance with industry standards for properties at the same stage of production as that of the Resulting Issuer, to ensure proper title to the Minto Mine Property. However, there is no guarantee that title to any of its properties will not be challenged or impugned. Title insurance generally is not available for mining claims and the Resulting Issuer's ability to ensure that it has obtained secure claim to individual Minto Mineral properties may be limited. The Minto Mine Property may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, the Resulting Issuer may be unable to operate the Minto Mine Property as permitted or to enforce its rights with respect to the Minto Mine Property. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or annual claim maintenance fees may invalidate title to portions of the Minto Mine Property. The Resulting Issuer may incur significant costs related to defending the title to the Minto Mine Property. A successful claim contesting title to a property may cause the Resulting Issuer to compensate other persons or perhaps reduce its interest in the affected property or lose our rights to explore and, if warranted, develop that property. This could result in the Resulting Issuer not being compensated for its prior expenditures relating to the Minto Mine Property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing management of production and processing of the Minto Minerals.

Natural Resource Properties are Largely Contractual in Nature

Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. Accordingly, there may be instances where the Resulting Issuer would be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success. Any pending proceedings or actions or any decisions determined adversely to the Resulting Issuer, may have a material and adverse effect on the Resulting Issuer's results of operations, financial condition and the trading price of the Resulting Issuer Common Shares.

Financing Risks

As at the Effective Time, it is expected that the Resulting Issuer will have sufficient cash and cash equivalents; however, there are no assurance that additional funding will be available to it for further exploration, development, and production of its projects. Further development and production of the Minto Mine Property or other properties of the Resulting Issuer may be dependent upon its ability to obtain financing through equity or debt and there can be no assurance that it 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 result in the delay or indefinite postponement of further exploration, development, and production of the Resulting Issuer's projects.

Net Proceeds

The Resulting Issuer's management will have broad discretion in using the net proceeds from the Concurrent Financing in ways that it deems most efficient. The application of the proceeds to various items may not benefit the business or increase its value. If proceeds are not applied effectively, this misapplication could adversely affect its business, results of operations and financial condition.

Control of the Resulting Issuer

Following the Effective Date, Copper Holdings, LLC and Cedro Holdings I, LLC will hold, directly or indirectly, approximately 37.0% and 27.7%, respectively, of the issued and outstanding Resulting Issuer Common Shares, and will be the Resulting Issuer's largest shareholders and each will be a control person for the purposes of Canadian Securities Law. As a result, Copper Holdings, LLC and Cedro Holdings I, LLC may have the ability to influence the outcome of matters submitted to the shareholders of the Resulting Issuer for approval, which could include the election and removal of directors, amendments to the Resulting Issuer's corporate governing documents and business combinations. The Resulting Issuer's interests and those of Copper Holdings, LLC and Cedro Holdings I, LLC may at times conflict, and this conflict might be resolved against the Resulting Issuer's interests. The concentration of approximately 37.0% and 27.7%, respectively, of the issued and outstanding Resulting Issuer Common Shares in the hands of two shareholders may discourage an unsolicited bid for the Resulting Issuer Common Shares, and this may adversely impact the value and trading price of the Resulting Issuer Common Shares.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing. These conditions may affect the Resulting Issuer's ability to obtain equity or debt financing in the future on terms favourable to the Resulting Issuer or at all. If such volatile conditions continue, the Resulting Issuer's operations could be negatively impacted.

Commodity Markets

The price of the Resulting Issuer's securities, its financial results, and its access to the capital required to finance its exploration and production activities may in the future be adversely affected by declines in the price of precious and base metals and, in particular, the price of copper. Precious metal prices fluctuate widely and are affected by numerous factors beyond the Resulting Issuer's control such as the sale or purchase of precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors continue to adversely affect the price of copper, the market price of the Resulting Issuer's securities may decline.

Market Fluctuation and Commercial Quantities

The market for copper and other Minto Minerals, generally, is influenced by many factors beyond the Resulting Issuer's control, including without limitation the supply and demand for these metals. In addition, the metals industry in general is intensely competitive and there is no assurance that, even if apparently commercial quantities and qualities of metals (such as copper) are discovered, a market will exist for their profitable sale. Commercial viability of precious and base metals and other Minto Mineral deposits may be affected by other factors that are beyond the Resulting Issuer's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of processing, proximity to infrastructure, the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, and environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Resulting Issuer not receiving an adequate return on invested capital or having its projects be rendered uneconomic.

Economic Dependence

The resources extracted from the Minto Mine Property have one customer that accounts for 100% of the Minto Mineral sales revenue. The loss of certain of these customers or curtailment of purchases by such customers could have a material adverse effect on our results of operations, financial condition, and cash flows of the Resulting Issuer.

Dependence on the Minto Mine Property

The Minto Mine Property accounts for all of the Resulting Issuer’s current commercial production and is expected to continue to account for all of its commercial production in the near term. Any adverse condition affecting mining, processing conditions, expansion plans or ongoing permitting at the Minto Mine Property could have a material adverse effect on the Resulting Issuer’s financial performance and results of operations.

Insurance and Uninsured Risks

The Resulting Issuer's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to production facilities, personal injury or death, environmental damage to the Resulting Issuer's properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

Although the Resulting Issuer may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Resulting Issuer may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Resulting Issuer or to other companies in the mining industry on acceptable terms. The Resulting Issuer might also become subject to liability for pollution or other hazards which it may not be insured against or which the Resulting Issuer may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Health, Safety and Community Relations

The Resulting Issuer's operations are subject to various health and safety laws and regulations that impose various duties on the Resulting Issuer's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. These laws and regulations also grant the relevant authorities broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Resulting Issuer's operations. The Resulting Issuer expects to make significant expenditure to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, and protection of endangered and other special status species, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities near the Resulting Issuer's properties.

Environmental Risks and Hazards

The mining industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Resulting Issuer or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it more costly for the Resulting Issuer to remain in compliance with such laws and regulations, which could result in the incurrence of additional costs and operational delays. All phases of the Resulting Issuer's operations in the Yukon will be subject to extensive federal and territorial environmental regulation.

These environmental regulations require the Resulting Issuer to obtain various operating approvals and licenses and also impose standards and controls relating to exploration, development and production activities. Compliance with federal and territorial regulations could result in delays in beginning or expanding operations, incurring additional costs for the treatment of water and tailings, cleanup of hazardous substances or reclamation activities, and payment of penalties, all of which could have an adverse impact on the Resulting Issuer's financial performance and results of operations.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Resulting Issuer's operations. Environmental hazards may exist on the properties on which the Resulting Issuer holds interests which are unknown to the Resulting Issuer at present and which have been caused by previous or existing owners or operators of the properties.

The Resulting Issuer cannot give any assurances that breaches of environmental Laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect the Resulting Issuer.

Minto proactively manages the regulatory risks and is committed to operating the mine at all times in compliance with applicable laws and regulations and Minto policies, practices and procedures. Operations at the Minto Mine property involve the following procedures to avoid, minimize, mitigate and/or offset its' environmental impacts by:

- Implementing an Operations Adaptive Management Plan whereby specific responses are staged according to specific performance thresholds that describe actions to be implemented if specific performance thresholds are crossed;

- Implementing an Environmental Monitoring and Surveillance, Reporting Plan (EMSRP) to proactively identify potential environmental risks;

- Implementing regular site inspections by qualified professionals including external experts; and

- Regularly engaging with external experts (whether consultants or university researchers) and with environmental professionals at other mine sites to collaborate on key environmental risks including via Northern Mine Remediation Program at Yukon University. Minto is hosting two projects: a PhD reclamation-focused project and the potential use of bioreactors to treat mine-impacted water.

If these environmental mitigation procedures are insufficient or fail, the Resulting Issuer could become subject to liability for remediation costs, which could be significant and may not be insured against. In addition, metal production could be delayed or halted to prevent further discharges and to allow for remediation. Such delays or cessations in production could be long-term or, in some cases, permanent and any interference with production could result in a significant reduction in, or loss of, cash flow and value for us. While appropriate steps are taken to prevent the failure of Minto’s environmental remediation procedures, such failures may occur.

Reclamation Obligations

Reclamation requirements vary depending on the location of the property and the managing governmental agency, but they are similar in that they aim to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance landforms and vegetation. The Resulting Issuer will be actively providing for or carrying out any required reclamation activities on the Minto Mine Property. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and have a material adverse effect on financial resources.

Option and Joint Venture Agreements

The Resulting Issuer may in the future enter into option agreements and/or joint ventures as a means of acquiring property interests. Any failure of any partner to meet its obligations to the Resulting Issuer or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on the Resulting Issuer's rights under such agreements. Furthermore, the Resulting Issuer may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying claims.

Currency Rate Risk

The Resulting Issuer may be subject to currency risks. The Resulting Issuer's reporting currency is the Canadian dollar, which is exposed to fluctuations against other currencies. The Resulting Issuer's primary operations are located in Canada. Should the Resulting Issuer expand its operations into additional countries its expenditures and obligations may be incurred in foreign currencies. As such, the Resulting Issuer's results of operations may become subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Resulting Issuer. The Resulting Issuer has not undertaken actions to mitigate transactional volatility in the Canadian dollar at this time. The Resulting Issuer may, however, enter into foreign currency forward contracts in order to match or partially offset existing currency exposures.

Infrastructure

Mining activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges (land and ice), power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Resulting Issuer's operations, financial condition and results of operations.

Limited Supplies and Supply Chain Disruptions

The Resulting Issuer’s operations depend on a supply of a number of materials and supplies specific to underground mining and milling operations such as explosives, ground support, chemicals, and other supplies and resources such as skilled personnel. Supply may be interrupted due to a shortage or the scarce nature of inputs. Supply might also be interrupted due to transportation and logistics associated with the remote location of some of Minto’s operations, and government restrictions or regulations which delay importation of necessary items. Any interruptions to the procurement and supply of these items, production inputs and other supplies, or the availability of skilled personnel could have an adverse impact on our future cash flows, earnings, results of operations, and financial condition.

Competitive Industry Environment

The mining industry is highly competitive in all of its phases, both domestically and internationally. The Resulting Issuer's continued ability to extract metals and process those metals will not only depend on its ability to develop its present properties, but also on its ability to access or acquire further metals deposits, of which there is a limited supply. The Resulting Issuer may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, some of which may have greater financial resources, operational experience or technical capabilities than the Resulting Issuer. The Resulting Issuer may also encounter competition from other mining companies in its efforts to hire experienced project management professionals. Competition could adversely affect the Resulting Issuer's ability to attract necessary funding or acquire and develop suitable producing properties or prospects for metals extraction in the future. Competition for services and equipment could result in delays if such services or equipment cannot be obtained in a timely manner due to inadequate availability, and could also cause scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development, exploration or construction costs and result in project delays.

Government Regulation

The Resulting Issuer's exploration, production, and processing operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, taxes and labour standards. In order for the Resulting Issuer to carry out its activities, its various licenses and permits must be obtained and kept current. There is no guarantee that the Resulting Issuer's licenses and permits will be granted, or that once granted will be extended. In addition, the terms and conditions of such licenses or permits could be changed and there can be no assurances that any application to renew any existing licenses will be approved. There can be no assurance that all permits that the Resulting Issuer requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Resulting Issuer has obtained, could have a material adverse impact on the Resulting Issuer. The Resulting Issuer may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Resulting Issuer will also have to obtain and comply with permits and licenses that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Resulting Issuer will be able to comply with any such conditions. Future taxation of mining operators cannot be predicted with certainty so planning must be undertaken using present conditions and best estimates of any potential future changes.

Audit of Tax Filings

The Resulting Issuer's taxes may be affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If The Resulting Issuer's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever reason, this could have a material adverse effect on The Resulting Issuer's business, results of operations and financial condition. The Resulting Issuer may be subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Resulting Issuer's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Resulting Issuer's business. There is no assurance that the Resulting Issuer's current financial condition will not be materially adversely affected in the future due to such changes.

Market for the Resulting Issuer's Common Shares

There can be no assurance that an active market for the Resulting Issuer's Common Shares will develop or be sustained. If an active public market for the Resulting Issuer's Common Shares does not develop, the liquidity of a purchaser's investment may be limited, and the share price may decline.

Market Price of Resulting Issuer Common Shares

The Resulting Issuer Common Shares do not currently trade on any exchange or market. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the Resulting Issuer Common Shares is also likely to be significantly affected by short-term changes in metals prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Resulting Issuer's performance that may have an effect on the price of the Resulting Issuer Common Shares include the following: (i) the extent of analytical coverage available to investors concerning the Resulting Issuer's business may be limited if investment banks with research capabilities do not follow the Resulting Issuer's securities; (ii) lessening in trading volume and general market interest in the Resulting Issuer's securities may affect an investor's ability to trade significant numbers of Resulting Issuer Common Shares; (iii) the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Resulting Issuer's securities; and (iv) a substantial decline in the price of the Resulting Issuer Common Shares that persists for a significant period of time could cause the Resulting Issuer's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Resulting Issuer Common Shares at any given point in time may not accurately reflect the Resulting Issuer's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Resulting Issuer may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The fact that no market currently exists for the Resulting Issuer Common Shares may affect the pricing of the Resulting Issuer Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Resulting Issuer Common Shares and the extent of the regulations to which the Resulting Issuer is subject.

Influence of Third Party Stakeholders

Some of the lands in which the Resulting Issuer holds an interest, or the exploration, production, and processing equipment and roads or other means of access which the Resulting Issuer intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Resulting Issuer work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Resulting Issuer.

Dividend Policy

No dividends on the common shares in the capital of 778 or common shares in the capital of Minto have been paid by 778 or Minto, respectively, to date. Investors in the Resulting Issuer's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Resulting Issuer's securities other than through possible share price appreciation.

Acquisitions and Integration

From time to time, it can be expected that the Resulting Issuer will examine opportunities to acquire additional exploration and/or production and/or processing assets and businesses. Any acquisition that the Resulting Issuer may choose to complete may be of a significant size, may change the scale of the Resulting Issuer's business and operations, and may expose the Resulting Issuer to new geographic, political, operating, financial and geological risks. The Resulting Issuer's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Resulting Issuer. Any acquisitions would be accompanied by risks. In the event that the Resulting Issuer chooses to raise debt capital to finance any such acquisitions, the Resulting Issuer's leverage will be increased. If the Resulting Issuer chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Resulting Issuer may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Resulting Issuer would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Dilution

While the Resulting Issuer believes that it is well financed to carry out its plans in the near term, the Resulting Issuer may require additional monies to fund development and production programs and potential acquisitions. The Resulting Issuer cannot predict the size of future issuances of Resulting Issuer Common Shares or the issuance of debt instruments or other securities convertible into Resulting Issuer Common Shares. Likewise, the Resulting Issuer cannot predict the effect, if any, that future issuances and sales of the Resulting Issuer's securities will have on the market price of the Resulting Issuer Common Shares. If the Resulting Issuer raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial numbers of Resulting Issuer Common Shares, or the availability of such Resulting Issuer Common Shares for sale, could adversely affect prevailing market prices for the Resulting Issuer's securities.

Future Sales of Resulting Issuer Common Shares by Major Shareholder

Sales of a large number of Resulting Issuer Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Resulting Issuer Common Shares and could impair the Resulting Issuer's ability to raise capital through future sales of Resulting Issuer Common Shares. In particular, at the Effective Time, Copper Holdings, LLC and Cedro Holdings I, LLC will own, directly or indirectly, approximately 37.0% and 27.7%, respectively, of the issued and outstanding Resulting Issuer Common Shares. Upon release of their Resulting Issuer Common Shares from escrow pursuant to the policies of the TSXV, if either decides to liquidate all or a significant portion of its position, it could adversely affect the price of Resulting Issuer Common Shares.

Climate Change and Climate Change Regulations

Climate change could have an adverse impact on the Resulting Issuer's cost of operations. The potential physical impacts of climate change on the operations of the Resulting Issuer are highly uncertain, and would be particular to the geographic circumstances in areas in which it operates. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These changes in climate could have an impact on the cost of development or production on the Minto Mines and adversely affect the financial performance of its operations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the business of the Resulting Issuer. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the Resulting Issuer, its venture partners and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Resulting Issuer's ability to compete with companies situated in areas not subject to such regulations. Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, the Resulting Issuer cannot predict how legislation and regulation will affect its financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by the Resulting Issuer or other companies in natural resources industry could harm the reputation of the Resulting Issuer.

Relationships with Local Communities and Other Stakeholders

The Resulting Issuer's relationships with the communities in which it operates are critical to the future success of its existing operations and the construction and development of its projects. In recent years, there has been ongoing and potentially increasing public concern relating to the effects of resource extraction on the natural landscape, communities and the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("**NGOs**") who oppose globalization and resource development can be vocal critics of the metals and mining industries and its practices, including the use of cyanide and other hazardous substances in processing activities. In addition, there have been many instances in which local community groups have opposed resource extraction activities, resulting in disruption and delays to the relevant operations. Adverse publicity generated by such NGOs or others related to the metals and mining industries, or to extractive industries generally, could have an adverse effect on the Resulting Issuer's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Resulting Issuer seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, there is no guarantee that its efforts in this respect will mitigate this potential risk. NGOs or local community groups could direct adverse publicity against and/or disrupt the operations of the Resulting Issuer in respect of one or more of its properties, despite the Resulting Issuer's successful compliance with social and environmental best practices. Any such actions and the resulting media coverage could have adverse effects on the reputation and financial condition of the Resulting Issuer or its relationships with the communities in which it operates, which could have a material adverse effect on the business, financial condition, results of operations, cash flows or prospects of the Resulting Issuer.

The Resulting Issuer's ability to maintain existing valid permits and approvals to operate the Minto Mines and to successfully operate in communities will likely depend on its ability to develop, operate and close Minto Mines in a manner that is consistent with the creation of social and economic benefits in the surrounding communities, which may or may not be required by law. Mining operations should be designed to minimize the negative impact on such communities and the environment, for example, by modifying extraction plans and operations or by relocating those affected to an agreed location. The cost of these measures could increase capital and operating costs and therefore could have an adverse impact upon the Resulting Issuer's financial condition and operations. The Resulting Issuer seeks to promote improvements in health and safety, human rights, environmental performance and community relations. However, the Resulting Issuer's ability to operate could be adversely impacted by accidents or events detrimental (or perceived to be detrimental) to the health, safety and well-being of the Resulting Issuer's employees, human rights, the environment or the communities in which the Resulting Issuer operates.

Risk of Litigation

The Resulting Issuer may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Resulting Issuer is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Resulting Issuer to carry out its business plan.

Reliance on Key Personnel

The Resulting Issuer's development will depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Resulting Issuer's business. Further, with respect to future development of the Resulting Issuer's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Resulting Issuer's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Resulting Issuer's ability to employ the specific personnel required. Due to the relatively small size of the Resulting Issuer, the failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Resulting Issuer's business, results of future operations and financial condition. The Resulting Issuer does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Resulting Issuer has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Resulting Issuer intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Resulting Issuer's certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers of the Resulting Issuer will not be required to make any representations that they have:

(a) designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by the Resulting Issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Resulting Issuer should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Resulting Issuer and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Business Corporations Act and other applicable laws.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, derivative financial instruments (including forward gold sales contracts) and amounts receivable and long term deposits. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Resulting Issuer's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable and it is not currently known precisely when the Resulting Issuer will require external financing in future periods.

Share Price Fluctuations

In recent years, securities markets have experienced a high level of price and volume volatility. The securities of many companies, particularly those considered exploration-stage companies such as the Resulting Issuer, have experienced wide fluctuations in market prices which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Assuming the Resulting Issuer Common Shares are listed on the TSXV, there can be no assurance that the price of the Resulting Issuer Common Shares will be unaffected by any such volatility. The market price of the shares of mining companies is also significantly affected by short-term changes in commodity prices and precious and base metal prices, and the political environment in the Canada and the United States.

ITEM 22: PROMOTERS

No Person has taken an initiative in founding, organizing or substantially reorganizing the business of the Resulting Issuer, Minto or 778 within the last 2 years from the date of this Listing Application.

ITEM 23: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, 778, Minto and the Resulting Issuer may become involved in various legal, administrative, regulatory and other proceedings, actions, claims and inquiries relating to its business.

Minto is not aware of any existing or contemplated legal proceedings or regulatory actions material to Minto to which Minto is a party or to which any of its property is subject since the beginning of its most recently completed financial year.

778 is not aware of any existing or contemplated legal proceedings or regulatory actions material to 778 to which 778 is a party or to which any of its property is subject since the beginning of its most recently completed financial year.

Within three years prior to the date of this Listing Application, there have not been any penalties or sanctions imposed against Minto or 778 by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against Minto or 778, and each of Minto or 778 has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

ITEM 24: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out in this Listing Application or below, within three years prior to the date of this Listing Application, no director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of outstanding voting securities of each of Minto or 778, or any known associates or Affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect each of Minto or 778.

In addition, other than as set out in this Listing Application or below, within three years prior to the date of this Listing Application, no director, executive officer, or person expected to be a director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of outstanding voting securities of the Resulting Issuer, or any known associates or Affiliates of such persons, has any material interest, direct or indirect, in any transaction or in any proposed transaction that is reasonably expected to materially affect the Resulting Issuer.

Gati Al-Jebouri is the Chairman and Chief Executive Officer of Pembridge which acquired all of the issued and outstanding shares of Minto from Capstone Mining Corp. pursuant to the Pembridge Share Purchase Agreement. See "*Item 5 – Description of the Business – History*".

ITEM 25: INVESTOR RELATIONS ARRANGEMENTS

Neither Minto, 778 nor the Resulting Issuer has entered into or presently intends to enter into, any written or oral agreement or understanding with any Person to provide promotional or investor relations services to either of them, or to engage in activities for the purposes of stabilizing the market, either now or in the future.

ITEM 26: AUDITORS, TRANSFER AGENTS AND REGISTRAR

Upon completion of the RTO, it is proposed that the registrar and transfer agent for the Resulting Issuer be TSX Trust Company, at its office located at 650 West Georgia Street, Suite 2700, Vancouver, BC V6B 4N9.

The auditors of 778 are Baker Tilly WM LLP of Toronto, Ontario. Baker Tilly WM LLP is independent of 778 within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Alberta.

The auditors of Minto are Deloitte LLP of Calgary, Alberta. Deloitte LLP is independent of Minto within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Alberta.

After completion of the RTO, it is proposed that the auditors of the Resulting Issuer be the current auditors of Minto, being Deloitte LLP.

ITEM 27: MATERIAL CONTRACTS

Except for contracts entered into by Minto or 778 in the ordinary course of business, the only current material contracts entered into or currently anticipated to be entered into by Minto or 778 which can reasonably be regarded as presently material are:

- the Amalgamation Agreement;
- the Subscription Receipt Agreement;
- the Agency Agreement;
- the Resulting Issuer Surplus Escrow Agreement;
- the Resulting Issuer Value Escrow Agreement;
- the Registration Rights Agreement;
- the Voting Rights Agreement;
- the Pembridge Share Purchase Agreement;
- the Wheaton Agreement;
- the Sumitomo Agreement; and
- the Future Expenditures Agreement.

After completion of the RTO, the material agreements listed above will be considered to be the material agreements of the Resulting Issuer.

A copy of all material agreements referred to in this Listing Application will be available on 778's SEDAR profile at www.sedar.com.

ITEM 28: EXPERTS

The auditors of 778 are Baker Tilly WM LLP of Toronto, Ontario. Baker Tilly WM LLP is independent of 778 within the meaning of the Chartered Professional Accountants of Ontario Code of Professional Conduct.

The auditors of Minto are Deloitte LLP of Calgary, Alberta. Deloitte LLP is independent of Minto within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Alberta.

Certain legal matters relating to the RTO will be passed upon Minto's behalf and 778's behalf by Borden Ladner Gervais LLP. Based on security holdings as of the date hereof, the partners and associates of Borden Ladner Gervais LLP will hold less than 1% or more of the Minto Common Shares, 778 Common Shares or the Resulting Issuer Common Shares on the Effective Date.

The "qualified persons" as defined by NI 43-101 who have prepared or supervised the preparation of the Minto Property Technical Report dated May 7, 2021 with an effective date of January 1, 2021, and who supervised the preparation of and approved the scientific and technical information disclosed in this Listing Statement, as described under the heading "*Item 2B: Notice to Reader – Technical Information*", are the following persons: Dino Pilotto, P. Eng., Tysen Hantelmann, P. Eng., Mike Levy, P.E , Sue Bird, P. Eng., Carl Schulze, P. Geo., Tad Crowie, P. Eng., Cheibany Elemine, PhD, P.Geo., Sam Amiralaei, P.Eng. and John Kurylo, P. Eng.

Based on security holdings as of the date hereof , to the best of 778's and Minto's knowledge, none of Dino Pilotto, P. Eng., Tysen Hantelmann, P. Eng., Mike Levy, P.E , Sue Bird, P. Eng., Carl Schulze, P. Geo., Tad Crowie, P. Eng., Cheibany Elemine, PhD, P.Geo., Sam Amiralaei, P.Eng. or John Kurylo, P. Eng beneficially owns, directly or indirectly, 1% or more of the Minto Common Shares, 778 Common Shares or the Resulting Issuer Common Shares on the Effective Date.

ITEM 29: OTHER MATERIAL FACTS

There are no other material facts in respect of the securities to be listed that are not disclosed in this Listing Application, or the documents incorporated herein by reference and that are necessary in order for this Listing Application to contain full, true and plain disclosure of all material facts relating to the securities to be listed.

ITEM 30: EXEMPTIONS

No discretionary exemption from a securities regulator or securities regulatory authority has been applied for or received by Minto or 778 within the 12 months preceding the date of this Listing Application.

ITEM 31: FINANCIAL STATEMENT DISCLOSURE FOR ISSUERS

Included as Appendix "B" to this Listing Application are: (i) the audited financial statements of Minto for the years ended December 31, 2020 and 2019, together with the auditor’s report thereon and the notes thereto; and (ii) the unaudited financial statements for the period ended June 30, 2021 and 2020, and the notes thereto.

Included as Appendix "C" to this Listing Application are: (i) the audited financial statements of 778 from incorporation on April 8, 2020 to December 31, 2020, together with the auditor’s report thereon and the notes thereto; and (ii) the unaudited financial statements for the period ended June 30, 2021, and the notes thereto.

Included as Appendix "D" to this Listing Application are the Pro Forma Financial Statements of the Resulting Issuer (Unaudited) and the notes thereto.

ITEM 32: SIGNIFICANT ACQUISITIONS

Neither 778 nor Minto has completed any significant acquisitions requiring disclosure under this Item 32.

ITEM 33: CERTIFICATES

33.1 Certificate of Minto.

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Listing Application and of any material fact not otherwise required to be disclosed under an item of this Listing Application.

Dated November 12, 2021.

(signed) "*Chris Stewart*"	(signed) "*David J. Birch*"
Chris Stewart Chief Executive Officer	David J. Birch Chief Financial Officer

On Behalf of the Board of Directors of Minto

(signed) "*Gati Al-Jebouri*"	(signed) "*Guy Le Bel*"
Gati Al-Jebouri Director	Guy Le Bel Director

34.2 Certificate of 778.

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Listing Application and of any material fact not otherwise required to be disclosed under an item of this Listing Application.

Dated November 12, 2021.

(signed) "*James Ward*"
James Ward
Chief Executive Officer, Chief Financial Officer and Director

On Behalf of the Board of Directors of 778

(signed) "*Stephen Sandusky*"	(signed) "*Branden Barry Keast*"
Stephen Sandusky Director	Branden Barry Keast Director

34.3 Certificate of Sponsor

Not applicable.

34.5 Acknowledgement – Personal Information

"**Personal Information**" means any information about an identifiable individual.

Minto represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the TSXV of the Personal Information contained in or submitted pursuant to this Listing Application for the purposes described in Appendix "A" to this Listing Application.

Dated November 12, 2021.

(signed) "*Chris Stewart*"
Chris Stewart
Chief Executive Officer & President

778 represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the TSXV of the Personal Information contained in or submitted pursuant to this Listing Application for the purposes described in Appendix "A" to this Listing Application.

Dated November 12, 2021.

(signed) "*James Ward*"
James Ward
Chief Executive Officer, Chief Financial Officer and Director

APPENDIX "A"

FORM 2B PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including TSX Venture Exchange and Toronto Stock Exchange, (collectively referred to as the "Exchange") collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals' involvement with any other reporting issuers
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

(a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;

(b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and

(c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers for the purposes described above.

Questions

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

APPENDIX "B"

FINANCIAL STATEMENTS OF MINTO

See attached.

Minto Explorations Ltd.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

Deloitte LLP
700, 850 2 Street SW
Calgary, AB T2P 0R8
Canada

Tel: 403-267-1700
Fax: 587-774-5379
www.deloitte.ca

To the Shareholders of
Minto Explorations Ltd.

Opinion

We have audited the consolidated financial statements of Minto Explorations Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of net loss and comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's 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 in the financial statements, which indicates that the Company incurred a net loss of $18.3 million during the year ended December 31, 2020 and, as of that date, the company had a working capital deficiency of $15.2 million as at December 31, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate 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. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit 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, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 in this auditor's report. 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 the financial statements in accordance with IFRS, 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.

Auditor’s 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 auditor’s 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 GAAS 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 GAAS, 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 auditor’s 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 auditor’s 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
July 22, 2021

Minto Explorations Ltd.
Consolidated Statements of Financial Position
As at December 31, 2020 and December 31, 2019
(stated in thousands of Canadian dollars)

As at	*Note*		**December 31, 2020**		**December 31, 2019**
Assets					
Current assets					
Cash		$	507	$	735
Accounts Receivable	*4*		6,437		9,404
Inventories	*5*		5,604		7,426
Prepaid expenses			755		368
			13,303		17,933
Non-current assets					
Mineral properties, plant and equipment	*6*		48,594		44,025
Right-of-use assets	*7*		10,433		7,665
Long-term deposits			8,988		3,281
Total assets		$	81,318	$	72,904
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	*8*	$	20,937	$	9,069
Current portion of Sumitomo loan	*9*		2,012		-
Current portion of lease liability	*7*		6,065		3,771
			29,014		12,840
Non-current liabilities					
Lease liabilities	*7*		3,610		3,556
Due to Pembridge	*9*		4,841		-
Due to Sumitomo	*9*		1,732		-
Long-term debt	*9*		11,347		11,161
Deferred revenue	*10*		14,901		15,669
Deferred income tax liabilities	*11*		2,670		2,528
Asset retirement obligation	*12*		32,196		31,938
Total liabilities		$	100,311	$	77,692
Shareholders' equity (deficiency)					
Share capital	*13*	$	216,749	$	212,673
Deficit			(235,742)		(217,461)
Total shareholders' equity (deficiency)		$	(18,993)	$	(4,788)
Total liabilities and shareholders' equity (deficiency)		$	81,318	$	72,904
Commitments	*23*				
Going concern	*1*				

ON BEHALF OF THE BOARD:

/s/ Gati Al-Jebouri	*/s/ Guy R Le Bel*
Director	Director

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

Minto Explorations Ltd.
Consolidated Statements of Net Loss and Comprehensive Loss
For the years ended December 31, 2020 and 2019
(stated in thousands of Canadian dollars)

	Note		Year ended December 31, 2020		Year ended December 31, 2019
Revenue	*15*	$	**79,323**	$	25,046
Production costs			**(83,959)**		(25,830)
Depletion and amortization			**(8,097)**		(2,568)
Loss from mine operations			**(12,733)**		(3,352)
Expenses					
Related party management fees			**(771)**		(1,356)
Care and maintenance			**-**		(6,807)
Other expense			**(205)**		-
Loss from operations			**(13,709)**		(11,515)
Other income (loss), net	*16*		**420**		2,477
Gain on disposal of assets			**-**		677
Loss on forgiveness of loan	*18*		**-**		(15,867)
Finance items					
Finance costs	*17*		**(4,849)**		(4,011)
Loss before income taxes			**(18,138)**		(28,239)
Income tax (expense) recovery	*11*		**(143)**		(245)
Net loss and comprehensive loss		$	**(18,281)**	$	(28,484)
Net loss and comprehensive loss per share		$	**(0.04)**	$	(0.17)
Weighted Average Number of Common Shares Outstanding			**477,980,211**		171,855,224

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

Minto Explorations Ltd.
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(stated in thousands of Canadian dollars)

	Note	**Year ended December 31, 2020**	Year ended December 31, 2019
Operating activities			
Net loss for the year		**$ (18,281)**	$ (28,484)
Adjustments for the following items:			
Depletion and amortization		**8,097**	2,568
Finance costs		**4,849**	1,331
Other income (loss), net		**187**	2,309
Amortization of deferred revenue	*10*	**(2,084)**	(841)
Gain on disposal of equipment		**-**	(677)
Income tax expense	*11*	**143**	234
Change in non-cash working capital	*19*	**15,896**	9,729
Net cash (used in) provided by operating activities		**8,807**	(13,831)
Investing activities			
Additions to mineral properties, plant and equipment	*6*	**(6,573)**	(2,531)
Proceeds from disposition		**-**	721
Additions to long-term deposits	*22*	**(5,741)**	(91)
Net cash used in investing activities		**(12,314)**	(1,901)
Financing activities			
Proceeds from long-term debt	*9*	**-**	11,963
Repayment of lease liabilities	*7*	**(7,406)**	(2,263)
Class B common shares issued	*13*	**4,076**	2,142
Proceeds from Sumitomo	*9*	**3,798**	-
Proceeds from Pembridge	*9*	**4,546**	-
Interest paid	*17*	**(1,728)**	(578)
Net cash provided by financing activities		**3,286**	11,264
Impact of foreign exchange on cash balances		**(7)**	-
Change in cash		**(228)**	(4,468)
Cash, beginning of year		**735**	5,203
Cash, end of year		**$ 507**	$ 735

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

Minto Explorations Ltd.
Consolidated Statements of Changes in Equity (Deficiency)
(stated in thousands of Canadian dollars, except per share information)

	Note	Number of shares	Share capital	Deficit	Shareholders' equity (deficiency)
Balance at December 31, 2018		**79,502,100**	**$ 210,531**	**$ (188,977)**	**$ 21,554**
Class B common share issuance	*13*	159,004,200	2,142	-	2,142
Net loss and comprehensive loss		-	-	(28,484)	(28,484)
Balance at December 31, 2019		**238,506,300**	**$ 212,673**	**(217,461)**	**(4,788)**
Class B common share issuance	*13*	484,240,064	4,076	-	4,076
Net loss and comprehensive loss		-	-	(18,281)	(18,281)
Balance at December 31, 2020		**722,746,364**	**$ 216,749**	**$ (235,742)**	**$ (18,993)**

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

1. Description of Business and Nature of Operations

Minto Explorations Ltd. ("Minto" or the "Company"), is a privately owned Canadian company incorporated in British Columbia, Canada. The Company is engaged in the production of copper and precious metals from the Minto Mine located in Yukon, Canada. The Company has two fully-owned subsidiaries which hold mineral claims.

The Company's head office, principal address and registered office are located at 61 Wasson Place, Whitehorse, Yukon, Canada.

The Minto Mine was acquired by Pembridge Resources plc ("Pembridge") on June 3, 2019 when Pembridge acquired all of the issued and outstanding common shares of Minto from Capstone Mining Corp. Prior to its acquisition, the Minto Mine had been on care and maintenance since October 2018. Subsequent to the acquisition, the Company restarted operations and the mine restarted commercial production in October 2019.

In June 2020, the Company's shareholders Copper Holdings and Cedro Holdings purchased an additional 484,240,064 of the Company's Class B common shares for $4.1 million (USD $3.0 million).

These consolidated financial statements (the "financial statements") have been prepared on a going concern basis which assumes the Company will continue operating in the foreseeable future and will be able to service its debt obligations, realize its assets and discharge its liabilities in the normal course as they come due. The Company has in place a planning, budgeting and forecasting process to determine the funds required to support the Company's operations and expansionary plans. At December 31, 2020, the Company had cash of $0.5 million, available capacity of US$9.5 for future draws under the Prepayment Facility Agreement with Sumitomo Canada Limited and a working capital deficiency of $15.7 million. The working capital deficiency is primarily due to accounts payable and accruals of $20.9 million as of the year end. The Company had a loss of $18.3 million for the year ended December 31, 2020 (2019: loss of $28.5 million).

These financial statements are prepared on a going concern basis, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent on its ability to obtain additional financing and the successful development of its existing assets in order to meet its planned business objectives. However, there can be no assurance that the Company will obtain additional funding or generate positive cash flows. The fact that the funding is not guaranteed indicates the existence of a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern should support from the shareholders not continue.

These financial statements are presented in Canadian dollars which is also the functional currency of the Company.

The financial statements were approved by the Board of Directors and authorized for issuance on July 22, 2021.

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies

a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost basis, except for certain financial instruments which are measured at fair value and in accordance with the accounting policies presented below and are based on IFRS and IFRS Interpretations Committee ("IFRIC") interpretations issued and effective as of December 31, 2020.

b) The most significant accounting policies of the Company are as follows:

i. Translation of foreign currencies

The functional currency and presentation currency of the Company is Canadian dollars. All amounts presented herein are in Canadian dollars except as otherwise indicated.

Transactions denominated in foreign currencies (currencies other than the functional currency of an entity) are translated at the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at reporting date exchange rates and any gain or loss on translation is recorded in the statement of net loss and comprehensive loss as a foreign exchange gain (loss).

ii. Cash

Cash is comprised of cash on hand which is subject to an insignificant risk of change in value.

iii. Inventories

Inventories for consumable parts and supplies, ore stockpiles and concentrates, are valued at the lower of cost and net realizable value. Costs allocated to consumable parts and supplies are based on weighted average costs and include all costs of purchase, conversion and other costs in bringing these inventories to their existing location and condition. Costs allocated to ore stockpiles and concentrates are based on weighted average costs, which include an appropriate share of direct mining costs, direct labour and material costs, mine site overhead, depletion and amortization. If carrying value exceeds net realizable amount, a write down is recognized.

iv. Producing mineral properties

Producing mineral properties are recorded at cost less accumulated depletion and impairment charges. The costs associated with producing mineral properties include acquired interests in production stage properties representing the fair value at the time they were acquired. Producing mineral properties also include additional capitalized costs after initial acquisition. Upon sale or abandonment of producing mineral properties, the carrying value is derecognized and any gains or losses thereon are included in the statement of net loss and comprehensive loss.

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies (cont'd.)

v. Mineral exploration and development properties

The carrying amount of mineral exploration and development properties comprise costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

The costs associated with mineral exploration and development properties include acquired interests in development and exploration stage properties representing the fair value at the time they were acquired. Mineral exploration and development properties related to greenfield properties, which are prospective in nature and not yet supported by an internal economic assessment, are expensed in the Consolidated statements of net loss and comprehensive loss, except for acquisition costs and mining interest rights. Exploration and development expenses related to brownfield mineral properties are capitalized provided that one of the following conditions is met:

- Such costs are expected to be recouped in full through successful development and exploitation of the area of interest or alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves, however active and significant operations in relation to the area are continuing, or planned for the future.

The carrying values of capitalized amounts of mineral exploration and development properties are reviewed when there are indicators of impairment at each reporting date. In the case of undeveloped projects, there may be only inferred mineral resources to allow management to form a basis for the impairment review. The review is based on the Company's intentions for development of such a project. If a project does not prove viable, all unrecoverable costs associated with the project are charged to the statement of net loss and comprehensive loss at the time the determination is made.

Once management has determined that the development potential of the property is economically viable and the necessary permits are in place for its development, the costs of the exploration asset are reclassified to producing mineral properties.

vi. Mill costs

Mill costs are recorded at cost less accumulated amortization and impairment losses. Mill development costs includes in its purchase price, any costs directly attributable to the development of the mill.

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies (cont'd.)

vii. Plant and equipment

Plant and equipment are recorded at cost less accumulated amortization and impairment losses. Plant and equipment includes in its purchase price, any costs directly attributable to bringing plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with dismantling and removing the asset. Upon sale or abandonment of any plant and/or equipment, the cost and related accumulated amortization and impairment losses, are written off and any gains or losses thereon are included in the statement of net loss and comprehensive loss.

viii. Construction in progress

Mineral property development and plant and equipment construction commences when approved by management and/or the Board and the Company has obtained all regulatory permissions to proceed. Development and construction expenditures are capitalized and classified as construction in progress. Once completed, the costs associated with all applicable assets related to the development and construction are reclassified to the appropriate category within mineral properties or plant and equipment.

ix. Depletion and amortization of mineral properties, plant and equipment

The carrying amounts of mineral properties, plant and equipment are depleted or amortized to their estimated residual value over the estimated economic life of the specific assets to which they relate, using the depletion or amortization methods and rates as indicated below. Estimates of residual values and useful lives are reassessed and any change in estimate is taken into account in the determination of the remaining amortization rate. Amortization commences on the date the asset is available for its use as intended by management.

Depletion and amortization is computed using the following rates:

Item	Methods	Rates
Producing mineral Properties	Units of production	Estimated proven and probable mineral reserves
Mill development costs	Units of production	Estimated proven and probable mineral reserves
Plant & equipment	Straight line	4 – 10 years
Plant & equipment (underground equipment)	Unit of production	Estimated proven and probable mineral reserves

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies (cont'd.)

x. Impairment of long-lived assets

At each reporting date or when indicators of impairment exist, the Company reviews the carrying amounts of its assets to determine whether there are any indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset or CGU's value in use. In assessing recoverable amount, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable mineral reserves, estimated future commodity prices and the expected future operating and capital costs. The projected cash flows are affected by changes in assumptions about metal selling prices, future capital expenditures, production cost estimates, discount rates, and exchange rates. The discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. Determining the discount rate includes appropriate adjustments for the risk profile of the country in which the individual asset or CGU operates.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and an impairment loss is recognized in the Consolidated statements of net loss and comprehensive loss. Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. Where an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortization or depletion) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized in the Consolidated statements of net loss and comprehensive loss.

xi. Income taxes

Current tax

Current tax for each taxable entity in the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the reporting date, and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred tax

Deferred tax is accounted for using the statement of financial position liability method, providing for the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases.

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies (cont'd.)

Deferred income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax losses and unused tax credits can be utilized, and except where the deferred income tax asset related to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilized. To the extent that an asset not previously recognized fulfils the criteria for recognition, a deferred income tax asset is recorded.

Deferred tax is measured on an undiscounted basis using the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Current and deferred taxes relating to items recognized directly in equity are recognized in equity and not in the statement of net loss and comprehensive loss.

Mining taxes and royalties are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax. This is considered to be the case as they are imposed under government authority and the amount payable is calculated by reference to revenue derived (net of any allowable deductions) after adjustment for items comprising temporary differences.

xii. Taxes receivable
Taxes receivable are comprised of recoverable goods and services taxes in Canada.

xiii. Embedded derivatives
Derivatives may be embedded in financial liabilities and other financial instruments (the "host instrument"). Embedded derivatives are treated as separate derivatives when their economic characteristics and risks are not clearly and closely related to those of the host instrument, the terms of the embedded derivative are the same as those of a stand-alone derivative, and the combined contract is not held for trading or designated at fair value. These embedded derivatives are measured at fair value with subsequent changes recognized in gains or losses on derivative instruments in the statement of net loss and comprehensive loss.

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies (cont'd.)

xiv. Financial instruments

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts receivable and long-term deposits are measured at amortized cost with subsequent impairments recognized in the statement of net loss and comprehensive loss. Concentrate receivables are measured at FVTPL with subsequent changes recognized in the statement of net loss and comprehensive loss.

The mark-to-market adjustments for provisional pricing changes on concentrate receivables are based on forward commodity prices of metals and are included in revenues until final settlement.

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities, long-term debt, Due to Sumitomo, and Due to Pembridge are classified as amortized cost and carried on the statement of financial position at amortized cost.

xv. Impairment and uncollectibility of financial assets

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in the statement of net loss and comprehensive loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through the statement of net loss and comprehensive loss to the extent that the carrying amount of the

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies (cont'd.)

investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

xvi. *Deferred revenue*

Deferred revenue consists of payments received by the Company in consideration for future commitments to deliver payable gold and silver contained in concentrate at contracted prices. In addition, it includes the fair value of such commitments acquired by way of business combination. As deliveries are made, the Company records a portion of the deferred revenue as sales, based on a proportionate share of deliveries made compared with the total estimated contractual commitment. Accretion of the outstanding deferred revenue balance is included in the statement of net loss and comprehensive loss as finance costs.

xvii. *Leases*

The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognizes a right-of-use asset ("ROU asset") and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in the consolidated statement of loss on a straight-line basis over the lease term.

The ROU asset is initially measured based on the present value of lease payments, net of lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated amortization and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate.

When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments. ROU assets are included in mineral properties, plant and equipment, and the lease liability is presented as a separate line in the consolidated statement of financial position.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statement of net loss and comprehensive loss.

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies (cont'd.)

xviii. Reclamation and closure cost obligations

A reclamation and closure cost obligation is recognized for close down, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the financial period when the related environmental disturbance occurs, based on the estimated future costs using information available at the Statement of financial position date. At the time of establishing the provision, a corresponding asset is capitalized, where it gives rise to a future benefit, and amortized over future production from the operations to which it relates. The provision is discounted using a current risk-free rate and the unwinding of the discount is included in the statement of net loss and comprehensive loss as finance costs from discounting reclamation and closure cost obligations.

The obligation is reviewed each reporting period for changes to obligations, legislation or discount rates that impact estimated costs or lives of operations. The cost of the related asset is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate and the adjusted cost of the asset is amortized prospectively.

xix. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in the statement of net loss and comprehensive loss as interest expense from discounting obligations.

xx. Revenue recognition

Sales are recognized and revenue is recorded at market prices following the transfer of control to the customer, provided that the Company has a present right to payment, has transferred physical possession of the asset to the customer, and the customer has the significant risks and rewards of ownership. Minto satisfies its performance obligation upon transfer of control of the metal concentrate. The Company's metal concentrates are sold under a pricing arrangement where final prices are determined by quoted market prices in a period subsequent to the date of sale. Until prices are final, revenues are recorded based on forward market prices for the expected period of final settlement. Subsequent variations in the final determination of the metal concentrate weight, and assay are recognized as revenue adjustments as they occur until finalized.

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies (cont'd.)

xxi. Government grants and accounting policy

In response to the COVID -19 pandemic and emergency measures, such as lockdowns, governments have established various programs to assist companies through this period of uncertainty. Management has determined the Company qualifies for certain programs and recognizes such government grants when there is a reasonable assurance the grant will be received. For the year ended December 31, 2020, the Company has recorded $2.1 million, related to the Canada Emergency Wage Subsidy ("CEWS") from the Government of Canada. Under IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance, the Company may recognize CEWS as either income or a reduction of the expenses related to the grant. The wage subsidy relates to production expenses and has been recognized as a reduction to the payroll expense included in production costs by $2.1 million.

c) Use of estimates and judgements.

The preparation of the financial statements requires management to select accounting policies and make estimates and judgements that may have a significant impact on the financial statements. Estimates are continuously evaluated, and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Critical judgements exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in the financial statements are as follows:

i. Economic recoverability and probability of future economic benefits of mineral exploration, evaluation and development costs

The Company has determined that exploratory drilling, evaluation, development, and related costs incurred, which are capitalized, have future economic benefits and are economically recoverable. In making this judgement, the Company has assessed various sources of information including, but not limited to, the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, proximity to existing ore bodies, existing permits, and life of mine plans.

ii. Mineral properties, plant and equipment

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing historical characteristic of many properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies (cont'd.)

iii. *Financial instruments*

Financial assets and liabilities are designated upon inception to various classifications. The designation may require the Company to make certain judgements, taking into account management's intention of the use of the financial instruments.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

iv. *Estimated reclamation and closure costs*

The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, movements in foreign exchange rates and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of the related mining property is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of related mining properties.

v. *Income taxes*

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset tax liabilities requires management to exercise judgement and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets. The Company is subject to certain mining royalties. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

vi. *Mineral reserve and resource estimates*

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Differences between management's assumptions, including economic assumptions such as commodity prices, increases in estimated future production and capital costs, reductions in mineral reserves and exploration potential and adverse economic events can result in

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies (cont'd.)

impairment charges. In determining the economic recoverability and probability of future economic benefit of non-producing mineral properties, management also considers geological information, likelihood of conversion of resources to reserves, estimated market values of measured and indicated resources, scoping and feasibility studies, permitting, infrastructure, development costs, and life of mine plans.

vii. *Estimated mineral reserves*
The carrying amounts of the Company's producing mining properties are depleted based on mineral reserves. Changes to estimates of mineral reserves and depletable costs including changes resulting from revisions to the Company's mine plans and changes in metal price forecasts can result in a change to future depletion rates.

viii. *Depreciation and amortization rate for property, plant and equipment and depletion rates for mining reserves*
Depletion, depreciation, and amortization expenses are allocated based on estimated asset lives. Should the asset life, depletion rates, or depreciation rates differ from the initial estimate, an adjustment would be made in the statement of net loss and comprehensive loss on a prospective basis.

ix. *Impairment of mineral properties, plant and equipment*
Management considers both external and internal sources of information in assessing whether there are any indications that the Company's mineral properties, plant and equipment are impaired and whether previously recorded impairments should be reversed. External sources of information management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its mineral properties, plant and equipment. Internal sources of information that management considers include the manner in which mineral properties, plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's mineral properties, plant and equipment, management makes estimates of the future operating results and discounted net cash flows expected to be derived from the Company's mining properties, costs to sell the mining properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future non-expansionary capital expenditures, reductions in the amount of recoverable mineral reserves, mineral resources, and exploration potential, and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral properties, plant and equipment.

x. *Inventory valuation*
Consumable parts and supplies, ore stockpiles and concentrates, are valued at the lower of cost and net realizable value. Estimates in the carrying values of inventories arise due to the nature of the valuation of ore stockpiles and concentrates based on an appropriate allocation of direct mining costs, direct labour and material costs, mine site overhead, and depletion and amortization.

(stated in thousands of CAD dollars, unless otherwise specified)

2. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies (cont'd.)

xi. *Valuation of financial instruments, including estimates used in provisional pricing calculations*
Financial instrument estimates are based on either unadjusted quoted prices in active markets or direct or indirect observable inputs in accordance with the definitions of the financial instruments. Provisional pricing calculations are determined based on the change in the value of forward commodity prices of metals. To account for the change in metal prices from the total contract value to the provisional value amount that has been received, estimates of the value of concentrates are used to determine the provisionally priced concentrate receivables at the end of each reporting period.

d) New Standards, Interpretations and Amendments

The Company has not adopted any standard, interpretation or amendment that has been issued but not yet effective.

3. Financial Instruments

Fair value of financial instruments

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:
Level 1 – Fair values measured using unadjusted quoted prices in active markets for identical instruments
Level 2 – Fair values measured using directly or indirectly observable inputs, other than those included in Level 1
Level 3 – Fair values measured using inputs that are not based on observable market data

The fair values of cash, accounts payable and accrued liabilities and Due to Sumitomo and Due to Pembridge approximate their carrying values due to their short-term nature. The fair value of long-term debt approximates its carrying value as the contractual interest rates are comparable to current market interest rates.

The fair value hierarchy of financial instruments measured at fair value on the consolidated statements of financial position at December 31, 2020 are as follows:

Financial assets	**Level 1**	**Level 2**	**Level 3**
Trade receivables	$ -	$ 6,031	$ -
Long term deposits	-	8,988	-
	$ -	$ 15,019	$ -

The fair value hierarchy of financial instruments measured at fair value on the consolidated statements of financial position at December 31, 2019 is as follows:

Financial assets	**Level 1**	**Level 2**	**Level 3**
Trade receivables	$ -	$ 8,535	$ -
Long term deposits	-	3,281	-
	$ -	$ 11,816	$ -

(stated in thousands of CAD dollars, unless otherwise specified)

3. Financial Instruments (cont'd.)

Trade receivables from provisional invoices for concentrate sales are valued using quoted forward rates derived from observable market data based on the month of expected settlement. Long-term deposits are valued based on counterparty estimated fair values at the reporting date.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between Level 1 and Level 2 during the year ended December 31, 2020.

Set out below are the Company's financial assets by category:

	December 31, 2020			
	Fair value through profit or loss	**Fair value through OCI**	**Amortized cost**	**Total**
Cash	$ -	$ -	$ 507	$ 507
Trade receivables (note 4)	6,031	-	-	6,031
Long-term deposit	8,988	-	-	8,988
	$ 15,019	**$ -**	**$ 507**	**$ 15,526**

	December 31, 2019			
	Fair value through profit or loss	Fair value through OCI	Amortized cost	Total
Cash	$ -	$ -	$ 735	$ 735
Trade receivables	8,535	-	-	8,535
Long-term deposit	3,281	-	-	3,281
	$ 11,816	$ -	$ 735	$ 12,551

Set out below are the Company's financial liabilities by category:

	December 31, 2020		
	Fair value through profit or loss	**Amortized cost**	**Total**
Accounts payable and accrued liabilities	**$ -**	**$ 20,937**	**$ 20,937**
Current portion of Sumitomo (*note 8*)	**-**	**2,012**	**2,012**
Due to Pembridge *(note 8)*	**-**	**4,841**	**4,841**
Due to Sumitomo *(note 8)*	**-**	**1,732**	**1,732**
Long term debt (*note 8*)	**-**	**11,347**	**11,347**
	$ -	**$ 40,869**	**$ 40,869**

	December 31, 2019		
	Fair value through profit or loss	Amortized cost	Total
Accounts payable and accrued liabilities	$ -	$ 9,069	$ 9,069
Long term debt *(Note 8)*	-	11,161	11,161
	$ -	$ 20,230	$ 20,230

3. Financial Instruments (cont'd.)

There have been no changes during the year ended December 31, 2020 as to how the Company categorizes its financial assets and liabilities by FVTPL and amortized cost.

Valuation methodologies for Level 2 financial instruments

The key inputs to the valuation of the concentrate receivable balance are payable metal and future metal prices. The Company's metal concentrate sales contracts are subject to provisional pricing with the selling price adjusted at the end of the quotational period based on final settlement weights and assays. At each reporting date, the Company's accounts receivable on these contracts are marked-to-market based on a quoted forward price for which there exists an active commodity market. The Company's long-term deposits are revalued at each reporting date based on valuation data received from counterparties.

Commodity price risk

The Company is exposed to commodity price risk as its revenues are derived from the sale of metals, the prices for which have been historically volatile. It sometimes manages this risk by entering into forward sale agreements with various counterparties to mitigate price risk when management believes it a prudent decision. Additionally, it has sold forward to Wheaton Precious Metals Corp. ("Wheaton Precious Metals") the gold and silver production from the Minto Mine (Note 9).

Credit risk

The Company is exposed to credit risk through its trade receivables on concentrate sales to Sumitomo under the terms of the off-take agreement and trade receivables from Wheaton Precious Metals for gold and silver production. The Company manages this risk by requiring provisional payments of the value of the concentrate shipped. Taxes receivable are not considered to be subject to significant credit risk as these balances are receivable from government authorities.

The credit risk on cash is limited because the funds are held with banks with high credit ratings as assigned by international credit rating agencies.

As at December 31, 2020 and 2019, the Company's maximum exposure to credit risk was the carrying value of its cash and receivables.

Foreign exchange risk

The Company is exposed to foreign exchange risk as the Company's operating costs are and are expected to be primarily in Canadian dollars, while revenues are received in United States Dollars (USD). Hence, any fluctuation of the USD in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities. The Company currently does not enter into foreign exchange hedging arrangements.

(stated in thousands of CAD dollars, unless otherwise specified)

3. Financial Instruments (cont'd.)

As at December 31, 2020, the Company is exposed to foreign exchange risk through the following financial assets and liabilities denominated in currencies other than the functional currency:

	December 31, 2020	December 31, 2019
Cash	**$ 327**	$ 981
Trade receivable	**6,437**	8,535
Long term deposits	**447**	471
	$ 7,211	$ 9,987
Accounts payable & accrued liabilities	**$ 151**	$ 472
Long term debt	**15,091**	11,161
	$ 15,242	$ 11,633
Net Assets	**$ (8,030)**	$ (1,646)

Based on the above net exposures at December 31, 2020, a 10% appreciation in the US dollar against the Canadian dollar would result in a $0.6 million decrease (December 31, 2019 - $0.5 million decrease) to the Company's earnings before income taxes.

Liquidity risk

The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company maintains adequate cash balances and credit facilities to meet short and long-term business requirements, after taking into account cash flows from operations and believes that these sources will be sufficient to cover the likely short and long-term cash requirements. The Company's cash is held in business accounts with US and Canadian Tier 1 Banks with a Standard & Poor's rating of A or better. The cash is available on demand for the Company's programs.

As of December 31, 2020, the Company's liabilities that have contractual maturities are as follows:

	Carrying Amount	Contractual Cash Flows	2021	2022	2023	2024	After 2024
Accounts payable and accrued liabilities	$ 20,937	$ 20,937	$ 20,937	$ -	$ -	$ -	$ -
Long-term debt	11,347	12,732	-	-	-	12,732	-
Due to Pembridge	4,841	4,841	-	4,841	-	-	-
Due to Sumitomo	3,744	3,744	962	828	1,312	642	-
Lease liabilities	9,675	10,924	6,794	2,969	1,161	-	-
	$ 50,544	$ 53,178	$ 28,693	$ 8,638	$ 2,473	$ 13,374	$ -

Interest rate risk

Interest risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk with respect to the interest it incurs on its cash and long-term debt balances.

(stated in thousands of CAD dollars, unless otherwise specified)

4. Accounts Receivable

As at	**December 31, 2020**	December 31, 2019
Trade receivables	**$ 6,031**	$ 8,535
Goods and services taxes and other	**406**	869
	$ 6,437	$ 9,404

Trade receivables represent the value of metal concentrates as at period end for which the funds are not yet received. Goods and services taxes are recoverable within one year. All accounts receivable are expected to be received within twelve months and are thus recognized as current assets.

5. Inventories

As at	**December 31, 2020**	December 31, 2019
Consumable parts and supplies	**$ 3,619**	$ 2,167
Ore stockpiles	**1,985**	5,259
	$ 5,604	$ 7,426

At December 31, 2020 the ore stockpile was valued at the lower of cost or net realizable value. A write-off of $1.4 million was recognized to lower the value of the inventory to net realizable value ($nil during the year ended December 31, 2019). The write-down was recorded as production expenses.

6. Mineral Properties, Plant and Equipment

	Mineral Properties					
	Depletable	**Non-depletable**				
Year ended December 31, 2020	**Producing mineral properties**	**Mineral exploration and development properties**	**Mill development**	**Plant & equipment**	**Construction in progress**	**Total**
Cost						
At January 1, 2020	**$ 47,029**	**$ 24,963**	**$ 9,621**	**$ 160,146**	**$ 7,590**	**$ 249,349**
Transfers	**2,727**	**(2,727)**	**-**	**-**	**-**	**-**
Additions	**-**	**4,766**	**-**	**316**	**285**	**5,367**
Changes in estimates	**1,339**	**-**	**-**	**-**	**-**	**1,339**
Cost at December 31, 2020	**$ 51,095**	**$ 27,002**	**$ 9,621**	**$ 160,462**	**$ 7,875**	**$ 256,055**
Accumulated depreciation and amortization						
At January 1, 2020	**$ 42,398**	**$ 70**	**$ 9,615**	**$ 153,241**	**$ -**	**$ 205,324**
Depletion and amortization	**1,226**	**-**	**-**	**911**	**-**	**2,137**
Accumulated depreciation and amortization at December 31, 2020	**$ 43,624**	**$ 70**	**$ 9,615**	**$ 154,152**	**$ -**	**$ 207,461**
Carrying amount at December 31, 2020	**$ 7,471**	**$ 26,932**	**$ 6**	**$ 6,310**	**$ 7,875**	**$ 48,594**

(stated in thousands of CAD dollars, unless otherwise specified)

6. Mineral Properties, Plant and Equipment (cont'd.)

	Mineral Properties					
	Depletable	Non-depletable				
Year ended December 31, 2019	Producing mineral properties	Mineral exploration and development properties	Mill development	Plant & equipment	Construction in progress	Total
Cost						
At January 1, 2019	$ 48,104	$ 24,963	$ 9,621	$ 162,130	$ 6,596	$ 251,414
Additions	-	-	-	-	994	994
Dispositions	-	-	-	(1,984)	-	(1,984)
Changes in estimates	(1,075)	-	-	-	-	(1,075)
Cost at December 31, 2019	$ 47,029	$ 24,963	$ 9,621	$ 160,146	$ 7,590	$ 249,349
Accumulated depreciation and amortization						
At January 1, 2019	$ 42,247	$ -	$ 9,614	$ 154,568	$ -	$ 206,429
Dispositions	-	-	-	(1,984)	-	(1,984)
Depletion and amortization	151	70	1	657	-	879
Accumulated depreciation and amortization at December 31, 2019	$ 42,398	$ 70	$ 9,615	$ 153,241	$ -	$ 205,324
Carrying amount at December 31, 2019	$ 4,631	$ 24,893	$ 6	$ 6,905	$ 7,590	$ 44,025

Construction in progress relates to capital costs incurred by the Minto Mine which are not yet in use. Minto capitalized $nil borrowing costs during the year end December 31, 2020 ($nil during the year ended December 31, 2019).

During the year ended December 31, 2020, the Company invested $4.8 million in the Copper Keel ore body by improving access to the site for future development. Further $0.5 million in undeveloped properties were acquired in the year. During the year, the Company also transferred the Minto East property from development to production and produced ore from it.

7. Lease Obligations

Right-of-use assets

As at	**December 31, 2020**	December 31, 2019
Balance, beginning of year	**$ 7,665**	$ -
Additions	**8,801**	9,336
Less: depreciation	**(6,033)**	(1,671)
Balance, end of year	**$ 10,433**	$ 7,665

(stated in thousands of CAD dollars, unless otherwise specified)

7. Lease Obligations (cont'd.)

Lease liabilities

As at	**December 31, 2020**	December 31, 2019
Balance, beginning of year	**$ 7,327**	$ -
Additions	**8,801**	9,215
Lease payments	**(7,405)**	(2,142)
Interest expense	**952**	254
Total balance, end of year	**$ 9,675**	$ 7,327
Less: current portion	**(6,065)**	(3,771)
Non-current portion	**$ 3,610**	$ 3,556

During the year ended December 31, 2020, Minto entered into lease arrangements for several mining equipment assets. The incremental borrowing rate for the lease liabilities initially recognized is 10%. Interest expense on the lease liabilities amounted to $1.0 million for the year ended December 31, 2020 (December 31, 2019 - $0.3 million).

8. Accounts Payable

As at	**December 31, 2020**	December 31, 2019
Trade payables	**$ 14,112**	$ 6,325
Accrued liabilities	**6,825**	2,744
	$ 20,937	$ 9,069

Trade payables represent the outstanding payables owed to the Company's suppliers and service providers for which invoices have been received. Accrued liabilities represent the estimated amount of goods and services received up to March 31, 2021, but for which invoices have not been received or paid. All accounts payable are expected to be settled within twelve months and are thus recognized as current liabilities.

9. Long term debt

On June 3, 2019 the Company closed a private placement of USD $10.0 million of 8.0% senior secured notes due June 3, 2024 (the "Notes") with Copper Holdings LLC ("Copper Holdings") and Cedro Holdings LLC ("Cedro Holdings"). Proceeds net of discount on the Notes amounted to $11.1 million (USD $8.4 million) with an implied discount of 12%. Interest on the Notes is payable in semi-annual instalments and the Notes have a general security charge over all of Minto's assets. The Notes do not bear any maintenance capital covenants. The Company's USD denominated debt was translated to Canadian dollars at the period ending exchange rate. Concurrent with the issuance of the Notes, Copper Holdings and Cedro Holdings acquired Class B common shares for total consideration of $2.1 million (Note 13).

As at	**December 31, 2020**	December 31, 2019
Balance, beginning of year	**$ 11,161**	$ -
Issuance of long-term debt	**-**	11,147
Interest accretion	**436**	238
Foreign currency translation	**(250)**	(224)
Balance, end of year	**$ 11,347**	$ 11,161

(stated in thousands of CAD dollars, unless otherwise specified)

9. Long term debt (cont'd.)

Due to Sumitomo

On September 8, 2020, the Company entered into a Prepayment Facility Agreement with Sumitomo Canada Limited, the purchaser of the Company's copper. The facility limit is USD $12.5 million and may be drawn against at any time giving notice in increments of USD $1.0 million. Interest is calculated quarterly on the outstanding balance at LIBOR for the applicable period.

The loan is secured by a general and continuing security in the collateral; all accounts, inventory, equipment, intangibles, documents of title, money, chattel paper, instruments, securities, documents, proceeds, leaseholds and all present and future undertakings.

The Company is required to meet certain financial and non-financial covenants under the Prepayment Facility Agreement in the case where an advance subsequent to the initial advance of USD $8.0 million is being requested by Minto. The key covenants include the following:

(i) In the immediately preceding period of three full calendar months, the Company shall have produced more than 75% of the forecast figure for the Minto Mine, as set out in the 2020 Cash Flow Model;
(ii) successful establishment of flow-through ventilation and secondary egress (or any other appropriate vent system to support full production from the Copper Keel zone at the Minto Mine) and commencement of ore production from the Copper Keel zone at the Minto Mine; and
(iii) readiness of equipment at the Minto Mine site to support 3,500 tonnes per day of ore production.

The Company was in compliance with all covenants at December 31, 2020.

As at	**December 31, 2020**	December 31, 2019
Advance	**$ 3,890**	$ -
Interest	**16**	-
Payments	**(93)**	-
Foreign currency translation	**(69)**	-
	3,744	-
less: current portion	**(2,012)**	-
	$ 1,732	$ -

Due to Pembridge

In the start-up phase of the Minto Mine, Pembridge provided the first CAD $4.0 million of funding to the surety account that acts as security in connection with Minto's remediation obligation. From September 2020, Minto took over funding the surety account so it was agreed that the account should be transferred to Minto's ownership. As consideration for the transfer of the surety account to which Pembridge had deposited the USD equivalent of CAD $4.0 million, Minto recognized a liability of CAD $4.0 million payable to Pembridge, to be repaid in quarterly tranches of CAD $1.0 million when Minto has completed funding the surety account to CAD $10 million, and on which interest accrues at 8%. The Due to Pembridge balance also includes $0.5 million related to mineral claims held by two fully-owned subsidiaries.

(stated in thousands of CAD dollars, unless otherwise specified)

9. Long term debt (cont'd.)

As at	**December 31, 2020**	December 31, 2019
Advance	**$ 4,510**	$ -
Interest	**331**	-
	$ 4,841	$ -

10. Deferred Revenue

During 2008, the Company sold all of its gold and silver production from the Minto Mine over the life of mine to Wheaton Precious Metals in consideration for an upfront payment of USD $37.5 million and a further payment of the lesser of USD $300 per ounce of gold and USD $3.90 per ounce of silver (subject to a 1% inflationary adjustment after three years and each year thereafter) and the prevailing market price for each ounce delivered. If production from the Minto Mine exceeded 30,000 ounces of gold per year, Wheaton Precious Metals was entitled to purchase only 50% of the amount in excess of that threshold. The Company recorded the proceeds received from the upfront payment as deferred revenue and is recognizing this amount as an adjustment to revenue as ounces are delivered. The precious metal purchase agreement was

modified during 2019 so that Minto receives 75% of the market value on gold sales up to a maximum of 11,000 ounces. During the year ended December 31, 2020, the Company delivered concentrate containing 8,963 ounces of gold (December 31, 2019 –3,796 ounces) and 74,307 ounces of silver (December 31, 2019 – 30,252 ounces) to Wheaton Precious Metals.

Details of changes in the balance of deferred revenue are as follows:

As at	**December 31, 2020**	December 31, 2019
Balance, beginning of year	**$ 15,669**	$ 13,716
Recognized as revenue on sale of gold and silver	**(2,084)**	(841)
Accretion	**1,316**	2,794
Balance, end of year	**$ 14,901**	$ 15,669

(stated in thousands of CAD dollars, unless otherwise specified)

11. Income Taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rate to earnings before income taxes. These differences result from the following items:

	December 31 2020	December 31, 2019
Loss before income taxes	**$ (18,138)**	$ (28,379)
Combined federal and provincial income tax rates	**27%**	27%
Expected income tax recovery	**(4,897)**	(7,662)
Increase (decrease) due to:		
Non-taxable portion of unrealized gains	**(9)**	(30)
Non-deductible expenditures	**65**	-
Changes in prior year unrecognized tax assets	**(4,499)**	
Impact of losses for which no deferred tax assets have been recognized	**9,340**	7,574
Yukon mining taxes	**143**	(34)
Income tax expense (recovery)	**$ 143**	$ (152)
Current mineral tax expense (recovery)	**-**	(385)
Deferred tax	**143**	233
Income tax expense (recovery)	**$ 143**	$ (152)

The composition of the deferred tax (assets) and liabilities are as follows:

	December 31 2020	December 31 2019
Asset retirement obligation	**$ (717)**	$ (717)
Deferred revenue	**(1,341)**	(1,326)
Mineral properties, plant and equipment	**5,313**	4,757
Inventory	**286**	473
Lease liabilities	**(871)**	(659)
Net deferred tax liabilities	**$ 2,670**	$ 2,528

as at	**December 31 2020**	December 31 2019
Net deferred tax liabilities, beginning of year	**$ 2,528**	$ 2,294
Deferred income tax expense for the year	**142**	234
Net deferred tax liabilities, end of year	**$ 2,670**	$ 2,528

The summary of unrecognized temporary differences is as follows:

	December 31 2020	December 31 2019
Non-capital losses	**$ 72,378**	$ 37,868
Mineral property, plant and equipment	**69,481**	71,576
Lease liability	**9,675**	7,327
Deferred revenue	**14,905**	15,669
Asset retirement obligation	**32,196**	31,938
Other	**663**	445
	$ 199,298	$ 164,823

As at December 31, 2020 the Company has non-capital losses of $72.4 million with a tax benefit of $19.4 million that are not recognized as deferred tax assets. The Company recognizes the benefit of tax losses only to the extent that it anticipates future taxable income that can be reduced by the tax losses. The non-capital losses have no expiry date.

(stated in thousands of CAD dollars, unless otherwise specified)

12. Asset Retirement Obligation

Details of the changes in the asset retirement obligation is as follows:

As at		**December 31, 2020**		December 31, 2019
Balance, beginning of year	**$**	**31,938**	$	32,197
Change in estimates		**132**		(1,075)
Interest expense from discounting obligations		**126**		816
Balance, end of year	**$**	**32,196**	$	31,938

A reclamation and closure cost obligation has been recognized in respect of the mining operations of the Minto Mine. Although the ultimate amounts of future site reclamation provisions are uncertain, the fair value of these obligations is based on currently available information, including closure plans and applicable regulations. The amount and timing of the closure plans for the mineral properties will vary depending on a number of different factors including exploration success and alternative mining plans. Significant closure activities include land rehabilitation, water treatment, demolition of facilities and other costs.

The estimated undiscounted cash flows required to satisfy the Minto reclamation and closure cost obligation as at December 31, 2020 were $32.9 million (December 31, 2019, $35.7 million), which were adjusted for inflation and uncertainty of the cash flows and then discounted using the current risk-free rate of 0.39% (December 31, 2019 - 1.68%). An amount of $72.1 million is secured by a Surety Bond from Zurich Insurance Company Ltd. in favour of the Government of Yukon.

13. Share Capital

The Company is authorized to issue an unlimited number of common shares with voting rights and an unlimited number of Class B common shares with no voting rights.

The Class A shareholders have the right to appoint up to five directors to the Board. The Class B shareholders have the right (if desired) to require two of the directors to be independent and / or appoint two Board of Director observers.

Two of the five Joint Advisory Committee (“JAC”) members are represented by the Class A shareholders while the remaining three JAC members are represented by the Class B shareholders including the chairman.

	Number of shares		**Amount**
Opening balance at January 1, 2019	79,502,100	$	210,531
Class B common share issuance	159,004,200		2,142
Balance at December 31, 2019	238,506,300	$	212,673
Class B common share issuance	484,240,064		4,076
Balance at December 31, 2020	722,746,364	$	216,749

14. Put Option

The Company has entered into a Put Option agreement with the Class B shareholders whereby at anytime after December 31, 2021 upon written notice to the Company any shareholder who holds a greater than 20% interest shall have the right to require the Company to determine the Appraised Fair Market Value of all shares held by the investor. The Company shall purchase or cause to be purchased all of the exercising investor’s shares within a reasonable period.

(stated in thousands of CAD dollars, unless otherwise specified)

14. Put Option (cont'd.)

In the event that a Class B shareholder exercises the option, the Company would be required to deliver the cash value. In the event the Company is not able to deliver the cash value, other existing shareholders would have the right to buy the exercising investor's shares. If they do not do so within an agreed period, the Company would be required to commence an auction process for the entire Company.

15. Revenue

The Company's revenue breakdown by metal is as follows:

		Year ended December 31, 2020		Year ended December 31, 2019
Copper	**$**	**72,056**	$	27,237
Gold		**16,533**		796
Silver		**273**		2,772
Total gross revenue	**$**	**88,862**	$	30,805
Less: treatment and selling costs		**(8,611)**		(5,490)
Less: royalty expense		**(928)**		(269)
Revenue	**$**	**79,323**	$	25,046

The Company sells all of its product to Sumitomo Canada Limited and Wheaton Precious Metals.

Metal concentrate sales are billed based on provisional weights and assays upon the passage of control to the customer. As final prices, weights and assays are received, additional invoices are issued and collected. In general, consideration is promptly collected from the customer.

The Company's commodity price risk associated with financial instruments primarily relates to changes in fair value caused by final settlement pricing adjustments to receivables or payables.

16. Other Income (Loss), Net

Other income for the years ended December 31, 2020 and 2019 includes the following:

		Year ended December 31, 2020		Year ended December 31, 2019
Foreign exchange gain (loss)	**$**	**(416)**	$	(373)
Change in fair value of metal concentrates		**836**		2,723
Other		**-**		127
Other income (loss), net	**$**	**420**	$	2,477

17. Finance Costs

Finance income and expense for the years ended December 31, 2020 and 2019 ended includes the following:

		Year ended December 31, 2020		Year ended December 31, 2019
Interest expense	**$**	**4,288**	$	2,376
Accretion		**561**		1,635
Finance costs	**$**	**4,849**	$	4,011

(stated in thousands of CAD dollars, unless otherwise specified)

18. Loss on Forgiveness of Loan

The Minto Mine was acquired by Pembridge Resources plc ("Pembridge") on June 3, 2019 when Pembridge acquired all of the issued and outstanding common shares of Minto from Capstone Mining Corp. At the date of acquisition, $15.9 million of Minto's receivables were related to a loan made to Capstone Mining Corp. The loan was subsequently forgiven by Minto, resulting in the recognition of a $15.9 million loss on forgiveness of loan.

19. Change in Non-Cash Working Capital

The change in non-cash working capital items are comprised as follows:

		Year ended December 31, 2020		Year ended December 31, 2019
Decrease in accounts receivable	**$**	**2,548**	$	7,235
Decrease in inventories		**1,894**		3,438
Increase in prepaid expenses		**(387)**		(212)
Increase (decrease) in accounts payable and accrued liabiliti		**11,841**		(732)
	$	**15,896**	$	9,729

20. Capital Management

The Company's capital consists of the items included in shareholders' equity, long-term debt and cash. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage its capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its

20. Capital Management (cont'd.)

operating objectives. The Company ensures that there is sufficient capital to minimize liquidity risk, taking into account anticipated operational cash flows and cash.

The Company's share capital is not subject to any external restrictions and the Company did not change its approach to capital management during the year.

21. Compensation of Directors and Other Key management Personnel

		Year ended December 31, 2020		Year ended December 31, 2019
Salaries and benefits	**$**	**1,252**	$	371

22. Related Party Transactions

During the year ended December 31, 2020, the Company undertook the following related party transactions:

- Management fees of $nil (December 31, 2019 - $0.2 million) and interest of $0.3 million (December 31, 2019 - $0.03 million) were recorded to Pembridge, a shareholder of the Company. At December 31, 2020, the outstanding balance in accounts payable to Pembridge was $0.7 million and is included in due to Pembridge;

- On September 30, 2020, the Company entered into a Collateral Trust Agreement with Pembridge Resources plc, Zurich American Insurance Company and the Fidelity and Deposit Company of Maryland (collectively the "Beneficiary") and the Bank of New York Mellon, a banking corporation with trust powers under the laws of New York (the "Trustee"), in relation to a surety bank account connected to the Company's asset retirement obligation. Pembridge Resources plc as original grantor has deposited to this account the equivalent of CAD $4.0 million in cash. The deposits represent restricted cash that is held in trust with the Trustee. The Company has replaced Pembridge Resources plc as the grantor of the restricted cash under the Collateral Trust Agreement.

  As consideration for the transfer of the restricted cash, Minto has recognized a payable to Pembridge Resources plc (Pembridge) in the amount of CAD $4.0 million which accrues interest of 8% per annum from the respective dates of the funding to the surety account.

  Once the Company has funded the surety account to CAD $10.0 million, the Company will then repay CAD$ 1.0 million to Pembridge per quarter until the initial CAD $4.0 funding has been repaid. Interest, which has been accrued, will be paid in the quarter subsequent to the Pembridge payable being fully repaid.

- Management fees of $0.4 million (December 31, 2019 - $nil) were recorded to Minto Management Ltd; and

- Interest of $0.5 million relating to long-term loans (December 31, 2019 - $0.3 million) was recorded to each of Copper Holdings, and Cedro Holdings, shareholders of the Company.

- The Minto Mine was acquired by Pembridge Resources plc ("Pembridge") on June 3, 2019 when Pembridge acquired all of the issued and outstanding common shares of Minto from Capstone Mining Corp. At the date of acquisition, $15.9 million of Minto's receivables were related to a loan made to Capstone Mining Corp. The loan was subsequently forgiven by Minto, resulting in the recognition of a $15.9 million loss on forgiveness of loan.

These transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

23. Commitments

Agreements with the Selkirk First Nation

Under the terms of a revised co-operation agreement between Minto and the Selkirk First Nation ("Selkirk") dated October 15, 2009, the Company has made various commitments to Selkirk to enhance Selkirk participation in the Minto Mine, including a variable net smelter return royalty on production from the Minto Mine that fluctuates from 0.5% to 1.5% depending on the variation of copper prices, as well as various commitments in respect of employment, contracting, training, and scholarship opportunities.

24. Contingencies

In the normal course of business, the Company is aware of certain claims and potential claims. The outcome of these claims and potential claims is not determinable at this time, although the Company does not believe these claims and potential claims will have a material adverse effect on the Company's results of operations or financial position.

25. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the President that makes strategic decisions. The Company is deemed to have one segment for reporting being the operations at the Company's Canadian Mine location.

26. COVID-19 Impact

In March 2020, the COVID-19 pandemic broke out. Canadian and Yukon government measures have had significant impacts on the Company, including mandatory quarantines of employees and contractors entering the Yukon. Such quarantines have disrupted operations and caused above normal operating expenses but have enabled operations to continue while ensuring the safety of the mine's employees. There are significant uncertainties with respect to future developments and impact to the Company related to the COVID-19

pandemic, including the duration, severity and scope of the outbreak and measures taken by government and businesses to contain the pandemic. The Company has taken certain steps to mitigate risk. Some of Minto's mitigation efforts, which include increased and routine communication with the Yukon Government, adhering to a two-week quarantine of employees arriving from outside of the Yukon and physical distancing measures at site.

There are significant uncertainties with respect to future developments and impact to the Company related to the COVID-19 pandemic, including the duration, severity and scope of the outbreak and measures taken by government and businesses to contain the pandemic. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

27. Subsequent Events

On March 31, 2021, pursuant to the Shareholders' Agreement of June 2020, the Company paid the first USD \$5.0 million (CAD \$6.3 million) payment of the purchase price for the Company to Capstone Mining Corp. on behalf of Pembridge in the form of a distribution from its share capital.

On April 21, 2021, the Company received a \$2.5 million (USD \$2.0 million) advance under its Prepayment Facility Agreement with Sumitomo Canada Limited. The Company was in compliance with all covenants at March 31, 2021 and December 31, 2020, however the Company was not in compliance with the production covenant following the April 21, 2021 drawdown. As a result, the Company is currently renegotiating the covenants with Sumitomo to access the remaining USD \$4.5 million under the Prepayment Facility. The Company is working closely with Sumitomo to address the non-compliance through an amendment to the covenant terms. The non-compliance does not impact the repayment terms of the USD \$8.0 million currently drawn under the Prepayment Facility.

On June 14, 2021, the Company executed an Amalgamation Agreement with 1246778 B.C. Ltd.

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Minto Explorations Ltd.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six month periods ended June 30, 2021 and 2020
(Unaudited)

Minto Explorations Ltd.
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2021 and December 31, 2020
(Unaudited - stated in thousands of Canadian dollars)

As at	*Note*		**June 30, 2021**		**December 31, 2020**
Assets					
Current assets					
Cash		$	**529**	$	507
Accounts Receivable	*5*		**12,605**		6,437
Inventories	*6*		**2,974**		5,604
Prepaid expenses			**1,865**		755
			17,973		13,303
Non-current assets					
Mineral properties, plant and equipment	*7*		**49,933**		48,594
Right-of-use assets	*8*		**7,923**		10,433
Long-term deposits			**10,671**		8,988
Total assets		$	**86,500**	$	81,318
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	**29,052**	$	20,937
Current portion of Sumitomo loan	*9*		**8,188**		2,012
Current portion of lease liability	*8*		**5,305**		6,065
			42,545		29,014
Non-current liabilities					
Lease liabilities	*8*		**2,609**		3,610
Due to Pembridge	*9*		**5,013**		4,841
Due to Sumitomo	*9*		**-**		1,732
Long-term debt	*9*		**11,241**		11,347
Deferred revenue	*10*		**14,922**		14,901
Deferred income tax liabilities			**2,394**		2,670
Asset retirement obligation	*11*		**32,787**		32,196
Total liabilities			**111,511**		100,311
Shareholders' equity (deficiency)					
Share capital	*12*		**210,443**		216,749
Deficit			**(235,454)**		(235,742)
Total shareholders' equity (deficiency)			**(25,011)**	$	(18,993)
Total liabilities and shareholders' equity (deficiency)		$	**86,500**	$	81,318
Going concern	*2*				

ON BEHALF OF THE BOARD:

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Director Gati

DocuSigned by: David Birch
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CFO David Birch

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

Minto Explorations Ltd.
Condensed Interim Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)
For the three and six month periods ended June 30, 2021 and 2020
(unaudited - stated in thousands of Canadian dollars, except share and per share amounts)

		Three months ended		Six months ended	
	Note	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
Revenue	*13*	**$ 35,414**	$ 17,012	**$ 60,883**	$ 36,033
Production costs		**(25,718)**	(21,532)	**(50,917)**	(37,779)
Royalty expense		**(853)**	(267)	**(1,615)**	(496)
Depletion and amortization	*7, 8*	**(2,433)**	(2,887)	**(4,819)**	(4,467)
Income (loss) from mine operations		**6,410**	(7,674)	**3,532**	(6,709)
Expenses					
Related party management fees		**(125)**	(95)	**(250)**	(191)
Other expenses		**(350)**	114	**(613)**	(205)
Income (loss) from operations		**5,935**	(7,655)	**2,669**	(7,105)
Other income (loss), net	*14*	**(1,758)**	4,263	**(400)**	611
Finance costs	*15*	**(1,151)**	(1,057)	**(2,257)**	(2,219)
Income (loss) before income taxes		**3,026**	(4,449)	**12**	(8,713)
Income tax recovery (expense)		**26**	152	**276**	(280)
Net income (loss) and comprehensive income (loss)		**$ 3,052**	(4,297)	**$ 288**	$ (8,993)
Per share amounts					
Basic and diluted		**$ 0.00**	$ (0.02)	**$ 0.00**	$ (0.04)
Weighted Average Number of Common Shares Outstanding		**722,746,364**	**238,506,300**	**722,746,364**	238,506,300

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

Minto Explorations Ltd.
Condensed Interim Consolidated Statements of Cash Flows
For the three and six month periods ended June 30, 2021 and 2020
(unaudited - stated in thousands of Canadian dollars)

		Three months ended		Six months ended	
	Note	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
Operating activities					
Net income (loss) for the period		**$ 3,052**	$ (4,297)	**$ 288**	$ (8,993)
Adjustments for the following items:					
Depletion, depreciation and accretion		**2,433**	2,887	**4,819**	4,467
Finance costs		**1,054**	1,226	**1,455**	1,798
Other income (loss), net		**(293)**	(545)	**(291)**	485
Amortization of deferred revenue		**(888)**	(1,048)	**(577)**	(1,048)
Income tax expense (recovery)		**(26)**	(152)	**(276)**	280
Change in non-cash working capital	*16*	**(3,400)**	(2,038)	**3,467**	14,244
		1,932	(3,967)	**8,885**	11,233
Interest paid		**-**	(545)	**-**	(545)
Net cash provided by (used in) operating activities		**1,932**	(4,512)	**8,885**	10,688
Investing activities					
Additions to mineral properties, plant and equipment	*7*	**(1,058)**	(2,656)	**(2,205)**	(4,386)
Net cash used in investing activities		**(1,058)**	(2,656)	**(2,205)**	(4,386)
Financing activities					
Advances from Sumitomo	*9*	**2,515**	-	**6,299**	-
Repayments on Sumitomo loan	*9*	**(937)**	-	**(1,522)**	-
Repayment of lease liabilities	*8*	**(1,796)**	(2,193)	**(3,278)**	(3,474)
Class B common shares issued		**-**	4,076	**-**	4,076
Return of capital	*12*	**-**	-	**(6,306)**	-
Long-term deposits		**(905)**	-	**(1,851)**	-
Net cash provided (used in) financing activities		**(1,123)**	1,883	**(6,658)**	602
Change in cash		**(249)**	(5,285)	**22**	6,904
Cash, beginning of period		**778**	12,924	**507**	735
Cash, end of period		**$ 529**	$ 7,639	**$ 529**	$ 7,639

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

Minto Explorations Ltd.
Condensed Interim Consolidated Statements of Changes in Deficiency
(unaudited - stated in thousands of Canadian dollars, except share information)

	Note	Number of shares	Share capital	Deficit	Shareholders' equity (deficiency)
Balance at January 1, 2020		**238,506,300**	**$ 212,673**	**$ (217,461)**	**$ (4,788)**
Class B common share issuance	*12*	484,240,064	4,076	-	4,076
Net loss and comprehensive loss		-	-	(8,993)	(8,993)
Balance at June 30, 2020		**722,746,364**	**216,749**	**(226,454)**	**(9,705)**
Net loss and comprehensive loss		-	-	(9,288)	(9,288)
Balance at December 31, 2020		**722,746,364**	**216,749**	**(235,742)**	**(18,993)**
Return of capital	*12*	-	(6,306)	-	(6,306)
Net income and comprehensive income		-	-	288	288
Balance at June 30, 2021		**722,746,364**	**$ 210,443**	**$ (235,454)**	**$ (25,011)**

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

1. Description of Business and Nature of Operations

Minto Explorations Ltd. ("Minto" or the "Company"), is a privately-owned Canadian company incorporated in British Columbia, Canada. The Company is engaged in the production of copper and precious metals from the Minto Mine located in Yukon, Canada. The Company has two wholly-subsidiaries which hold mineral claims.

The Minto Mine was acquired by Pembridge Resources plc ("Pembridge") on June 3, 2019 when Pembridge acquired all of the issued and outstanding common shares of Minto from Capstone Mining Corp ("Capstone"). Prior to its acquisition, the Minto Mine had been on care and maintenance since October 2018. Subsequent to the acquisition, the Company restarted operations and the mine restarted commercial production in October 2019.

In June 2020, the Company's shareholders Copper Holdings and Cedro Holdings purchased an additional 484,240,064 of the Company's Class B common shares for $4.1 million (USD $3.0 million).

On June 16, 2021, the Company entered into a series of agreements that will result in the Company going public by way of a reverse takeover transaction (the "RTO") with 1246778 B.C. Ltd. ("778BC"), together with concurrent application to list the amalgamated entity's ("Resulting Issuer') shares on the TSX Venture Exchange. The resulting entity will be named Minto Metals Corp. and it will carry on the business of the Company as currently constituted.

On June 11, 2021, the Company and 778BC entered into Agency Agreements with Stifel GMP and Raymond James Ltd. as co-lead agents and joint bookrunners ("Co-Lead Agents") on behalf of a syndicate of agents to sell on a "best efforts" basis, up to $45 million (the "Offering") of shares from treasury. The offering price is $2.60 CDN per share. In addition, Minto and 778BC have granted an over-allotment option of $6.75 million in gross receipts.

The Company's head office, principal address and registered office are located at 61 Wasson Place, Whitehorse, Yukon, Canada.

2. Going Concern

These condensed interim consolidated financial statements (the "Financial Statements") have been prepared by management on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and meet its liabilities and obligations as they become due. To date, the Company has not obtained profitable operations from its various assets and activities and continues to incur losses.

The Company has in place a planning, budgeting and forecasting process to determine the funds required to support the Company's operations and expansionary plans. At June 30, 2021, the Company had cash of $0.5 million (December 31, 2020 - $0.5 million) and working capital deficiency of $24.6 million (December 31, 2020 - $15.7 million). The working capital deficiency was primarily due to accounts payable and accruals of $29.1 million (December 31, 2020 - $20.9 million). The Company was not in compliance with all its non-financial covenants under the Prepayment facility Agreement with Sumitomo, and hence is unable to draw on the remaining $5.7 million (USD $4.5 million) until such time a waiver is received, changes to the covenants occur or are renegotiated. The Company recognized net income of $3.0 and $0.3 million for the three and six month periods ended June 30, 2021 (2020 – net loss of $4.3 and $9.0 million respectively). These conditions indicate the existence of a material uncertainty which may cast significant doubts about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on its ability to achieve profitable operations in the future, on its ability to raise additional capital through debt or equity financings, and the cooperation of lenders. The Company has been successful in the raising capital in the past but there are no assurances that it will be successful in closing additional raises. Management is currently in negotiation with Sumitomo on the release of the remaining USD $4.5 million.

These Financial Statements do not reflect adjustments to the carrying values of the assets and liabilities, revenues, expenses and the balance sheet classification that would be used if the going concern assumption were not appropriate. Such adjustments could be material.

3. Basis of Presentation, Significant Accounting Judgements and Estimates, and Significant Accounting Policies

a) *Statement of Compliance*

These Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The financial statements do not contain all disclosures required by International Financial Reporting Standards ("IFRS") and accordingly should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2020 and the notes thereto. The financial statements were approved by the Company's Board of Directors and authorized for issuance on September 17, 2021.

These Financial Statements have been prepared under the historical cost method except for certain financial assets and liabilities which are measured at fair value. These Financial Statements are presented in Canadian dollars, which is also the functional currency of the Company.

b) *Seasonality of operations*

The Company is subject to fluctuations in its operations due to the location of the Minto Mine and shipping terminal. Concentrate produced at the Minto Mine is transported by trucks to the Skagway Ore Terminal ("Terminal") in Alaska. The concentrate is stored at the Terminal until sufficient quantities are accumulated for shipment to the Port of Niihama, Japan. The trucks must cross the Yukon river in order to reach Alaska. During the spring and fall seasons, the Yukon River is too low for barges to operate. As a result, the Company stores produced concentrate at its site until water levels return to normal in the summer season, or a traversable ice bridge forms across the river in the winter season.

c) *Use of estimates and judgements*

The preparation of these Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities, and the disclosure of contingent assets and liabilities. These estimates and judgments concern matters that are inherently complex and uncertain. Judgements and estimates are continually evaluated and are based on historical experience and expectation of future events. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period or in the period of the revision and future periods if the revision affects current and future periods.

(unaudited - stated in thousands of CAD dollars, unless otherwise specified)

In preparing the Financial Statements for the three and six month periods ended June 30, 2021, the Company applied the critical judgements and estimates as disclosed in Note 2 of its consolidated financial statements for the year ended December 31, 2020, other than, on April 1, 2021, the Company changed its estimate of its depletion base from estimated reserves to estimated resources, based on a Preliminary Economic Assessment ("PEA") prepared in accordance with NI 43-101 for the entire Minto mine site, that was completed as of March 31, 2021. The company's best estimate of units of production for depletion purposes, is derived from the estimated resources in the PEA which reflects the most recent and reliable estimate of future production. The depletion rate for producing mineral properties, mill development costs and underground equipment for the three month period ended June 30, 2021 reflects this change in estimate which has been applied prospectively. The Company is not able to estimate the impact of this change in estimate on future periods as compared to the previous estimate.

4. Adoption of New and Revised IFRS and IFRS Not Yet Effective

On August 27, 2020, an amendment to IFRS 9 and certain other standards, IBOR Reform and its Effect on Financial Reporting, was issued by the IASB and became effective January 1, 2021. The Management is currently assessing the impact of the LIBOR Reform and is currently in negotiations with its lender. The Company has assessed the impact of other amendments and has determined that they do not have a significant effect on the Company's financial statements.

The Company has not adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

5. Accounts Receivable

As at		**June 30, 2021**		December 31, 2020
Trade receivables	**$**	**12,134**	$	6,031
Goods and services taxes and other		**471**		406
	$	**12,605**	$	6,437

Trade receivables represent the value of metal concentrates as at period end for which the funds are not yet received. Goods and services taxes are recoverable within one year. All accounts receivable are expected to be received within twelve months and are thus recognized as current assets.

6. Inventories

As at		**June 30, 2021**		December 31, 2020
Consumable parts and supplies	**$**	**2,821**	$	3,619
Ore stockpiles		**153**		1,985
	$	**2,974**	$	5,604

At December 31, 2020 the ore stockpile was valued at the lower of cost or net realizable value, resulting in a write-down of $1.4 million. No write-down was recognized during the three and six month periods ended June 30, 2021 and 2020.

(unaudited - stated in thousands of CAD dollars, unless otherwise specified)

7. Mineral Properties, Plant and Equipment

	Mineral Properties					
	Depletable	Non-depletable				
Six months ended June 30, 2021	Producing mineral properties	Mineral exploration and development properties	Mill development	Plant & equipment	Construction in progress	Total
Cost						
At January 1, 2021	$ 51,095	$ 27,002	$ 9,621	$ 160,462	$ 7,875	$ 256,055
Transfers	15,693	(15,693)	-	-	-	-
Additions	1,452	-	-	783	(30)	2,205
Changes in estimates	442	-	-	-	-	442
Cost at June 30, 2021	$ 68,682	$ 11,309	$ 9,621	$ 161,245	$ 7,845	$ 258,702
Accumulated depreciation and amortization						
At January 1, 2021	$ 43,624	$ 70	$ 9,615	$ 154,152	$ -	$ 207,461
Depletion and amortization	746	-	(1)	563	-	1,308
Accumulated depreciation and amortization at June 30, 2021	$ 44,370	$ 70	$ 9,614	$ 154,715	$ -	$ 208,769
Carrying amount at June 30, 2021	$ 24,312	$ 11,239	$ 7	$ 6,530	$ 7,845	$ 49,933

	Mineral Properties					
	Depletable	Non-depletable				
Year ended December 31, 2020	Producing mineral properties	Mineral exploration and development properties	Mill development	Plant & equipment	Construction in progress	Total
Cost						
At January 1, 2020	$ 47,029	$ 24,963	$ 9,621	$ 160,146	$ 7,590	$ 249,349
Transfers	2,727	(2,727)	-	-	-	-
Additions	-	4,766	-	316	285	5,367
Changes in estimates	1,339	-	-	-	-	1,339
Cost at December 31, 2020	$ 51,095	$ 27,002	$ 9,621	$ 160,462	$ 7,875	$ 256,055
Accumulated depreciation and amortization						
At January 1, 2020	$ 42,398	$ 70	$ 9,615	$ 153,241	$ -	$ 205,324
Depletion and amortization	1,226	-	-	911	-	2,137
Accumulated depreciation and amortization at December 31, 2020	$ 43,624	$ 70	$ 9,615	$ 154,152	$ -	$ 207,461
Carrying amount at December 31, 2020	$ 7,471	$ 26,932	$ 6	$ 6,310	$ 7,875	$ 48,594

Construction in progress relates to capital costs incurred by the Minto Mine which are not yet in use.

During the six months ended June 30, 2021, the Company invested $1.5 million (six months ended June 30, 2020: $2.7 million) in the Copper Keel ore body by improving access to the site for future development. During the period ended June 30, 2021, $15.7 million of mineral exploration and development properties relating to the Copper Keel ore body were transferred to producing mineral properties due to the commencement of commercial production.

The Company changed its depletion base from estimated reserves to estimated resources (refer to Note 3(C)).

(unaudited - stated in thousands of CAD dollars, unless otherwise specified)

8. Lease Liabilities

Right-of-use assets

As at		**June 30, 2021**		December 31, 2020
Balance, beginning of period	**$**	**10,433**	$	7,665
Additions		**4,504**		8,801
Terminations		**(3,503)**		-
Depreciation		**(3,511)**		(6,033)
Balance, end of period	**$**	**7,923**	$	10,433

Lease liabilities

As at		**June 30, 2021**		December 31, 2020
Balance, beginning of period	**$**	**9,675**	$	7,327
Additions		**4,504**		8,801
Terminations		**(3,311)**		-
Lease payments		**(3,278)**		(7,405)
Interest expense		**324**		952
Total balance, end of period	**$**	**7,914**	$	9,675
Less: current portion		**(5,305)**		(6,065)
Non-current portion	**$**	**2,609**	$	3,610

Lease payments

Undiscounted payments associated with the Company's lease liabilities as of June 30, 2021, are summarized below:

		Less than 1 year		1 - 3 years		4 - 5 years		Total
Undiscounted lease payments	$	5,510	$	3,048	$	-	$	8,558

During the period ended June 30, 2021, Minto entered into lease arrangements for several mining equipment assets and terminated one lease. A $0.2 million loss on disposition was included in other income (loss), net as a result of the lease termination.

The Company has a short-term lease (being defined as leases with a term of 12 months or less) with respect to its office space**.** The lease term is on a month-to-month basis and as a result, the Company has included the costs associated with this contract in production costs in the statements of net income (loss) and comprehensive income (loss).

(unaudited - stated in thousands of CAD dollars, unless otherwise specified)

9. Long term debt

On June 3, 2019 the Company closed a private placement of USD $10.0 million of 8.0% senior secured notes due June 3, 2024 (the "Notes") with Copper Holdings LLC ("Copper Holdings") and Cedro Holdings LLC ("Cedro Holdings"). Proceeds net of discount on the Notes amounted to $11.1 million (USD $8.4 million) with an implied discount of 12%. Interest on the Notes is payable in semi-annual instalments and the Notes have a general security charge over all of Minto's assets. The Notes do not bear any capital maintenance covenants. The Company's USD denominated debt was translated to Canadian dollars at the period ending exchange rate. Concurrent with the issuance of the Notes, Copper Holdings and Cedro Holdings acquired Class B common shares for total consideration of $2.1 million (Note 12).

As at		**June 30, 2021**		December 31, 2020
Balance, beginning of period	**$**	**11,347**	$	11,161
Interest accretion		**196**		436
Foreign currency translation		**(302)**		(250)
Balance, end of period	**$**	**11,241**	$	11,347

Due to Sumitomo

On September 8, 2020, the Company entered into a Prepayment Facility Agreement with Sumitomo Canada Limited, the purchaser of the Company's copper. The facility limit is USD $12.5 million and may be drawn against at any time giving notice in increments of USD $1.0 million, subject to meeting the non-financial covenants. Interest is calculated quarterly on the outstanding balance at LIBOR for the applicable period. Management is currently assessing the impact of the LIBOR Reform and is currently in discussions with Sumitomo.

The loan is secured by a general and continuing security in the collateral, all accounts, inventory, equipment, intangibles, documents of title, money, chattel paper, instruments, securities, documents, proceeds, leaseholds and all present and future undertakings.

The Company is required to meet non-financial covenants under the Prepayment Facility Agreement in the case where an advance subsequent to the initial advance of $9.9 million (USD $8.0 million) is requested by Minto. The key covenants include the following:

(i) In the immediately preceding period of three full calendar months, the Company shall have produced more than 75% of the forecast figure for the Minto Mine, as set out in the 2020 Cash Flow Model;
(ii) successful establishment of flow-through ventilation and secondary egress (or any other appropriate vent system to support full production from the Copper Keel zone at the Minto Mine) and commencement of ore production from the Copper Keel zone at the Minto Mine; and
(iii) readiness of equipment at the Minto Mine site to support 3,500 tonnes per day of ore production.

The Company was not in compliance with all covenants at June 30, 2021 and as a result, can't draw on the remaining USD $4.5 million until such time a waiver is made, changes to the covenants occur or renegotiated, which management is currently in negotiations with Sumitomo on.

(unaudited - stated in thousands of CAD dollars, unless otherwise specified)

As at		**June 30, 2021**		December 31, 2020
Balance, beginning of period	**$**	**3,744**	$	-
Advance		**6,299**		3,890
Interest		**22**		16
Payments		**(1,522)**		(93)
Foreign currency translation		**(355)**		(69)
		8,188		3,744
less: current portion		**(8,188)**		(2,012)
Long-term	**$**	**-**	$	1,732

Due to Pembridge

In the start-up phase of the Minto Mine, Pembridge provided the first CAD $4.0 million of funding to the surety account that acts as security in connection with Minto's remediation obligation. The Company recognized a CAD $4.0 million payable to Pembridge for the transfer of the account to Minto. The CAD $4.0 million accrues interest at 8% and is to be repaid in quarterly tranches of CAD $1.0 million when Minto has completed funding the surety account to CAD $10.0 million. The Due to Pembridge balance also includes $0.5 million related to mineral claims held by two fully owned subsidiaries.

As at		**June 30, 2021**		December 31, 2020
Balance, beginning of period	**$**	**4,841**	$	-
Advance		**-**		4,510
Interest		**172**		331
	$	**5,013**	$	4,841

10. Deferred Revenue

As at		**June 30, 2021**		December 31, 2020
Balance, beginning of period	**$**	**14,901**	$	15,669
Recognized as revenue on sale of gold and silver		**(577)**		(2,084)
Accretion		**598**		1,316
Balance, end of period	**$**	**14,922**	$	14,901

During the six months ended June 30, 2021, the Company delivered concentrate containing 2,389 ounces of gold (year ended December 31, 2020 – 8,963 ounces) and 25,048 ounces of silver (year ended December 31, 2020, - 74,307 ounces) to Wheaton Precious Metals.

11. Asset Retirement Obligation

Details of the changes in the asset retirement obligation is as follows:

As at		**June 30, 2021**		December 31, 2020
Balance, beginning of period	**$**	**32,196**	$	31,938
Change in estimates		**442**		132
Interest expense from discounting obligations		**149**		126
Balance, end of period	**$**	**32,787**	$	32,196

The estimated undiscounted cash flows required to satisfy the Minto reclamation and closure cost obligation as at June 30, 2021 were $32.9 million (December 31, 2020 - $32.9 million). The undiscounted cash flows were adjusted for inflation of 1.75% and uncertainty of the cash flows and then discounted using current market-based risk-free rate of 1.0% to arrive at discounted cash flows of $32.8 million (December 31, 2020 - $32.2 million). An amount of $72.1 million is secured by a Surety Bond from Zurich Insurance Company Ltd. in favour of the Government of Yukon.

(unaudited - stated in thousands of CAD dollars, unless otherwise specified)

12. Share Capital

a) Authorized

- Unlimited number of common voting shares
- Unlimited number of Class A common voting shares
- Unlimited number of Class B non-voting common shares

b) Issued and outstanding

	Number of shares		Amount
Class A Common voting shares			
Opening balance at January 1, 2020	79,502,100	$	210,531
Return of capital	-		(6,306)
Balance at December 31, 2020 and June 30, 2021	79,502,100		204,225
Class B Common non-voting shares			
Opening balance at January 1, 2020	159,004,200		2,142
Issue for cash	484,240,064		4,076
Balance at December 31, 2020 and June 30, 2021	643,244,264		6,218
Total Share Capital	722,746,364	$	210,443

On March 31, 2021, pursuant to the Shareholders' Agreement of June 2020, the Company paid the first USD $5.0 million (CAD $6.3 million) payment of the purchase price for the Company to Capstone Mining Corp. on behalf of Pembridge as a return of their capital.

c) Put Option

The Company has entered into a Put Option agreement with the Class B shareholders whereby at anytime after December 31, 2021 upon written notice to the Company any shareholder who holds a greater than 20% interest shall have the right to require the Company to determine the Appraised Fair Market Value of all shares held by the investor. The Company shall purchase or cause to purchase all of the exercising investor's shares within a reasonable period.

In the event that a Class B shareholder exercises the option, the Company would be required to deliver the cash value. In the event the Company is not able to deliver the cash value, other existing shareholders would have the right to buy the exercising investor's shares. If they do not do so within an agreed period, the Company would be required to commence an auction process for the entire Company. As of June 30, 2021, the Put Option has not been exercised by the Class B shareholders.

(unaudited - stated in thousands of CAD dollars, unless otherwise specified)

13. Revenue

The Company's revenue breakdown by metal is as follows:

	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Copper	**$ 33,950**	$ 15,340	**$ 59,102**	$ 31,603
Gold	**3,442**	3,192	**6,395**	8,394
Silver	**218**	(58)	**308**	246
Total gross revenue	**$ 37,610**	$ 18,474	**$ 65,805**	$ 40,243
Less: treatment and selling costs	**(2,196)**	(1,462)	**(4,922)**	(4,210)
Revenue	**$ 35,414**	$ 17,012	**$ 60,883**	$ 36,033

The Company sells all of its production to Sumitomo Canada Limited and Wheaton Precious Metals.

Metal concentrate sales are billed based on provisional weights and assays upon the passage of control to the customer. As final prices, weights and assays are received, additional invoices are issued and collected.

The Company's commodity price risk associated with financial instruments primarily relates to changes in fair value caused by final settlement pricing adjustments to receivables or payables.

14. Other Income (Loss), Net

Other income for the three and six month periods ended June 30, 2021 and 2020 includes the following:

	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Foreign exchange (loss) gain	**$ (705)**	$ 135	**$ (63)**	$ 145
Change in fair value of metal concentrates	**(1,053)**	4,076	**(145)**	466
Loss on lease termination	**-**	-	**(192)**	-
Other income	**-**	52	**-**	-
Other income (loss), net	**$ (1,758)**	$ 4,263	**$ (400)**	$ 611

15. Finance Costs

Finance costs for the three and six month periods ended June 30, 2021 and 2020 includes the following:

	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Interest expense	**$ 786**	$ 720	**$ 1,587**	$ 1,305
Accretion	**365**	337	**670**	914
Finance costs	**$ 1,151**	$ 1,057	**$ 2,257**	$ 2,219

(unaudited - stated in thousands of CAD dollars, unless otherwise specified)

16. Change in Non-cash Working Capital

	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
(Increase) decrease in accounts receivable	**$ (4,311)**	$ (2,628)	**$ (6,168)**	$ 5,911
Decrease in inventories	**1,663**	3,051	**2,630**	2,368
(Increase) decrease in prepaid expenses	**(166)**	376	**(1,110)**	(910)
(Decrease) increase in accounts payable and accrued liabilities	**(586)**	(2,837)	**8,115**	6,875
	$ (3,400)	$ (2,038)	**$ 3,467**	$ 14,244

17. Capital Management

The Company's capital consists of the items included in shareholders' equity, long-term debt and cash. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage its capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating objectives. The Company ensures that there is sufficient capital to minimize liquidity risk, taking into account anticipated operational cash flows and cash.

The Company's share capital is not subject to any external restrictions and the Company did not change its approach to capital management during the period.

18. Related Party Transactions

During the three and six month periods ended June 30, 2021, the Company undertook the following related party transactions:

Management fees of $nil million and $nil million (2020 - $0.1 million and $0.2 million) and interest of $0.1 million and $0.2 million (2020 - $0.1 million and $0.1 million), respectively, were recorded to Pembridge, a shareholder of the Company. At June 30, 2021, the outstanding balance payable to Pembridge was $0.9 million (December 31, 2020 - $0.7 million) and is included in due to Pembridge;

On March 31, 2021, pursuant to the Shareholders' Agreement of June 2020, the Company paid the first USD $5.0 million (CAD $6.3 million) payment of the purchase price for the Company to Capstone Mining Corp. on behalf of Pembridge in the form of a return of their capital;

Management fees of $nil and $nil (2020 - $0.1 million and $0.2 million), respectively, were recorded to Minto Management Ltd.; and

Interest of $0.1 million and $0.3 million relating to long-term loans (2020 - $0.1 million and $0.2 million), respectively, were recorded to each of Copper Holdings, and Cedro Holdings, shareholders of the Company.

These related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

19. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the President that makes strategic decisions. The Company is deemed to have one segment for reporting being the operations at the Company's Canadian Mine location.

20. Commitments and Contingencies

COVID-19 Pandemic

On March 11, 2020, the World Health Organization ("WHO") characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The Company has taken significant steps to ensure the health and safety of the employees and that all safety guidelines as established by Federal and various provincial health authorities are met.

Various provinces have announced gradual de-confinement regulations and re-opening plans. The duration of and impact of COVID-19 is unknown at this time, and it is not possible to reliably estimate the impact that the developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities. It is possible that estimates in these Financial Statements will change in the near term as a result of COVID-19. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

APPENDIX "C"

FINANCIAL STATEMENTS OF 778

See attached.

1246778 B.C. LTD.

ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION ON APRIL 8, 2020 TO DECEMBER 31, 2020

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 1246778 B.C. Ltd.:

Opinion

We have audited the financial statements of 1246778 B.C. Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2020 and the statement of loss and comprehensive loss, statement of changes in shareholders deficit and statement of cash flows for the period from incorporation on April 8, 2020 to December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the period from incorporation on April 8, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's 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 in the financial statements, which describes the events and conditions indicating 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. The other information comprises the information included in the Management's Discussion & Analysis filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 the financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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 auditor's report is John C. Sinclair.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Toronto, Ontario
March 10, 2021, except for note 8 which is dated November 12, 2021

1246778 B.C. LTD.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note		December 31, 2020
ASSETS			
Current assets			
Cash		$	-
Total assets		$	-
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$	3,653
Due to related parties	3		37,489
			41,142
SHAREHOLDERS' DEFICIT			
Share capital	4		300
Deficit			(41,442)
			(41,142)
Total liabilities and shareholders' deficit		$	-

Nature of operations and going concern (Note 1)
Subsequent events (Note 8)

Approved and authorized on behalf of the Board of Directors on March 10, 2021

Director James Ward (signed)   Director Matt Zabloski (signed)

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

1246778 B.C. LTD.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

		For the period from incorporation on April 8, 2020 to December 31, 2020
EXPENSES		
Accounting and corporate secretarial fees	$	24,591
Professional fees		15,882
Regulatory and filing fees		969
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$	(41,442)
NET LOSS PER SHARE – BASIC AND DILUTED	$	(0.014)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		3,000,000

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

1246778 B.C. LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS DEFICIT
For the period from incorporation on April 8, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Deficit	Total
Issued at incorporation on April 8, 2020	3,000,000	$ 300	$ -	$ 300
Net loss and comprehensive loss for the period	-	-	(41,442)	(41,442)
Balance, December 31, 2020	3,000,000	$ 300	$ (41,442)	$ (41,142)

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

1246778 B.C. LTD.
STATEMENT OF CASH FLOWS
For the period from incorporation on April 8, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

		For the period from incorporation on April 8, 2020 to December 31, 2020
Operating activities:		
Net loss for the period	$	(41,442)
Changes in non-cash working capital related to operations:		
Due to related parties		37,789
Accounts payable and accrued liabilities		3,653
Net cash used in operating activities		-
Increase in cash during the period		-
Cash – beginning of the period		-
Cash – end of the period	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

1246778 B.C. Ltd. ("the Company") was incorporated under the Business Corporations Act of British Columbia on April 8, 2020 and its principal business activity is searching for a suitable business or project to acquire, while complying with the requirements of being a public company. The Company's head office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6.

The Company was a wholly-owned subsidiary of 2583262 Ontario Inc. ("2583262") until a plan of arrangement was completed on July 24, 2020 under which the Company's common shares were distributed to shareholders of 2583262 on a pro-rata basis.

These financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. As at December 31, 2020, the Company had accumulated a loss of $41,442 since its incorporation. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

In addition, the Company began operations after the World Health Organization categorized COVID-19 as a pandemic. Financial markets around the world have been extremely volatile due to events and conditions resulting from this pandemic and as a result, the volatility could also impact the Company's ability to continue its operations as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRIC") interpretations as issued by the International Accounting Standards Board ("IASB"). These financial statements were approved by the board of directors for issue on March 9, 2021.

b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

c) Foreign currencies

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company. Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments

Recognition and classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial asset debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

<u>Financial assets and liabilities at FVTPL</u>

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income (loss).

<u>Financial assets at FVTOCI</u>

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

<u>Financial assets and liabilities at amortized cost</u>

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

<u>Impairment of financial assets at amortized cost</u>

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets, is recognized in profit or loss.

e) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are recognized in profit or loss.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, wherein the fair value of the common shares is based on the fair value ascribed to the shares issued and the balance, if any, is allocated to the attached warrants.

f) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

g) Income taxes

Income tax on profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. New and revised standards and interpretations

The Company has adopted the following standards, interpretations and amendments effective for reporting periods beginning on or after January 1, 2020. The adoption of these standards did not have a material impact on the Company's financial statements:

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 –Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

Amendments to IFRS 3 – Definition of Business was issued in October 2018 by the IASB to improve the definition of a business. It is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments:

- confirmed that a business must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrowed the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and
- added an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

3. RELATED PARTY TRANSACTIONS

As at December 31, 2020, the Company has $37,489 in related party liabilities owing to its parent, 2583262 for expenses paid by 2583262 on behalf of the Company. They are non-interest bearing with no specific terms of repayment.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Issued and outstanding – 3,000,000 common shares

5. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' deficit of $41,142 at December 31, 2020.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its sole source of operating capital. The Company's capital resources are largely determined by the strength of the junior resource markets. The Company is not subject to any externally imposed capital requirements.

6. FINANCIAL INSTRUMENTS

For financial instruments held or issued by the Company, management classifies accounts payable and accrued liabilities and due to related parties as amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

As at December 31, 2020, the Company believes that the carrying values of accounts payable and accrued liabilities and due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instrument	**Category**	**December 31, 2020**
Accounts payable and accrued liabilities	Amortized cost	$ 3,653
Due to related parties	Amortized cost	$ 37,489

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at December 31, 2020, the Company does not have sufficient cash to settle liabilities as they come due. The company is exposed to liquidity risk in the amount of $41,142.

7. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to loss before income taxes. These differences result from the following items for the period ended December 31:

	December 31, 2020 **$**
Loss for the period	41,442
Canadian federal and provincial income tax rates	27%
Expected income tax recovery at statutory rate	11,189
Increase (decrease) due to:	
Losses for which no tax benefit is recognized	(11,189)
Income tax recovery	-

The components of unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset has been recognized are as follows:

	December 31, 2020 **$**
Non-capital losses	41,442
Unrecognized temporary differences and non-capital losses	41,442

In assessing the ability to realize deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those deferred tax assets are deductible.

The Company has a December 31 year end for tax purposes. As at December 31, 2020, the Company had non-capital losses of approximately $41,442 that expire in 2040.

8. SUBSEQUENT EVENTS

On June 15, 2021, Minto Explorations Ltd. (“Minto”) and the Company entered into the Amalgamation Agreement, and on November 5, 2021 Minto and the Company entered into an amended and restated Amalgamation Agreement whereby the Company and Minto will amalgamate and continue as the Resulting Issuer. As a result of the Amalgamation, the former securityholders of Minto and the former securityholders of the Company will become securityholders of the Resulting Issuer.

On September 21, 2021 and October 22, 2021, the Company completed a brokered "best efforts" private placement offering and non-brokered private placement offering of 6,302,876 778 Subscription Receipts (778 Subscription Receipts”) at a price of $2.60 per Subscription Receipt, for aggregate gross proceeds of $16,387,478. As part of the amalgamation, the 778 Subscription Receipts shall automatically convert into post consolidation common shares of the Company immediately prior to the amalgamation and will be exchanged on a one-for-one basis for Resulting Issuer Common Shares.

On November 12, the Company filed an Application for Listing on the TSX Venture Exchange of the common shares of the resulting issuer of the business combination described above.

1246778 B.C. LTD.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2021

(Expressed in Canadian Dollars)

1246778 B.C. LTD.
UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note		June 30, 2021 (unaudited)		December 31, 2020 (audited)
ASSETS					
Current assets					
Cash		$	-	$	-
Amounts receivable			3,585		-
Total assets		$	3,585	$	-
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	28,250	$	3,653
Due to a related party	3		51,416		37,489
			79,666		41,142
SHAREHOLDERS' DEFICIT					
Share capital	4		300		300
Deficit			(76,381)		(41,442)
			(76,081)		(41,142)
Total liabilities and shareholders' deficit		$	3,585	$	-

Nature of operations and going concern (Note 1)
Commitments (Note 7)

Approved and authorized on behalf of the Board of Directors on August 27, 2021

Director James Ward (signed) Director Stephen Sandusky (signed)

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

1246778 B.C. LTD.
UNAUDITED CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Three months ended June 30, 2021	From April 8, 2020 (date of incorporation) to June 30, 2020	Six months ended June 30, 2021	From April 8, 2020 (date of incorporation) to June 30, 2020
EXPENSES				
Accounting and corporate secretarial fees	$ 2,500	$ -	$ 5,000	$ -
Office	6	-	6	-
Professional fees	3,930	22,895	26,072	22,895
Regulatory and filing fees	614	-	3,861	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ (7,050)	$ (22,895)	$ (34,939)	$ (22,895)
NET LOSS PER SHARE – BASIC AND DILUTED	$ (0.002)	$ (0.008)	$ (0.012)	$ (0.008)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	3,000,000	3,000,000	3,000,000	3,000,000

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

1246778 B.C. LTD.
UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER DEFICIT
(Expressed in Canadian Dollars)

	Number of Shares		Share Capital		Deficit		Total
Balance, April 8, 2020	3,000,000	$	300	$	-	$	300
Net loss and comprehensive loss for the period	-		-		(22,895)		(22,895)
Balance, June 30, 2020	3,000,000	$	300	$	(22,895)	$	(22,595)
Balance, December 31, 2020	3,000,000	$	300	$	(41,442)	$	(41,142)
Net loss and comprehensive loss for the period	-		-		(34,939)		(34,939)
Balance, June 30, 2021	3,000,000	$	300	$	(76,381)	$	(76,381)

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

1246778 B.C. LTD.
UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

	Six months ended June 30, 2021	From April 8, 2020 (date of incorporation) to period ended June 30, 2020
Cashflow from Operating activities:		
Net loss for the period	$ (34,939)	$ (22,895)
Changes in non-cash working capital:		
Amounts receivable	(3,585)	-
Accounts payable and accrued liabilities	24,597	1,130
Due to a related party	13,927	21,765
Net cash used in operating activities	-	-
Cashflow from Financing activities:		
Shares issued for cash	$ -	$ 300
Net cash provided by financing activity	-	300
Increase in cash during the period	-	300
Cash – at beginning of the period	-	-
Cash – at end of the period	$ -	$ 300

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

1. NATURE OF OPERATIONS AND GOING CONCERN

1246778 B.C. Ltd. (the "Company" or "778 BC") was incorporated under the Business Corporations Act of British Columbia on April 8, 2020. The Company is engaged in the exploration and development of mineral properties in Canada. The Company's head office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC, V6C 3L6.

On June 25, 2020, 778 BC's parent company, 1289625 B.C. Ltd. ("1289625", formerly 2583262 Ontario Inc.), announced that it would go through a statutory plan of arrangement (the "Plan") involving its eight (8) wholly-owned subsidiaries. The Plan involved, among other things, the distribution of common shares of 778 BC to current shareholders of 1289625 on the basis of one hundred thousand (100,000) 778 BC common shares per outstanding common share of the 1289625.

On July 24, 2020, 1289625 completed the Plan thereby resulting in the Company being spun out and becoming a non-listed reporting issuer.

These interim financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. For the six months ended June 30, 2021, the Company had accumulated deficit of $76,381. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. These factors indicate material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

In addition, the Company began operations after the World Health Organization categorized COVID-19 as a pandemic. Financial markets around the world have been extremely volatile due to events and conditions resulting from this pandemic and as a result, the volatility could also impact the Company's ability to continue its operations as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The Company's interim condensed financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim financial reporting". These interim condensed financial statements do not include all notes of the type normally included within the annual financial report and should be read in conjunction with the audited financial statements of the company for the period from incorporation on April 8, 2020 to December 31, 2020, which have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). These financial statements were approved by the board of directors for issue on August 27, 2021.

b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Foreign currencies

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company. Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

d) Financial instruments

Recognition and classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial asset debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

d) Financial instruments (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets, is recognized in profit or loss.

e) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares and warrants are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, wherein the fair value of the common shares is based on the value ascribed to the shares issued and the balance, if any, is allocated to the attached warrants.

f) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive. Contingently releasable escrow common shares are excluded from the calculation of weighted average number of common shares outstanding.

(Expressed in Canadian Dollars)

3. RELATED PARTY TRANSACTIONS

As at June 30, 2021, the Company has $51,416 in related party liabilities owing to 1289625 for reimbursable expenses incurred on behalf of the Company.

4. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Issued and outstanding – 3,000,000 common shares.

Stock Options

On December 22, 2020, the Company granted 75,000 stock options to its CEO. The stock options vest immediately, exercisable at $0.10 per common share and will expire 5 years from the date of grant.

As at June 30, 2021, the Company has the following stock options granted and outstanding:

Number of Options	Expiry Date	Exercise Price	Remaining Life (in Years)
75,000	December 21, 2025	$0.10	4.73

5. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

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 its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is currently dependent on 1289625 as its primary source of operating capital.

6. FINANCIAL INSTRUMENTS

For financial instruments held by the Company, management classifies cash as FVTPL, amounts receivable as amortized cost, and accounts payable and accrued liabilities as amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

As at June 30, 2021, the Company believes that the carrying values of amounts receivable, accounts payable and accrued liabilities, and amounts due a to related party approximate their fair values because of their nature and relatively short maturity dates or durations. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The credit risk related to cash is considered minimal.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. As at June 30, 2021, the Company does not have sufficient cash to settle liabilities as they come due. The company is exposed to liquidity risk.

7. COMMITMENTS

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.

APPENDIX "D"

PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER

See attached.

Minto Explorations Ltd.

Unaudited Pro Forma Consolidated Financial Statements

As at June 30, 2021 and for the year-ended December 31, 2020 and six months period ended June 30, 2021

Minto Explorations Ltd.

Unaudited Pro Forma Consolidated Statement of Financial Position
As at June 30, 2021
(Amounts in Canadian dollars, unless otherwise stated)

	Minto Explorations Ltd.	1246778 B.C. Ltd.	Pro forma Adjustments	Notes	Pro forma Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	$ 528,665	$ -	$ 30,142,540	3(b)	$ 30,065,205
			(606,000)	3(c)	
Accounts receivable	12,605,293	3,585	-		12,608,878
Inventories	2,973,926	-	-		2,973,926
Prepaid expenses	1,864,967	-	-		1,864,967
	17,972,851	3,585	29,536,540		47,512,976
Mineral properties, plant and equipment	49,932,571	-	-		49,932,571
Right-of-use assets	7,922,519	-	-		7,922,519
Long-term deposits	10,671,306	-	-		10,671,306
	$ 86,499,247	$ 3,585	$ 29,536,540		$ 116,039,372
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	$ 29,052,960	$ 28,250	$ 51,416	3(a)	$ 29,132,626
Due to related parties	-	51,416	(51,416)	3(a)	-
Current portion of Sumitomo loan	8,187,530	-	-		8,187,530
Current portion of lease liability	5,305,113	-	-		5,305,113
	42,545,603	79,666	-		42,625,269
Lease liabilities	2,608,612	-	-		2,608,612
Due to Pembridge plc	5,012,775	-	-		5,012,775
Long-term debt	11,240,920	-	-		11,240,920
Deferred revenue	14,921,800	-	-		14,921,800
Deferred income taxes	2,394,391	-	-		2,394,391
Asset retirement obligation	32,786,960	-	-		32,786,960
	111,511,061	79,666	-		111,590,727
SHAREHOLDERS' EQUITY					
Share capital	210,442,539	300	(300)	3(a)	241,435,612
			850,533	3(a)	
			31,032,867	3(b)	
			(890,327)	3(b)	
Deficit	(235,454,353)	(76,381)	(850,233)	3(a)	(236,986,967)
			(606,000)	3(c)	
	(25,011,814)	(76,081)	29,536,540		4,448,645
	$ 86,499,247	$ 3,585	$ 29,536,540		$ 116,039,372

Minto Explorations Ltd.

Unaudited Pro Forma Consolidated Statement of Operations and Comprehensive Income
For the Year Ended December 31, 2020
(Amounts in Canadian dollars, unless otherwise stated)

	Minto Explorations Ltd.	1246778 B.C. Ltd.	Pro forma Adjustments	Notes	Pro forma Consolidated
Revenue (net of royalties)	$ 79,323,706	$ -	$ -		$ 79,323,706
Production costs	(83,958,697)	-	-		(83,958,697)
Depletion and amortization	(8,097,052)	-	-		(8,097,052)
Loss from mine operations	(12,732,043)	-	-		(12,732,043)
Expenses					
Corporate overhead	-	41,442	-		41,442
Related party management fees	771,705	-	-		771,705
Other expenses	205,232	-	606,000	3(c)	811,232
Net loss from operations	(13,708,980)	(41,442)	(606,000)		(14,356,422)
Other income (loss), net	420,162	-	-		420,162
Listing expense	-	-	(926,614)	3(a)	(926,614)
Finance costs	(4,848,718)	-	-		(4,848,718)
Net loss before income taxes	(18,137,536)	(41,442)	(1,532,614)		(19,711,592)
Income tax expense (recovery)	142,732	-	-		142,732
Net loss and comprehensive loss	$ (18,280,268)	$ (41,442)	$ (1,532,614)		$ (19,854,324)
Pro forma per share amounts (Note 5)					
Basic	$ (0.04)	$ (0.01)			$ (0.27)
Diluted	$ (0.04)	$ (0.01)			$ (0.27)

Minto Explorations Ltd.

Unaudited Pro Forma Consolidated Statement of Operations and Comprehensive Income
For the Six Months Period Ended June 30, 2021
(Amounts in Canadian dollars, unless otherwise stated)

	Minto Explorations Ltd.	1246778 B.C. Ltd.	Pro forma Adjustments	Notes	Pro forma Consolidated
Revenue (net of royalties)	$ 59,268,231	$ -	$ -		$ 59,268,231
Production costs	(50,917,740)	-	-		(50,917,740)
Depletion and amortization	(4,819,278)	-	-		(4,819,278)
Profit from mine operations	3,531,213	-	-		3,531,213
Expenses					
Corporate overhead	-	31,078	-		31,078
Related party management fees	250,000	-	-		250,000
Other expenses	612,779	3,861	-		616,640
Net income from operations	2,668,434	(34,939)	-		2,633,495
Other income (loss), net	(400,062)	-	-		(400,062)
Finance costs	(2,257,245)	-	-		(2,257,245)
Net income (loss) before income taxes	11,127	(34,939)	-		(23,812)
Income tax recovery	(275,800)	-	-		(275,800)
Net income (loss) and comprehensive loss	$ 286,927	$ (34,939)	$ -		$ 251,988
Pro forma per share amounts (Note 5)					
Basic	$ 0.00	$ (0.01)			$ 0.00
Diluted	$ 0.00	$ (0.01)			$ 0.00

1. Proposed Transaction

On June 16, 2021, Minto Explorations Ltd. (the "Company" or 'Minto") announced that it has entered into a series of transactions as part of its going public transaction, by way of a reverse takeover ("RTO") of 1246778 B.C. Ltd. ("778BC" or "Acquiree") and a private placement of common and flow-through common voting shares. In conjunction with the RTO, the Company and 778BC has entered into agency agreements with Stifel GMP and Raymond James Ltd., as part of a syndicate of agents, including Haywood Securities Inc. and Echelon Wealth Partners Inc. (collectively the "Agents") to sell on a "best efforts" no less than CDN$25 million of common voting and flow-through common voting shares, at a price of CDN$2.60 (the "Offering"). In addition, Minto and 778BC have agreed to over-allotment option of CDN$4.5 million as part of the Offering.

In connection with the RTO, the holders of the Class A and Class B common shares of Minto will do a 12:1 reverse split of their existing shares in the Company, resulting in 6,625,175 Class A common shares and 53,603,689 Class B common shares. The holders of Minto common Class A and Class B shares will receive an equal number of common shares of the amalgamated entity (the "Resulting Issuer"). The shareholders of 778BC will exchange their common shares for shares of the Resulting Issuer in a 9.4:1 basis. The Resulting Issuer will be renamed Minto Metals Corp. and it will carry on the business of the Company as currently constituted.

Although the transaction will result in an amalgamation of Minto and 778BC, the substance of the transaction is a reverse acquisition of 778BC as the existing shareholders of Minto will effectively own 99.5% of the Resulting Issuer, prior to the close of the Offering. The transaction will not constitute a business combination as 778BC does not meet the definition of a business under IFRS 3 and as result, the transaction has been accounted for as an acquisition of assets with Minto being identified as the accounting acquirer.

2. Basis of Presentation

The accompanying unaudited pro forma financial statements of Minto have been prepared by the management to give effect to the Proposed Transaction described above. The historical amounts are based on historical financial statements prepared in accordance with International Financial Report Standards ("IFRS") and the pro forma statements are prepared in accordance with securities regulations as outlined in National Instruments 51-102, *Continuous Disclosure Obligations* ("NI 51-102"). The unaudited pro forma statement of financial position of Minto as at June 30, 2021, the unaudited pro forma statement of operations and comprehensive loss for the year ended December 31, 2020 and six month period ended June 30, 2021 ("the Pro Forma Financial Statements") have been prepared from information derived from the following:

(a) The audited consolidated financial statements of Minto as at and for the year ended December 31, 2020 and the unaudited consolidated financial statements of Minto as at and for the six months period ended June 30, 2021; and

(b) The audited financial statements of 778BC as at and for the year ended December 31, 2020 and the unaudited financial statements of 778BC as at and for the six months period ended June 30, 2021.

The Pro Forma Financial Statements should be read in conjunction with the historical financial statements outlined above. In the opinion of the management of Minto, these Pro Forma Financial Statements include all the adjustments necessary for the fair presentation in accordance with NI 51-102. The unaudited consolidated statement of financial position gives effect to proposed transaction as if it had occurred on June 30, 2021 while the unaudited pro forma consolidated statement of operations and comprehensive income gives effect to the transaction for the year ended December 31, 2020 and for the six months period ended June 30, 2021 as if it occurred on January 1, 2020.

The Pro Forma Financial Statements may not be indicative of the financial position or result of operations that would have occurred if the events reflected therein had been in effect on the dates indicated or of the results that may be obtained in the future. The Pro Forma Financial Statements have been prepared using accounting policies consistent with those as used in the audited consolidated financial statements of Minto for the year ended December 31, 2020. In preparing the Pro Forma Financial Statements, no adjustments have been made to reflect any operating or administrative synergies.

(Amounts in Canadian dollars, unless otherwise stated)

3. Significant Assumptions and Adjustments

a) The transaction does not constitute a business combination as 778BC does not meet the definition of a business under IFRS 3. As a result, the transaction will be accounted for as an acquisition of assets with Minto identified as the accounting acquirer and the equity consideration being measured at fair value.

Consideration		
Common shares	$	850,533
Identifiable net assets acquired		
Accounts receivable		3,585
Accounts payable and accrued liabilities		(28,250)
Accounts payable and accrued liabilities – Owned to former CEO of 778BC		(51,416)
Identifiable net liabilities assumed		(76,081)
Listing expense		926,614
Total net identifiable liabilities assumed and listing expense	$	850,533

b) $30,929,309 in cash from the closing of the private placement, consisting of 9,475,812 common voting shares and 2,420,076 flow-through common voting shares at CDN$2.60 per share. Agent fees of $890,327 were incurred in connection with the private placement.

c) $606,000 in transaction costs as related to closing the transaction. The amount will be treated as being paid on closing of the transaction.

4. Pro forma share capital

a) Share Capital

Immediately following the completion of the transaction, the share capital as at June 30, 2021, in the unaudited pro forma consolidated financial statements is comprised of the following:

Authorized

Unlimited number of common voting shares

Issued and outstanding

	Number of shares		Share capital
Minto Explorations Ltd.			
Class A common voting shares	79,502,100	$	204,224,938
Elimination of Class A common voting shares to effect 12:1 consolidation	(72,876,925)		-
Class A common voting shares immediately before amalgamation	6,625,175		204,224,938
Exchanged for shares of Resulting Issuer	(6,625,175)		(204,224,938)
Class A common voting shares	-		-
Class B common non-voting shares	643,244,264		6,217,601
Elimination of Class B common non-voting shares to effect 12:1 consolidation	(589,640,575)		-
Class B common non-voting shares immediately before amalgamation	53,603,689		6,217,601
Exchanged for shares of Resulting Issuer	(53,603,689)		(6,217,601)
Class B common non-voting shares	-		-

(Amounts in Canadian dollars, unless otherwise stated)

4. Pro forma share capital (continued)

1246778 B.C. Ltd.		
Common voting shares	3,000,000	300
Conversion of stock options	75,000	-
Elimination of common voting shares to effect 9.4:1 consolidation	(2,747,872)	-
Exchanged for shares of Resulting Issuer	(327,128)	(300)
Common voting shares	-	-
Resulting Issuer		
Exchange for Class A common voting shares of Minto	6,625,175	204,224,938
Exchange for Class B common non-voting shares of Minto	53,603,689	6,217,601
Equity settled share based transaction	327,128	850,533
Common voting shares of Resulting Issuer prior to the Offering	60,555,992	211,293,072
Common voting shares issued in connection with brokered private placement	9,475,812	24,637,111
Common voting shares issued as flow-through shares	2,459,906	6,395,756
Issuance costs	-	(890,327)
Common voting shares issued and outstanding	72,491,710	$ 241,435,612

b) Options

	Expiry	Exercise Price	Number
1246778 B.C. Ltd.			
Options of 1246778 B.C. Ltd.	December 21, 2025	$ 0.10	75,000
Conversion into common voting shares prior to amalgamation			(75,000)
Post-amalgamation options of 1246778 B.C. Ltd.			-

5. Pro forma per share amounts

The pro forma per share amounts have been calculated using the weighted average number of Minto common shares outstanding during the year ended December 31, 2020 and the six months period ended June 30 2021 adjusted for an additional 11,935,718 issued shares of the Resulting Issuer that were issued in the private placement, and 327,128 shares of the Resulting Issuer from the shareholders of 778BC.

The pro forma per share amount has been computed using 72,491,710 pro forma weighted average shares outstanding for the six month period ended June 30, 2021 and 72,491,710 outstanding for the year ended December 31, 2020.

APPENDIX "E"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF MINTO

See attached.

Minto Explorations Ltd.

Management's Discussion and Analysis
For the years ended December 31, 2020 and 2019

July 22, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the annual consolidated financial and operating results of Minto Explorations Ltd. ("Minto" or the "Company") is dated July 22, 2021 and should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the years ended December 31, 2020 and 2019 (the "Financial Statements"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), representing generally accepted accounting principles ("GAAP"). All references in the MD&A and Financial Statements are to Canadian dollars unless otherwise indicated.

The MD&A contains non-GAAP measures and forward-looking information. Readers are advised to read the MD&A in conjunction with both the "Non-GAAP Measures" and "Forward-Looking Information and Other Advisories" sections found at the end of the MD&A.

Management is responsible for preparing the MD&A. The MD&A has been approved by the Company's Board of Directors.

FINANCIAL HIGHLIGHTS

($000 CAD, except as otherwise indicated)	Three months ended December 31 2020	2019	Year ended December 31 2020	2019
Financial Statement Highlights				
Revenue	**$ 18,031**	$ 15,804	**$ 79,323**	$ 25,046
Net income (loss) and comprehensive income (loss)	**$ (10,305)**	$ 728	**$ (18,281)**	$ (28,484)
per share [2]	**$ (0.01)**	$ 0.00	**$ (0.04)**	$ (0.17)
Weighted average shares (000)	**722,746**	238,506	**485,270**	171,855
Net cash provided by (used in) operating activities	**$ (909)**	$ 938	**$ 8,807**	$ (13,831)
Other Financial Highlights				
Adjusted EBITDA [1]	**$ (6,179)**	$ 5,257	**$ (2,369)**	$ (5,199)
Cash costs [1]	**$ 24,393**	$ 10,547	**$ 82,620**	$ 23,707
All-in sustaining costs [1]	**$ 25,735**	$ 12,054	**$ 88,265**	$ 25,969
Sustaining capital expenditures [1]	**$ 1,525**	$ 592	**$ 6,573**	$ 994
Working capital deficit [1]	**$ (15,711)**	$ 5,093	**$ (15,711)**	$ 5,093

[1] Non-GAAP measure; may not be comparable to similar non-GAAP measures used by other entities. Please see "Non-GAAP Measures".

[2] Based on weighted average shares outstanding for the related period.

OPERATING HIGHLIGHTS

	Three months ended December 31 2020	2019	Year ended December 31 2020	2019
Production volumes				
Mill feed (dmt)	**164,969**	104,006	**629,078**	104,801
Copper (Mlbs)	**3.59**	4.95	**17.83**	4.95
Gold (oz)	**866**	2,413	**8,419**	2,413
Silver (oz)	**17,244**	19,591	**74,046**	19,591
Sales volumes				
Copper (Mlbs)	**1.62**	4.77	**14.98**	4.77
Gold (oz)	**684**	1,594	**6,375**	1,594
Silver (oz)	**7,012**	17,932	**56,489**	17,932
Average realized prices				
Copper ($USD/lb)	**$ 3.04**	$ 2.67	**$ 2.66**	$ 2.85
Gold ($USD/toz)	**$ 1,908.68**	$ 1,477.36	**$ 1,736.24**	$ 659.95
Silver ($USD/toz)	**$ 24.82**	$ 17.28	**$ 19.33**	$ 6.25

BUSINESS OVERVIEW

Minto Explorations Ltd. (“Minto” or the “Company”) is a privately owned Canadian company incorporated in British Columbia, Canada. The Company is engaged in the production of copper and precious metals from the Minto Mine located in Yukon, Canada. The Company has two subsidiaries which hold mineral claims.

The Company’s head office, principal address and registered office are located at 61 Wasson Place, Whitehorse, Yukon, Canada.

The Minto Mine was acquired by Pembridge Resources plc (“Pembridge”) on June 3, 2019 when Pembridge acquired all of the issued and outstanding common shares of Minto from Capstone Mining Corp (“Capstone”). Prior to its acquisition, the Minto Mine had been on care and maintenance since October 2018. Subsequent to the acquisition, the Company restarted operations and the mine restarted commercial production in October 2019.

Additional information relating to Minto is available on SEDAR at www.sedar.com and the Company’s website at www.mintomine.com.

SIGNIFICANT EVENTS AND LIQUIDITY

The Company’s Financial Statements have been prepared on a going concern basis, which assumes the Company will continue operating in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course as they become due. The Company’s ability to continue as a going concern is dependent on its ability to obtain additional financing and the successful development of its existing assets in order to meet its planned business objectives. However, there can be no assurance that the Company will obtain additional funding or generate positive cash flows. The fact that the funding is not guaranteed indicates the existence of a material uncertainty that casts significant doubt upon the Company’s ability to continue as a going concern should support from the shareholders not continue.

Go-Public Transaction

On June 16, 2021, the Company announced that it has entered into a series of agreements that will see the Company going public by way of a reverse take-over transaction (the “RTO”) of 1246778 B.C. Ltd. (“778”), together with a concurrent application to list the Resulting Issuer’s shares on the TSX Venture Exchange. The entity resulting from the combination of 778 and Minto Explorations Ltd. will be named Minto Metals Corp. (the “Resulting Issuer”).

As part of the RTO, Minto and 778 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 (the "Subscription Receipts") at a price of CAD $2.60 to CAD $2.80 per Subscription Receipt (the "Offering Price") for gross proceeds of up to CAD $45 million (the "Offering"). In addition, Minto and 778 have granted to the Agents an option (the "Agents' Option") to increase the size of the Offering to raise additional gross proceeds up to CAD $6.75 million. Closing of the Offering is expected to occur in July 2021.

Minto Metals Corp. intends to use the proceeds of the Offering to fund operational improvements at the Minto Mine, near-mine exploration activities, and for general corporate purposes, including working capital. The use of proceeds is anticipated to remediate the current significant doubt regarding the Company’s ability to continue as a going concern as described above.

The RTO is subject to, among other things: (i) the completion of the Offering for aggregate gross proceeds of not less than CAD $40 million; (ii) the completion of the 778 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 favour 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 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 and the shareholders of Minto, which 778 and Minto anticipate they will obtain by way of unanimous written consent resolutions.

Certain Resulting Issuer Shares to be issued pursuant to the RTO are expected to be subject to restrictions on resale or escrow under the policies of the Exchange, including the securities to be issued to "Principals" (as defined under the policies of the Exchange), which will be subject to the escrow requirements of the Exchange.

In addition, it is a condition of closing of the Offering, that each of the directors, officers and insiders of Minto Metals and holders of 5% or more of the Resulting Issuer Shares, shall enter into lock-up agreements with the Agents, whereby each shall agree that, for a period of 180 days from the Escrow Release Date, they will not, directly or indirectly, dispose of or transfer any securities of the Resulting Issuer without the prior written consent of the Agents or pursuant to certain other limited exceptions.

Preliminary Economic Assessment

On May 7, 2021, JDS Energy & Mining Inc. published a NI 43-101 Preliminary Economic Assessment Technical Report (the "PEA") with an effective date of March 31, 2021 (the "PEA") in respect of the Minto Mine, which was prepared for Minto and 778. Minto Mine highlights from the PEA include:

- Indicated mineral resource of 11Mt at 1.46% copper containing approximately 357Mlbs with an additional 13Mt mineral inferred resource at 1.29% copper containing approximately 370Mlbs;
- Initial 8-year mine life with only approximately 60% of the current resource in the mine plan;
- Average annual life of mine copper production of approximately 35-40Mlbs at cash costs of US$2.20/lb and all-in sustaining costs of US$2.65/lb, generating significant operating cash flow in the current commodity price environment; and
- After-tax net present value using an 8% discount rate ("NPV8%") of C$313 million at US$4.50/lb copper and a USD foreign exchange rate of 0.82.

COVID-19 Pandemic

During March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. The Company continues to evaluate the potential impacts arising from COVID-19 on all aspects of its business. For the year ended December 31, 2020, there was no significant financial impact on the Company.

RESULTS OF OPERATIONS

Production

	Three months ended December 31		Year ended December 31	
	2020	2019	**2020**	2019
Production volumes				
Mill feed (dmt)	**164,969**	104,006	**629,078**	104,801
Copper (Mlbs)	**3.59**	4.95	**17.83**	4.95
Gold (oz)	**866**	2,413	**8,419**	2,413
Silver (oz)	**17,244**	19,591	**74,046**	19,591

The Minto mine was under care and maintenance from October 2018 to October 2019. Following the mine start-up in the fourth quarter of 2019, Minto continued to increase production in conjunction with the addition of personnel, equipment and materials. Technical analysis has been undertaken with outside experts to validate Minto resource deposits and extend the life of mine from four to eight years. This technical expertise was also leveraged for operational planning to ensure sufficient appropriate resourcing was in place to meet production objectives. The Company continues to ramp-up operations to achieve projected total mined and milled ore of 972,000 dmt for the 2021 year.

Revenue

		Three months ended December 31				Year ended December 31		
($000 CAD)		**2020**		2019		**2020**		2019
Copper	**$**	**18,301**	$	16,304	**$**	**72,056**	$	27,237
Gold		**1,843**	-	407		**16,533**		796
Silver		**-**		2,492		**273**		2,772
Total gross revenue		**20,144**		18,389		**88,862**		30,805
Less: treatment and selling costs		**(1,930)**		(2,585)		**(8,611)**		(5,490)
Less: royalty expense		**(183)**		-		**(928)**		(269)
Revenue	**$**	**18,031**	$	15,804	**$**	**79,323**	$	25,046

		Three months ended December 31				Year ended December 31		
		2020		2019		**2020**		2019
Sales volumes								
Copper (Mlbs)		**1.62**		4.77		**14.98**		4.77
Gold (oz)		**684**		1,594		**6,375**		1,594
Silver (oz)		**7,012**		17,932		**56,489**		17,932
Average realized prices								
Copper ($USD/lb)	**$**	**3.04**	$	2.67	**$**	**2.66**	$	2.85
Gold ($USD/toz)	**$**	**1,908.68**	$	1,477.36	**$**	**1,736.24**	$	659.95
Silver ($USD/toz)	**$**	**24.82**	$	17.28	**$**	**19.33**	$	6.25

The Company produces copper, gold, and silver ore from the Minto Mine. The Company has offtake agreements with Sumitomo Canada Ltd. (“Sumitomo”) and Wheaton Precious Minerals (“Wheaton”) under which all copper production is sold to Sumitomo, and all gold and silver production is sold to Wheaton Precious Minerals. Under the terms of its agreement with Sumitomo, the Company receives 90% of the value of metals produced once the production is delivered to the on-site shed at the Minto Mine. The remaining 10% of the payment is received following the delivery of the production to Sumitomo at the Port of Niihama, Japan or an alternative agreed-upon location. Minto’s shipments are subject to seasonal fluctuations as the Yukon River is only traversable during the summer and winter seasons by either ice bridge or barge. The River must be crossed in order to reach the Skagway Ore Terminal in Skagway, Alaska.

Revenue increased to $72.1 million for the year ended December 31, 2020, compared to $27.2 million for the year ended December 31, 2019. The increase in revenue was attributable to higher sales volumes resulting from a full year of mine production in 2020. Revenue generated in 2019 was attributable to final invoice adjustments for 2018 production and sales generated after the mine recommenced production in October 2019.

Revenue increased by 14% from $16.3 million for the three months ended December 31, 2019 to $18.3 million for the three months ended December 31, 2020. The higher revenue in the 2020 period was primarily due updates to commodity prices for one Company’s shipments that was finalized during the quarter. Revenue increases resulting from price adjustments and stronger copper, gold, and silver prices were partially offset by lower sales volumes for the 2020 period.

Care and Maintenance Expenses and Production Costs

		Three months ended December 31				Year ended December 31		
($000 CAD)		**2020**		2019		**2020**		2019
Production costs	**$**	**24,870**	$	12,038	**$**	**83,959**	$	25,830
Care and Maintenance Expenses	**$**	**-**	$	-	**$**	**-**	$	6,807

Production costs for the year ended December 31, 2020 were $84.0 million, an increase of 225% compared to $25.8 million for the year ended December 31, 2019. Production costs for the three months ended December 31, 2020 increased by 107% from $24.9 million to $12.0 million for the three months ended December 31, 2019. Production costs during the three months and year ended December 31, 2020 were significantly higher than the comparative periods of 2019 as the Mine was under care and maintenance from October 2018 until production restarted in

October of 2019. The increased costs were due to personnel, equipment and supply costs required to restart and operate the Mine.

Care and maintenance expenses of $6.8 million were incurred during the year ended December 31, 2019 to maintain equipment and the mine site during its non-operational period.

Depletion and Amortization

	Three months ended December 31				Year ended December 31			
($000 CAD)		2020		2019		2020		2019
Depletion and amortization	$	2,279	$	1,968	$	8,097	$	2,568

Minto recognizes depletion and amortization expenses on its mineral properties, plant and equipment and right-of-use assets. Depletion and amortization increased by 130% from $2.6 million for the year ended December 31, 2019 to $8.1 million for the year ended December 31, 2019. The increase in depreciation and amortization in the 2020 period was attributable to a full year of depletion due to the restart of Mine operations in October 2019 as well as amortization of right-of-use assets added during the 2020 year.

Depletion and amortization was $2.3 million for the three months ended December 31, 2020, an increase of 16% compared to $2.0 million for the three months ended December 31, 2019. The increase in depletion amortization was primarily due to a full quarter of depletion following the restart of mine operations in October 2019, and right-of-use asset additions between the periods.

Finance Costs

	Three months ended December 31				Year ended December 31			
($000 CAD)		2020		2019		2020		2019
Finance costs	$	1,345	$	1,014	$	4,849	$	4,011

Finance costs include accretion and interest expenses on the Company's debt instruments and lease obligations. Total finance costs increased between the three months and years ended December 31, 2019 and 2020 due to lease liability additions between the periods and interest associated with the Sumitomo Prepayment Facility and long-term payable to Pembridge, which both commenced in September 2020.

Other Income (Loss), Net

	Three months ended December 31				Year ended December 31			
($000 CAD)		2020		2019		2020		2019
Other income (loss), net	$	645	$	428	$	420	$	2,477

Other income (loss), net includes gains and losses on foreign exchange resulting from differences in exchange rates applied to the valuation and settlement of the Company's assets and liabilities denominated in USD, changes in the fair value of commodities sold but for which prices have not yet been settled, and gains and losses on asset dispositions. Other income (loss), net for the year ended December 31, 2020 was $0.4 million, compared to $2.4 million for the year ended December 31, 2019. Other income (loss), net for the three months ended December 31, 2020 was $0.6 million, compared to $0.4 million for the three months ended December 31, 2019. The differences in other income (loss), net for the three months and year ended December 31, 2020 compared to the same periods of 2019 were primarily due to revaluations of outstanding copper receivables to reflect price increases between initial and updated provisional invoices.

Income Tax Expense (Recovery)

	Three months ended December 31				Year ended December 31			
($000 CAD)		2020		2019		2020		2019
Income tax recovery	$	(92)	$	(363)	$	(143)	$	(245)

Minto's income tax recovery is primarily related to temporary tax differences in the tax and book values in the Company's mineral property, plant and equipment, and inventory assets. Fluctuations in these balances result in either expenses or recoveries during the period.

Net Income (Loss)

		Three months ended December 31			Year ended December 31		
($000 CAD)		**2020**		2019		**2020**		2019
Net income (loss)	**$**	**(10,305)**	$	856	**$**	**(18,281)**	$	(28,484)

During the year ended December 31, 2020, the Company recognized a net loss of $18.3 million, compared to a net loss of $28.5 million in the 2019 year. The higher net loss in 2019 was the result of a $15.9 loss on forgiveness of a loan to Pembridge preceding the acquisition of Minto by Pembridge on June 3, 2019 as well as $6.5 million of care and maintenance expenses and the absence of revenues prior to the restart of mine operations in October 2019.

The Company recognized a net loss of $10.3 million for the three months ended December 31, 2020, compared to net income of $0.9 million for the three months ended December 31, 2019. The net loss in 2020 was due to additional personnel, equipment, and material costs incurred as Minto continued to build-up operations to support future production growth. The additional production costs incurred in the 2020 period were partially offset by higher revenue as production continued and copper prices continued to strengthen.

OUTLOOK AND CORPORATE UPDATE

The Minto Mine was acquired by Pembridge on June 3, 2019. Prior to its acquisition, the Minto Mine had been on care and maintenance since October 2018. Subsequent to the acquisition, the Company restarted operations and the mine restarted production in October 2019.

Since restarting operations, Minto has focused on acquiring the personnel, equipment and materials necessary to increase mine production and further exploration activities. Technical analysis has been undertaken with outside experts to validate Minto Mine resource deposits and extend the life of mine from four to eight years. This technical expertise was also leveraged for operational planning to ensure sufficient appropriate resourcing was in place to meet production objectives. The quantity and types of equipment have also been adjusted to enable the target level of production.

The Company continues to ramp-up operations to achieve projected total mined and milled ore of 972,000 dmt for the 2021 year and realizing net income and comprehensive income of $47.3 million and Adjusted EBITDA of $52.1 million.

CAPITAL PROGRAM

		Three months ended December 31				Year ended December 31		
($000 CAD)		**2020**		2019		**2020**		2019
Sustaining capital [1]	**$**	**1,437**	$	592	**$**	**6,193**	$	994
Growth capital [1]		**88**		915		**380**		1,537
Additions to mineral properties, plant and equipment	**$**	**1,525**	$	1,507	**$**	**6,573**	$	2,531

[1] Non-GAAP measure; may not be comparable to similar non-GAAP measures used by other entities. Please see "Non-GAAP Measures".

During the three months and year ended December 31, 2020, the Company focused on sustaining capital expenditures required to support Mine operations during the year and production activities planned for the near-future. Capital expenditures in 2019 were focused on restarting Mine operations. During the second and third quarters of 2021, Minto expects to complete enhancements on mill infrastructure and buildings to extend useful lives of these assets and to provide increased personnel capacity on site. Ordinary progressive reclamation work is also expected during this time. Commencing in the third quarter of 2021, the Company intends to focus on growth capital projects, including infill drilling in Minto East 2 to make this area available for mining in future years.

SELECTED ANNUAL INFORMATION

($000 CAD, except as otherwise indicated)		Year ended December 31, 2020		Year ended December 31, 2019
Revenue	$	79,323	$	25,046
Net income (loss) and comprehensive income (loss)	$	(18,281)	$	(28,484)
per share	$	(0.04)	$	(0.17)
Total assets	$	81,318	$	72,904
Total non-current liabilities	$	71,297	$	64,852

No dividends were declared on the Company's outstanding Class A or Class B shares during the years ended December 31, 2020 or 2019.

SELECTED QUARTERLY FINANCIAL INFORMATION

($000 CAD, except as otherwise indicated)		December 31, 2020		September 30, 2020		June 30, 2020		March 31, 2020
Revenue	$	18,031	$	25,752	$	18,643	$	16,897
Net income (loss) and comprehensive income (loss)	$	(10,305)	$	82	$	(6,063)	$	(1,995)
per share	$	(0.01)	$	0.00	$	(0.02)	$	(0.01)

($000 CAD, except as otherwise indicated)		December 31, 2019		September 30, 2019		June 30, 2019		March 31, 2019
Revenue	$	15,804	$	-	$	2,006	$	7,236
Net income (loss) and comprehensive income (loss)	$	728	$	(7,313)	$	(15,860)	$	(6,039)
per share	$	0.00	$	(0.03)	$	(0.12)	$	(0.08)

The Minto Mine was acquired by Pembridge from Capstone on June 3, 2019. The Minto Mine was on care and maintenance from October 2018 until October 2019 when the Company restarted commercial production.

During the first and second quarters of 2019, the Company recognized net losses of $6.0 million and $15.9 million, respectively. The net losses were primarily due to care and maintenance expenses incurred as the mine was not producing. The care and maintenance expenses for the three months ended March 31, 2019 and June 30, 2019 were partially offset by revenues of $7.2 million and $2.0 million, respectively, from the sale of inventory that was produced prior to the Mine entering care and maintenance. The $7.3 million net loss and comprehensive loss incurred in the third quarter of 2019 was mainly attributable to care and maintenance expenses. The Company recognized revenue of $15.8 million and net income and comprehensive income of $0.7 million in the fourth quarter of 2019, following the restart of production in October 2019.

During 2020, the Company continued production of the Mine and began to ramp-up operations. Revenue fluctuated between quarters due to variations in the timing of production and milling operations as well as commodity prices, with copper strengthening throughout 2020, while gold and silver experienced price fluctuations during the year. The Company's net income varied between the quarters of 2020 due to the timing of expenses incurred in association with Minto's planned ramp-up activities and depletion associated with production activities. The Company incurred additional finance costs during the fourth quarter of 2020 due primarily to costs associated with the Sumitomo Prepayment Facility, which commenced in September 2020.

CASH FLOW SUMMARY

The following table summarizes the Company's sources and uses of cash for the three months and years ended December 31, 2020 and 2019:

		Three months ended December 31				Year ended December 31		
($000 CAD)		2020		2019		2020		2019
Net cash provided by (used in) operating activities	$	(909)	$	938	$	8,807	$	(13,831)
Net cash used in investing activities	$	(2,418)	$	(1,507)	$	(12,314)	$	(1,901)
Net cash provided by (used in) financing activities	$	1,676	$	(2,391)	$	3,286	$	11,264

Net cash provided by (used in) operating activities

Net cash provided by operating activities was $8.8 million for the year ended December 31, 2020, compared to net cash used in operating activities of $13.8 million for the year ended December 31, 2019. The increase between the years was primarily due to variances in changes in non-cash working capital driven by the timing of payments of the Company's payables and receipt of accounts receivables from Sumitomo, as well as a $15.9 million loss on forgiveness of a loan to Capstone recognized preceding the acquisition of Minto from Capstone on June 3, 2019.

Net cash used in operating activities was $0.9 million for the three months ended December 31, 2020, compared to net cash provided by operating activities of $0.9 million for the comparative period of 2019. The decrease between the periods was due to additional personnel, equipment, and material costs incurred as Minto continued to build-up operations to support future production growth, partially offset by a positive change in non-cash working capital driven by the timing of payments of the Company's payables.

Net cash used in investing activities

Net cash used in investing activities was $12.3 million for the year ended December 31, 2020, compared to $1.9 million for the year ended December 31, 2019. Investing activities increased in 2020 due to additions to the Company's long-term deposits as well as higher spending on mineral properties, plant and equipment (see "Capital Program").

For the three months ended December 31, 2020, net cash used in investing activities was $2.4 million, compared to $1.5 million for the three months ended December 31, 2019. Investing activities were higher in the 2020 period due to higher spending on mineral properties, plant and equipment (see "Capital Program").

Net cash provided by (used in) financing activities

Net cash provided by financing activities was $3.3 million for the year ended December 31, 2020, compared to $11.3 million for the year ended December 31, 2019. Net cash provided by financing activities in 2019 included $12.0 million of proceeds from senior secured notes issued on June 3, 2019, while net cash provided by financing activities in 2020 included $4.5 million of proceeds from the Company's long-term payable arrangement with Pembridge and $3.8 million of advances on the Sumitomo Prepayment Facility. The remainder of the variance between the years was primarily the result of higher lease payments in 2020 as the Company's right-of-use asset base increased between the years.

Net cash provided by financing activities was $1.7 million for the three months ended December 31, 2020, compared to net cash used in financing activities of $2.4 million for the three months ended December 31, 2019. The higher amount recognized for the 2020 period was due to $3.8 million of advances on the Sumitomo Prepayment Facility.

LIQUIDITY AND CAPITAL RESOURCES

Minto's primary liquidity and capital resource needs are to sustain current operations and fund its capital development plans and working capital. The Company has in place a planning, budgeting and forecasting process to determine the funds required to support the Company's operations and expansionary plans.

At December 31, 2020, the Company had cash of $0.5 million, available capacity of US$9.5 million for future draws under the Prepayment Facility Agreement with Sumitomo, and a working capital deficiency of $15.7 million. The working capital deficiency was primarily due to accounts payable and accruals of $20.9 million as December 31, 2020 incurred as part of the ramp up of operations at the Minto Mine.

Sources of Liquidity

As described in detail above, Minto and 778 have entered into an engagement letter pursuant to which the Agents have agreed to sell, on a "best efforts" private placement basis, subscription receipts of 778 for gross proceeds of up to $45 million. In addition, Minto and 778 have granted to the Agents an option to increase the size of the Offering to raise additional gross proceeds up to C$6.75 million, with closing of the Offering expected to occur in July 2021.

The new entity created a result of the RTO transaction, Minto Metals Corp., intends to use the proceeds of the Offering to fund operational improvements at the Minto Mine, near-mine exploration activities, and for general corporate purposes, including the working capital deficit.

At December 31, 2020, the Company had long-term debt including USD $10.0 million of senior secured notes, a USD $12.5 million Prepayment Facility Agreement with Sumitomo, and a CAD $4.0 million long-term payable to Pembridge.

Senior Secured Notes

On June 3, 2019 the Company closed a private placement of USD $10.0 million 8.0% senior secured notes due June 3, 2024 (the "Notes") with Copper Holdings LLC ("Copper Holdings") and Cedro Holdings LLC ("Cedro Holdings"). Proceeds net of discount on the Notes amounted to USD $8.4 million with an implied discount of 12%. Interest on the Notes is payable in semi-annual instalments and the Notes have a general security charge over all of Minto's assets. The Notes do not bear any maintenance capital covenants. Concurrent with the issuance of the Notes, Copper Holdings and Cedro Holdings acquired Class B common shares of the Company for total consideration of $2.1 million.

Prepayment Facility Agreement

On September 8, 2020, the Company entered into a Prepayment Facility Agreement with Sumitomo, the purchaser of the Company's copper. The facility limit is USD $12.5 million and may be drawn against at anytime giving notice in increments of USD $1.0 million. Interest is calculated quarterly on the outstanding balance at LIBOR for the applicable period. At December 31, 2020, the Company had available capacity of USD $9.5 million for future draws under the Prepayment Facility. On March 3, 2021, an additional USD $3.0 million was drawn under the Prepayment Facility, and on April 21, 2021, an additional USD $2.0 million was drawn under the Prepayment Facility.

The loan is secured by a general and continuing security in the collateral; all accounts, inventory, equipment, intangibles, documents of title, money, chattel paper, instruments, securities, documents, proceeds, leaseholds and all present and future undertakings.

The Company is required to meet certain financial and non-financial covenants under the Prepayment Facility Agreement in the case where an advance subsequent to the initial advance of USD $8.0 million is being requested by Minto. The key covenants include the following:

(i) In the immediately preceding period of three full calendar months, the Company shall have produced more than 75% of the forecast figure for the Minto Mine, as set out in the 2020 Cash Flow Model;

(ii) successful establishment of flow-through ventilation and secondary egress (or any other appropriate vent system to support full production from the Copper Keel zone at the Minto Mine) and commencement of ore production from the Copper Keel zone at the Minto Mine; and

(iii) readiness of equipment at the Minto Mine site to support 3,500 tonnes per day of ore production.

The Company was in compliance with all covenants at December 31, 2020, however the Company was not in compliance with the production covenant following the April 21, 2021 drawdown. As a result, the Company is currently renegotiating the covenants with Sumitomo to access the remaining USD $4.5 million under the Prepayment Facility. The Company is working closely with Sumitomo to address the non-compliance through an amendment to the covenant terms. The non-compliance does not impact the repayment terms of the USD $8.0 million currently drawn under the Prepayment Facility.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company has commitments and contractual obligations in the normal course of operations. At December 31, 2020, the Company's contractual obligations were related to its leased equipment and vehicles, long-term debt, due to Sumitomo, and due to Pembridge liabilities.

The Company had the following contractual obligation and commitments as at December 31, 2020:

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 - 3 years	4 - 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 20,937	$ 20,937	$ 20,937	$ -	$ -	$ -
Long-term debt	11,347	12,732	-	-	12,732	-
Due to Pembridge	4,841	4,841	-	4,841	-	-
Due to Sumitomo	3,744	3,744	962	2,140	642	-
Lease liabilities	9,675	10,924	6,794	4,130	-	-
	$ 50,544	$ 53,178	$ 28,693	$ 11,111	$ 13,374	$ -

Under the terms of a revised co-operation agreement between Minto and Selkirk First Nation ("Selkirk") dated October 15, 2009, the Company has made various commitments to Selkirk to enhance Selkirk's participation in the Minto Mine, including a variable net smelter return royalty on production from the Minto Mine that fluctuates from 0.5% to 1.5% depending on the variation of copper prices, as well as various commitments in respect of employment, contracting, training, and scholarship opportunities. Except as described above, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current of future effect on the Company's financial performance.

OUTSTANDING EQUITY

As at July 22, 2021, the Company had 79,502,100 Class A common shares and 643,244,264 Class B common shares outstanding.

TRANSACTIONS WITH RELATED PARTIES

The Company's transactions with related parties are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Transactions with related parties during the three months and years ended December 31, 2020 and 2019 are summarized in the following table:

	Three months ended December 31		Year ended December 31	
($000 CAD)	**2020**	2019	**2020**	2019
Pembridge Resources plc [1]	**$ 84**	$ 122	**$ 358**	$ 317
Copper Holdings LLC [2]	**121**	235	**529**	235
Cedro Holdings LLC [3]	**121**	265	**529**	265
Minto Management Ltd. [4]	**95**	-	**395**	-
	$ 421	$ 622	**$ 1,811**	$ 817

	As at December 31, 2020	
($000 CAD)	**Accounts payable**	**Long-term debt**
Pembridge Resources plc [1]	**$ 27**	**$ 331**
Copper Holdings LLC [2]	**-**	**-**
Cedro Holdings LLC [3]	**-**	**-**
Minto Management Ltd. [4]	**-**	**-**
	$ 27	**$ 331**

(1) Pembridge Resources plc is a mining company listed on the standard segment of the Official List of the FCA and trading on the main market for listed securities of London Stock Exchange plc. Pembridge owns and controls all outstanding Class A common shares of Minto. Minto incurrs interest on a CAD $4.0 million payable to Pembridge. During 2020, Pembridge also provided management services to Minto in exchange for a management fee.

(2) Copper Holdings LLC owns approximately 45% of outstanding Class B common shares of Minto. Copper Holdings LLC holds USD $5.0 of senior secured notes maturing June 3, 2024. Minto incurrs 8% annual interest associated with the notes, payable semi-annually.

(3) Cedro Holdings LLC is a wholly owned entity of Lion Point Master, LP which, in turn, is managed by Lion Point Capital. Cedro Holdings LLC owns approximately 33% of outstanding Class B common shares of Minto. Cedro Holdings LLC holds USD $5.0 of senior secured notes maturing June 3, 2024. Minto incurrs 8% annual interest associated with the notes, payable semi-annually.

(4) Minto Management Ltd. was a management and advisory company in which Minto's Interim Chief Financial Officer held a 50% ownership. During 2019 and 2020, Minto Management Ltd. provided management services to Minto in exchange for a management fee.

On March 31, 2021, pursuant to the Shareholders' Agreement of June 2020, the Company paid the first USD $5.0 million payment of the purchase price for the Company to Capstone Mining Corp. on behalf of Pembridge in the form of a return on share capital.

For the three months and years ended December 31, 2020 and 2019, the Company had no other transactions with related parties, with the exception of renumeration of key management personnel in the ordinary course of their employment.

FINANCIAL INSTRUMENTS

The Company’s financial instruments consist of cash, accounts receivable, long-term deposit, accounts payable and accrued liabilities, due to Sumitomo, due to Pembridge, and long-term debt.

Minto’s trade accounts receivable are fully attributable to Sumitomo and Wheaton Precious Metals. Both entities are well-capitalized, with credit risk considered to be minimal.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make certain judgements and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates are reviewed by management on a regular basis. Changes in these judgements and estimates due to the emergence of new information and changes in circumstances may result in actual results or changes to estimates that could have a material impact on the Corporation’s financial results and financial condition. The Company’s use of estimates and judgements in preparing the annual consolidated financial statements is disclosed in Note 2 in the consolidated financial statements for the year ended December 31, 2020.

CONTROL ENVIRONMENT

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Company has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Company intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company's certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Company will not be required to make any representations that they have:

(a) designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Readers should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

NON-GAAP MEASURES

The Company discloses several financial and performance measures in the MD&A that do not have any standardized meaning prescribed under GAAP. These financial and performance measures include “Adjusted EBITDA”, “Cash costs”, “All-in sustaining costs”, “Sustaining capital”, and “Growth capital”, which should not be considered as alternatives to, or more meaningful than individual measures as determined in accordance with GAAP. Management believes that these measures provide an indication of the results generated by the Company’s principal business activities and provide useful supplemental information for analysis of the Company’s operating performance and liquidity. The Company’s method of calculating these measures may differ from other companies, and accordingly, these measures may not be comparable to similar measures used by other companies.

Adjusted EBIDTA

Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA is calculated as net income (loss) and comprehensive income (loss) before depletion and amortization, corporate overhead (included in production costs on the statement of net loss and comprehensive loss), related party management fees, other expenses, other (income) loss, net, finance costs, and income tax expense (recovery).

Adjusted EBITDA is used by management to assess performance, establish objectives, and to make operating and capital decisions. In addition, Adjusted EBITDA is a measure widely used by securities analysts, investors, lending institutions and others to evaluate the financial performance of companies in the mining industry. Adjusted EBITDA is presented as a relevant measure in the MD&A to assist readers in assessing the performance of the Company. Readers should be cautioned that Adjusted EBITDA should not be construed as an alternative to net income (loss), as determined in accordance with GAAP as an indicator of the Company's performance and may not be comparable to companies with similar calculations.

The following table reconciles the nearest GAAP measure, net income (loss) and comprehensive income (loss), to Adjusted EBITDA:

	Three months ended December 31		Year ended December 31	
($000 CAD)	**2020**	2019	**2020**	2019
Net income (loss) and comprehensive income (loss)	**$ (10,305)**	$ 728	**$ (18,281)**	$ (28,484)
Depletion and amortization	**2,279**	1,968	**8,097**	2,568
Corporate overhead	**660**	1,491	**2,267**	2,392
Related party management fees	**395**	121	**771**	1,657
Other expenses	**-**	-	**205**	-
Loss on forgiveness of loan	**-**	-	**-**	15,867
Gain on disposition	**-**	-	**-**	(677)
Other (income) loss, net	**(645)**	(428)	**(420)**	(2,477)
Finance costs	**1,345**	1,014	**4,849**	4,011
Income tax expense	**92**	363	**143**	245
Adjusted EBITDA	**$ (6,179)**	$ 5,257	**$ (2,369)**	$ (4,898)

Cash Costs

Cash costs is a non-GAAP measure. Cash costs is calculated as production costs less corporate overhead included in production costs on the consolidated statements of net loss and comprehensive loss, and royalties, a component of revenue as presented in the notes to the Financial Statements.

Cash costs is used by management to assess the direct operating costs incurred to generate revenue during the period. Cash costs is presented as a relevant measure in the MD&A to assist readers in assessing the liquidity and cost-management performance of the Company. Readers should be cautioned that cash costs should not be construed as an alternative to individual expenses as determined in accordance with GAAP and presented in the Financial Statements as an indicator of the Company's performance or liquidity and may not be comparable to companies with similar calculations.

The following table presents the GAAP measures used in the calculation of cash costs:

	Three months ended December 31		Year ended December 31	
($000 CAD)	**2020**	2019	**2020**	2019
Production costs	**$ 24,870**	$ 12,038	**$ 83,959**	$ 25,830
Corporate overhead	**(660)**	(1,491)	**(2,267)**	(2,392)
Royalties (component of revenue)	**183**	-	**928**	269
Cash costs	**$ 24,393**	$ 10,547	**$ 82,620**	$ 23,707

Sustaining Capital and Growth Capital

The Company identifies two components comprising total additions to mineral properties, plant and equipment: sustaining capital and growth capital. Sustaining capital expenditures are non-discretionary expenditures required to maintain the Company's base operating levels and capacity. Growth capital expenditures are expenditures made as part of the Company's growth and development plans in order to expand, expediate or enhance the earning potential of its assets. Management uses sustaining and growth capital to assess the extent of discretionary and non-discretionary capital spending during the period.

The following table identifies the components of additions to mineral properties, plant and equipment as presented in the statement of cash flows:

	Three months ended December 31				Year ended December 31			
($000 CAD)		**2020**		2019		**2020**		2019
Sustaining capital	**$**	**1,437**	$	592	**$**	**6,193**	$	994
Growth capital		**88**		915		**380**		1,537
Additions to mineral properties, plant and equipment	**$**	**1,525**	$	1,507	**$**	**6,573**	$	2,531

All-in Sustaining Costs

All-in sustaining costs is a non-GAAP measure. All-in sustaining costs is calculated as production costs, less corporate overhead included in production costs on the consolidated statements of net loss and comprehensive loss, plus sustaining capital.

All-in sustaining costs is used by management to assess the direct operating costs and capital expenditures required to incurred to generate revenue and maintain mine operations during the period. All-in sustaining costs is presented as a relevant measure in the MD&A to assist readers in assessing the expenditures required to generate revenue and maintain the Company's operations. Readers should be cautioned that all-in sustaining costs should not be construed as an alternative to individual expenses or cash used in investing activities, as determined in accordance with GAAP and presented in the Financial Statements as an indicator of the Company's performance or liquidity and may not be comparable to companies with similar calculations.

All-in sustaining costs is calculated below as production costs as calculated in accordance with GAAP, less corporate overhead included in production costs on the consolidated statements of net loss and comprehensive loss, and sustaining capital as described and reconciled above:

	Three months ended December 31				Year ended December 31			
($000 CAD)		**2020**		2019		**2020**		2019
Production costs	**$**	**24,870**	$	12,038	**$**	**83,959**	$	25,830
Corporate overhead		**(660)**		(1,491)		**(2,267)**		(2,392)
Sustaining capital		**1,525**		1,507		**6,573**		2,531
All-in sustaining costs	**$**	**25,735**	$	12,054	**$**	**88,265**	$	25,969

RISK MANAGEMENT

The risks described below are applicable to both the Company and the anticipated Resulting Issuer. Risks specific solely to the RTO and Resulting Issuer are described in the Company's Filing Statement.

COVID-19

Minto's business, operations and financial condition could be materially adversely affected by the outbreak of pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility, and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Company’s operations, and the operations of suppliers, contractors and service providers.

The Company may experience business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events outside of its control, which could have a material adverse impact on its business, operations and operating results, financial condition and liquidity.

As at the date hereof, the duration of the business disruptions internationally and related financial impact of COVID-19 cannot be reasonably estimated. It is unknown whether and how the Company may be affected if the pandemic persists for an extended period of time. Minto’s exposure to such public health crises also includes risks to employee health and safety. Should an employee, contractor, community member or visitor become infected with a serious illness that has the potential to spread rapidly, this could place the Company’s workforce at risk.

Additional Capital

The Company plans to continue its focus on mining extraction and the processing of that extraction. The Company will use its working capital to carry out such endeavors. However, the Company may require substantial additional financing. Further extraction and processing capacities may be dependent upon its ability to obtain financing through equity or debt, and there can be no assurance that it 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 result in the delay or indefinite postponement of further exploration, development, and processing of the Company's projects.

Lack of Funding to Satisfy Contractual Obligations

It is expected that the Company may in the future enter into partnerships or joint ventures in order to fully exploit the Minto Mineral resources available. The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may have its property interests subject to such agreements reduced as a result or even face termination of such agreements.

Exploration Risks

The Company is a resource company focused primarily on the continued exploration and development of Minto Mineral resources in the Yukon. There is no assurance that any of the Company's discovered or acquired projects can be mined profitably, nor that the Minto Mine Property can be continued to mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability from the business of the Company will be dependent upon the continued extraction and processing of the economic deposits of Minto Minerals, which in itself is subject to numerous risk factors.

The exploration, development, and processing of Minto Mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. Major expenses may be required to continue establishing reserves by drilling and constructing mining and processing facilities at a particular site. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration, development and production programs, which may be affected by a number of factors. Substantial expenditures are required to maintain and capitalize upon Minto Mineral reserves that are sufficient to support the commercial mining operations and the construction of new and maintaining of existing processing facilities on those properties that are actually developed.

Replacement of Reserves

The Minto Mine Property deposits are the current source of metals production. Current life-of-mine plans provide for a defined production life for the mine. If the mineral reserves are not replaced either by the development or discovery of additional reserves and/or extension of the life-of-mine at the current operating mine or through the acquisition or development of additional producing mines, this could have an adverse impact on future cash flows, earnings, results of operations, and financial condition, and this may be compounded by requirements to expend funds for reclamation and decommissioning.

Imprecision in Mineral Reserve and Mineral Resource Estimates

There is a degree of uncertainty attributable to the estimation of mineral reserves and mineral resources. Until mineral reserves or mineral resources are actually mined and processed, the quantity and grade of mineral resources and mineral reserves must be considered as estimates only and no assurances can be given that the estimated levels of metals will be produced or that we will receive the price assumed in determining our mineral reserves. These estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral reserve and mineral resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and interpretations that may ultimately prove unreliable.

Furthermore, fluctuations in the market price of metals, as well as increased capital or production costs or reduced recovery rates may render mineral reserves uneconomic and may ultimately result in a reduction of mineral reserves. The extent to which resources may ultimately be reclassified as proven or probable mineral reserves is dependent upon the demonstration of their profitable recovery. The evaluation of mineral reserves or mineral resources is always influenced by economic and technological factors, which may change over time. No assurances can be given that any resource estimate will ultimately be reclassified as proven or probable mineral reserves or that mineralization can be mined or processed profitably. If our mineral reserve or mineral resource figures are inaccurate or are reduced in the future, this could have an adverse impact on future cash flows, earnings, results of operations, and financial condition.

Inaccuracies in Production and Cost Estimates

The Company may prepare estimates of future production and future production costs of operations. No assurance can be given that production and cost estimates will be achieved. These production and cost estimates are based on, among other things, the following factors: the accuracy of mineral reserve estimates; the accuracy of assumptions regarding ground conditions and physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics; equipment and mechanical availability; labour availability and productivity; access to the mine; facilities and infrastructure; sufficient materials and supplies on hand; and the accuracy of estimated rates and costs of mining and processing, including the cost of human and physical resources required to carry out our activities. Failure to achieve production or cost estimates, or increases in costs, could have an adverse impact on our future cash flows, earnings, results of operations, and financial condition.

Actual production and costs may vary from estimates for a variety of reasons, including actual metals mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the mineral reserves, such as the need for sequential development of minerals and the processing of new or different mineral grades. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue. Costs of production may also be affected by a variety of factors, including: changing stripping ratios, mineral grade metallurgy, labour costs and productivity, costs of supplies and services (such as, for example, fuel and power), general inflationary pressures, and currency exchange rates. Failure to achieve production estimates could have an adverse impact on future cash flows, earnings, results of operations, and financial condition.

Network Systems

Equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Company's network could disrupt Company's business functions, including Company's exploration, production, and processing activities. The mining industry has become increasingly dependent on digital technologies. Modern day mines and mills are automated and networked, and Company relies on digital technologies to conduct certain exploration, development, production, processing and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact Company's operations. A corruption of Company's financial or operational data or an operational disruption of Company's production infrastructure could, among other potential impacts, result in: (i) loss of production or accidental discharge; (ii) expensive remediation efforts; (iii) distraction of management; (iv) damage to Company's reputation or its relationship with customers, vendors employees and joint venture partners; or (v) events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on Company's reputation, profitability, future cash flows, earnings, results of operations and financial condition.

Land Title and Royalty Risks

General

Although the title to the properties in which Minto holds an interest were reviewed by or on behalf of Minto, no formal title opinions were delivered to Minto and, consequently, no assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available, and the Company's ability to ensure that it has obtained from Minto secure claim to individual Minto Mineral properties or mining concessions may be severely constrained. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's Minto Mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including indigenous land claims, and title may be affected by, among other things, undetected defects. This is a risk inherent in all unpatented mining claims. The Quartz Mining lease in the Yukon will have a registered survey. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

There are uncertainties as to title matters in the mining industry. Any defects in title could cause the Company to lose rights in its Minto Mineral properties and jeopardize its business operations. The Company's Minto Mineral properties currently consist of unpatented mining claims located on lands administered by the Yukon Government to which the Company only has possessory title. Because title to unpatented mining claims is subject to inherent uncertainties, it is difficult to determine conclusively ownership of such claims. These uncertainties relate to such things as sufficiency of Minto Mineral discovery, proper location and posting and marking of boundaries, proper and timely payment of annual claim maintenance fees, the existence and terms of royalties, and possible conflicts with other claims not determinable from descriptions of record.

The present status of the Company's unpatented mining claims located on public lands allows the Company the right to mine and remove valuable Minto Minerals, such as precious and base metals, from the claims conditioned upon applicable environmental reviews and permitting programs. The Company is also allowed to use the surface of the land solely for purposes related to mining and processing the Minto Minerals. The Company remains at risk that the mining claims may be forfeited either to the Yukon or to rival private claimants due to failure to comply with regulatory requirements.

Title to Minto Mine Property Interests may be Challenged

There may be challenges to title to the Minto Mineral properties in which the Company holds a material interest. If there are title defects with respect to any properties, the Company might be required to compensate other persons or perhaps reduce its interest in the affected property. Furthermore, in any such case, the investigation and resolution of these issues would divert the Company management's time from ongoing management of production and processing of the Minto Minerals.

Minto Mine Property may be Subject to Defects in Title

The ownership and validity or title of unpatented mining claims and concessions are often uncertain and may be contested. The Company also may not have, or may not be able to obtain, all necessary surface rights to develop a property. The Company has taken reasonable measures, in accordance with industry standards for properties at the same stage of production as that of the Company, to ensure proper title to the Minto Mine Property. However, there is no guarantee that title to any of its properties will not be challenged or impugned. Title insurance generally is not available for mining claims and the Company's ability to ensure that it has obtained secure claim to individual Minto Mineral properties may be limited. The Minto Mine Property may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate the Minto Mine Property as permitted or to enforce its rights with respect to the Minto Mine Property. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or annual claim maintenance fees may invalidate title to portions of the Minto Mine Property. The Company may incur significant costs related to defending the title to the Minto Mine Property. A successful claim contesting title to a property may cause the Company to compensate other persons or perhaps reduce its interest in the affected property or lose our rights to explore and, if warranted, develop that property. This could result in the Company not being compensated for its prior expenditures relating to the Minto Mine Property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing management of production and processing of the Minto Minerals.

Natural Resource Properties are Largely Contractual in Nature

Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. Accordingly, there may be instances where the Company would be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success. Any pending proceedings or actions or any decisions determined adversely to the Company, may have a material and adverse effect on the Company's results of operations, financial condition and the trading price of the Company Common Shares.

Financing Risks

As at the date of this MD&A, it is expected that the Company will have sufficient cash and cash equivalents; however, there are no assurance that additional funding will be available to it for further exploration, development, and production of its projects. Further development and production of the Minto Mine Property or other properties of the Company may be dependent upon its ability to obtain financing through equity or debt and there can be no assurance that it 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 result in the delay or indefinite postponement of further exploration, development, and production of the Company's projects.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. If such volatile conditions continue, the Company's operations could be negatively impacted.

Commodity Markets

The price of the Company's securities, its financial results, and its access to the capital required to finance its exploration and production activities may in the future be adversely affected by declines in the price of precious and base metals and, in particular, the price of copper. Precious metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors continue to adversely affect the price of copper, the market price of the Company's securities may decline.

Market Fluctuation and Commercial Quantities

The market for copper and other Minto Minerals, generally, is influenced by many factors beyond the Company's control, including without limitation the supply and demand for these metals. In addition, the metals industry in general is intensely competitive and there is no assurance that, even if apparently commercial quantities and qualities of metals (such as copper) are discovered, a market will exist for their profitable sale. Commercial viability of precious and base metals and other Minto Mineral deposits may be affected by other factors that are beyond the Company's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of processing, proximity to infrastructure, the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, and environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital or having its projects be rendered uneconomic.

Economic Dependence

The resources extracted from the Minto Mine Property have one customer that accounts for 100% of the Minto Mineral copper sales revenue. The loss of certain of these customers or curtailment of purchases by such customers could have a material adverse effect on our results of operations, financial condition, and cash flows of the Company.

Dependence on the Minto Mine Property

The Minto Mine Property accounts for all of the Company’s current commercial production and is expected to continue to account for all of its commercial production in the near term. Any adverse condition affecting mining, processing conditions, expansion plans or ongoing permitting at the Minto Mine Property could have a material adverse effect on the Company's financial performance and results of operations.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Health, Safety and Community Relations

The Company's operations are subject to various health and safety laws and regulations that impose various duties on the Company's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. These laws and regulations also grant the relevant authorities broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Company's operations. The Company expects to make significant expenditure to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, and protection of endangered and other special status species, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities near the Company's properties.

Environmental Risks and Hazards

The mining industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it more costly for the Company to remain in compliance with such laws and regulations, which could result in the incurrence of additional costs and operational delays. All phases of the Company's operations in the Yukon will be subject to extensive federal and territorial environmental regulation.

These environmental regulations require the Company to obtain various operating approvals and licenses and also impose standards and controls relating to exploration, development and production activities. Compliance with federal and territorial regulations could result in delays in beginning or expanding operations, incurring additional costs for the treatment of water and tailings, cleanup of hazardous substances or reclamation activities, and payment of penalties, all of which could have an adverse impact on the Company's financial performance and results of operations. [NTD: Language updated to be more typical of mining impacts. [JP]]

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

The Company cannot give any assurances that breaches of environmental Laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect the Company.

Minto proactively manages the regulatory risks and is committed to operating the mine at all times in compliance with applicable laws and regulations and Minto policies, practices and procedures. Operations at the Minto Mine property involve the following procedures to avoid, minimize, mitigate and/or offset its' environmental impacts by:

- Implementing an Operations Adaptive Management Plan whereby specific responses are staged according to specific performance thresholds that describe actions to be implemented if specific performance thresholds are crossed;
- Implementing an Environmental Monitoring and Surveillance, Reporting Plan (EMSRP) to proactively identify potential environmental risks;
- Implementing regular site inspections by qualified professionals including external experts; and
- Regularly engaging with external experts (whether consultants or university researchers) and with environmental professionals at other mine sites to collaborate on key environmental risks including via Northern Mine Remediation Program at Yukon University. Minto is hosting two projects: a PhD reclamation-focused project and the potential use of bioreactors to treat mine-impacted water.

If these environmental mitigation procedures are insufficient or fail, the Company could become subject to liability for remediation costs, which could be significant and may not be insured against. In addition, metal production could be delayed or halted to prevent further discharges and to allow for remediation. Such delays or cessations in production could be long-term or, in some cases, permanent and any interference with production could result in a significant reduction in, or loss of, cash flow and value for us. While appropriate steps are taken to prevent the failure of Minto's environmental remediation procedures, such failures may occur.

Reclamation Obligations

Reclamation requirements vary depending on the location of the property and the managing governmental agency, but they are similar in that they aim to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance landforms and vegetation. The Company will be actively providing for or carrying out any required reclamation activities on the Minto Mine Property. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and have a material adverse effect on financial resources.

Option and Joint Venture Agreements

The Company may in the future enter into option agreements and/or joint ventures as a means of acquiring property interests. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on the Company's rights under such agreements. Furthermore, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying claims.

Currency Rate Risk

The Company may be subject to currency risks. The Company's reporting currency is the Canadian dollar, which is exposed to fluctuations against other currencies. The Company's primary operations are located in Canada. Should the Company expand its operations into additional countries its expenditures and obligations may be incurred in foreign currencies. As such, the Company's results of operations may become subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company has not undertaken actions to mitigate transactional volatility in the Canadian dollar at this time. The Company may, however, enter into foreign currency forward contracts in order to match or partially offset existing currency exposures.

Infrastructure

Mining activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges (land and ice), power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Limited Supplies and Supply Chain Disruptions

The Company’s operations depend on a supply of a number of materials and supplies specific to underground mining and milling operations such as explosives, ground support, chemicals, and other supplies and resources such as skilled personnel. Supply may be interrupted due to a shortage or the scarce nature of inputs. Supply might also be interrupted due to transportation and logistics associated with the remote location of some of Minto’s operations, and government restrictions or regulations which delay importation of necessary items. Any interruptions to the procurement and supply of these items, production inputs and other supplies, or the availability of skilled personnel could have an adverse impact on our future cash flows, earnings, results of operations, and financial condition.

Competitive Industry Environment

The mining industry is highly competitive in all of its phases, both domestically and internationally. The Company's continued ability to extract metals and process those metals will not only depend on its ability to develop its present properties, but also on its ability to access or acquire further metals deposits, of which there is a limited supply. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, some of which may have greater financial resources, operational experience or technical capabilities than the Company. The Company may also encounter competition from other mining companies in its efforts to hire experienced project management professionals. Competition could adversely affect the Company's ability to attract necessary funding or acquire and develop suitable producing properties or prospects for metals extraction in the future. Competition for services and equipment could result in delays if such services or equipment cannot be obtained in a timely manner due to inadequate availability, and could also cause scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development, exploration or construction costs and result in project delays.

Government Regulation

The Company's exploration, production, and processing operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, taxes and labour standards. In order for the Company to carry out its activities, its various licenses and permits must be obtained and kept current. There is no guarantee that the Company's licenses and permits will be granted, or that once granted will be extended. In addition, the terms and conditions of such licenses or permits could be changed and there can be no assurances that any application to renew any existing licenses will be approved. There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and licenses that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions. Future taxation of mining operators cannot be predicted with certainty so planning must be undertaken using present conditions and best estimates of any potential future changes.

Audit of Tax Filings

The Company's taxes may be affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If The Company's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever reason, this could have a material adverse effect on The Company's business, results of operations and financial condition. The Company may be subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

Market for the Company's Common Shares

There can be no assurance that an active market for the Company's Common Shares will develop or be sustained. If an active public market for the Company's Common Shares does not develop, the liquidity of a purchaser's investment may be limited, and the share price may decline.

Market Price of Company Common Shares

The Company Common Shares do not currently trade on any exchange or market. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the Company Common Shares is also likely to be significantly affected by short-term changes in metals prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Company Common Shares include the following: (i) the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company's securities; (ii) lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Company Common Shares; (iii) the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and (iv) a substantial decline in the price of the Company Common Shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Company Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The fact that no market currently exists for the Company Common Shares may affect the pricing of the Company Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Company Common Shares and the extent of the regulations to which the Company is subject.

Influence of Third Party Stakeholders

Some of the lands in which the Company holds an interest, or the exploration, production, and processing equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

Acquisitions and Integration

From time to time, it can be expected that the Company will examine opportunities to acquire additional exploration and/or production and/or processing assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. In the event that the Company chooses to raise debt capital to finance any such acquisitions, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Climate Change and Climate Change Regulations

Climate change could have an adverse impact on the Company's cost of operations. The potential physical impacts of climate change on the operations of the Company are highly uncertain, and would be particular to the geographic circumstances in areas in which it operates. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These changes in climate could have an impact on the cost of development or production on the Minto Mines and adversely affect the financial performance of its operations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the business of the Company. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the Company, its venture partners and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Company's ability to compete with companies situated in areas not subject to such regulations. Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, the Company cannot predict how legislation and regulation will affect its financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by the Company or other companies in natural resources industry could harm the reputation of the Company.

Relationships with Local Communities and Other Stakeholders

The Company's relationships with the communities in which it operates are critical to the future success of its existing operations and the construction and development of its projects. In recent years, there has been ongoing and potentially increasing public concern relating to the effects of resource extraction on the natural landscape, communities and the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose globalization and resource development can be vocal critics of the metals and mining industries and its practices, including the use of cyanide and other hazardous substances in processing activities. In addition, there have been many instances in which local community groups have opposed resource extraction activities, resulting in disruption and delays to the relevant operations. Adverse publicity generated by such NGOs or others related to the metals and mining industries, or to extractive industries generally, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, there is no guarantee that its efforts in this respect will mitigate this potential risk. NGOs or local community groups could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, despite the Company's successful compliance with social and environmental best practices. Any such actions and the resulting media coverage could have adverse effects on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the business, financial condition, results of operations, cash flows or prospects of the Company.

The Company's ability to maintain existing valid permits and approvals to operate the Minto Mines and to successfully operate in communities will likely depend on its ability to develop, operate and close Minto Mines in a manner that is consistent with the creation of social and economic benefits in the surrounding communities, which may or may not be required by law. Mining operations should be designed to minimize the negative impact on such communities and the environment, for example, by modifying extraction plans and operations or by relocating those affected to an agreed location. The cost of these measures could increase capital and operating costs and therefore could have an adverse impact upon the Company's financial condition and operations. The Company seeks to promote improvements in health and safety, human rights, environmental performance and community relations. However, the Company's ability to operate could be adversely impacted by accidents or events detrimental (or perceived to be detrimental) to the health, safety and well-being of the Company's employees, human rights, the environment or the communities in which the Company operates.

Risk of Litigation

The Company may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

Reliance on Key Personnel

The Company's development will depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Company's ability to employ the specific personnel required. Due to the relatively small size of the Company, the failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of future operations and financial condition. The Company does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Business Corporations Act and other applicable laws.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, derivative financial instruments (including forward gold sales contracts) and amounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable, and it is not currently known precisely when the Company will require external financing in future periods.

FORWARD-LOOKING INFORMATION AND OTHER ADVISORIES

Certain statements contained in the MD&A constitute forward-looking statements and forward-looking information (collectively, "forward-looking statements"). Such forward-looking statements relate to possible events, conditions or financial performance of the Corporation based on future economic conditions and courses of action. All statements other than statements of historical fact are forward-looking statements. The use of any words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "budget", "scheduled", "aims", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "will likely result", "are expected to", "will continue", "is anticipated", "believes", "estimated", "intends", "plans", "projection", "outlook" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes there is a reasonable basis for the expectations reflected in the forward-looking statements, however no assurance can be given that these expectations will prove to be correct, and the forward-looking statements included in this MD&A should not be unduly relied upon by investors.

Forward looking statements in the MD&A include, among other things, statements regarding estimates of mineral resources the opportunities for development and expansion of the Minto Mine estimates of capital expenditures and operating costs related to the Minto Mine future financial or operational performance, including the amount of future production at the Minto Mine and target share price life of mine projections for the Minto Mine planned drilling mine and the potential to convert Inferred mineral resources to Measured and Indicated resources.

These forward looking statements and information reflect Minto's current views with respect to future events and are necessarily based upon a number of assumptions that, while considered reasonable by Minto, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies These assumptions include the expected results of proposed drilling programs our mineral resource estimates and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rock confirming to sampled results and metallurgical performance tonnage of ore to be mined and processed ore grades and recoveries assumptions and discount rates being appropriately applied to the PEA prices for copper, silver and gold remaining as estimated availability of funds for Minto's projects capital, decommissioning and reclamation estimates, including the availability of financing to complete proposed drilling and work programs mineral resource estimates and the assumptions upon which they are based prices for energy inputs, labour, materials, supplies and services (including transportation) no labour related disruptions no unplanned delays or interruptions in production all necessary drilling and mining equipment, energy and supplies being obtained in a timely and cost efficient manner Minto's capital and operating costs will not increase significantly from current levels key personnel will continue their employment with Minto and Minto's ability to recruit and retain additional qualified personnel the ability to comply with environmental, health and safety laws and the absence of any material adverse effects arising as a result of political instability, terrorism, sabotage, natural disasters, public health concerns, equipment failures or adverse changes in government legislation or the socio economic conditions in the Yukon and the surrounding area with respect to the Minto Mine and operations The foregoing list of assumptions is not exhaustive.

Minto cautions the reader that forward looking statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward looking statements or information contained in this presentation and Minto has made assumptions and estimates based on or related to many of these factors Such risk factors include, without limitation Minto's limited operating history the existence of mineral resources and mineral reserves on Minto's mineral properties Minto's ability to obtain adequate financing for development and production Minto's ability to carry out operations in accordance with plans in the face of significant disruptions, including the COVID 19 pandemic Minto's ability to convert mineral resource estimates previously classified as Inferred to Indicated or Measured the uncertain nature of estimating mineral resources fluctuations in copper, silver and gold prices fluctuations in prices for energy inputs, labour, materials, supplies and services (including transportation) fluctuations in currency markets operational risks and hazards inherent with the business of mining (including environmental accidents and hazards, industrial accidents, equipment breakdown, unusual or unexpected geological or structural formations, cave ins, flooding and severe weather) inadequate insurance, or inability to obtain insurance, to cover these risks and hazards our ability to obtain all necessary permits, licenses and regulatory approvals in a timely manner changes in laws, regulations and government practices in Canada, including environmental, export and import laws and regulations legal restrictions relating to mining risks relating to expropriation increased competition in the mining industry for equipment and qualified personnel the availability of additional capital indigenous claims title matters risks related to natural disasters, climate change, terrorism, civil unrest, public health concerns (including health epidemics or pandemics or outbreaks of communicable diseases such as COVID 19 and other geopolitical uncertainties and decreased spending as a result of the COVID 19 pandemic which could adversely affect and harm Minto's business and results of operations.

Although Minto has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended.

Investors are cautioned against undue reliance on forward looking statements or information These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, Minto does not assume any obligation to update or revise them to reflect new events or circumstances except as required by law.

Minto Explorations Ltd.

Management's Discussion and Analysis
For the three and six month periods ended June 30, 2021 and 2020

September 17, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the condensed interim consolidated financial statements and operating results of Minto Explorations Ltd. ("Minto" or the "Company") is dated September 17, 2021 and should be read in conjunction with the Company's condensed interim consolidated financial statements as at June 30, 2021 and for the three and six month periods ended June 30, 2021 and 2020 and the audited consolidated financial statements for the years ended December 31, 2020 and 2019 (together, the "Financial Statements"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, International Accounting Standards ("IAS") 34, *Interim Financial* Reporting, and the accounting policies applied in the Financial Statements are based on IFRS as issued, outstanding and in effect on June 30, 2021. All amounts are reported in Canadian dollars, unless otherwise indicated.

The MD&A contains non-GAAP measures and forward-looking information. Readers are advised to read the MD&A in conjunction with both the "Non-GAAP Measures" and "Forward-Looking Information and Other Advisories" sections contained at the end of this document.

Additional information about the Company, can be found on www.sedar.com and on Minto's website at www.mintomine.com.

BUSINESS OVERVIEW

Minto Explorations Ltd. ("Minto" or the "Company") is a privately-owned Canadian company incorporated in British Columbia, Canada. The Company is engaged in the mining and extraction of copper and precious metals from the Minto Mine, located in Yukon, Canada. The Company has two wholly owned subsidiaries that hold the mineral claims.

The Company's head office, principal address and registered office are located at 61 Wasson Place, Whitehorse, Yukon, Canada.

The Minto Mine was acquired from Capstone Mining Corp. ("Capstone") by Pembridge Resources plc ("Pembridge"), on June 3, 2019, through the acquisition of all the issued and outstanding common shares of the Company. Prior to its acquisition, the Minto Mine had been on care and maintenance since October 2018. Subsequent to the acquisition, the Company restarted operations and the mine restarted commercial production in October 2019.

SIGNIFICANT EVENTS AND LIQUIDITY

The Company's Financial Statements have been prepared on a going concern basis, which assumes the Company will continue operating in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course as they become due. The Company's ability to continue as a going concern is dependent on its ability to obtain additional financing and the successful development of its existing assets in order to meet its planned business objectives. However, there can be no assurance that the Company will obtain additional funding or generate positive cash flows. The Company was not in compliance with all its non-financial covenants under the Prepayment facility Agreement with Sumitomo, and hence is unable to draw on the remaining $5.7 million (USD $4.5 million) until such time a waiver is received, changes to the covenants occur or are renegotiated. Management is currently in negotiation with Sumitomo on the release of the remaining USD $4.5 million.

The fact that the funding is not guaranteed indicates the existence of a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern should ongoing capital injections from the shareholders cease.

Go-Public Transaction

On June 16, 2021, the Company announced that it has entered into a series of agreements that will see the Company going public by way of a reverse take-over transaction (the "RTO") of 1246778 B.C. Ltd. ("778"), together with a concurrent application to list the Resulting Issuer's shares on the TSX Venture Exchange. The entity resulting from the combination of 778 and Minto Explorations Ltd. will be named Minto Metals Corp. (the "Resulting Issuer").

As part of the RTO, Minto and 778 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 (the "Subscription Receipts") at a price of CAD $2.60 per Subscription Receipt (the "Offering Price") for gross proceeds of up to CAD $45 million (the "Offering"). In addition, Minto and 778 have granted to the Agents an option (the "Agents' Option") to increase the size of the Offering to raise additional gross proceeds up to CAD $6.75 million. Closing of the Offering is expected to occur in September 2021.

Minto Metals Corp. intends to use the proceeds of the Offering to fund operational improvements at the Minto Mine, near-mine exploration activities, and for general corporate purposes, including working capital. The use of proceeds is anticipated to remediate the current significant doubt regarding the Company's ability to continue as a going concern as described above.

The RTO is subject to, among other things: (i) the completion of the Offering for aggregate gross proceeds of not less than CAD $25 million; (ii) the completion of the 778 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 favour 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 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 and the shareholders of Minto, which 778 and Minto anticipate they will obtain by way of unanimous written consent resolutions.

Certain Resulting Issuer Shares to be issued pursuant to the RTO are expected to be subject to restrictions on resale or escrow under the policies of the Exchange, including the securities to be issued to "Principals" (as defined under the policies of the Exchange), which will be subject to the escrow requirements of the Exchange.

In addition, it is a condition of closing of the Offering, that each of the directors, officers and insiders of Minto Metals and holders of 5% or more of the Resulting Issuer Shares, shall enter into lock-up agreements with the Agents, whereby each shall agree that, for a period of 180 days from the Escrow Release Date, they will not, directly or indirectly, dispose of or transfer any securities of the Resulting Issuer without the prior written consent of the Agents or pursuant to certain other limited exceptions.

Preliminary Economic Assessment

On May 7, 2021, JDS Energy & Mining Inc. published a NI 43-101 Preliminary Economic Assessment Technical Report (the "PEA") with an effective date of March 31, 2021 (the "PEA") in respect of the Minto Mine, which was prepared for Minto and 778. Minto Mine highlights from the PEA include:

- Indicated mineral resource of 11Mt at 1.46% copper containing approximately 357Mlbs with an additional 13Mt mineral inferred resource at 1.29% copper containing approximately 370Mlbs;
- Initial 8-year mine life with only approximately 60% of the current resource in the mine plan;
- Average annual life of mine copper production of approximately 35-40Mlbs at cash costs of US$2.20/lb and all-in sustaining costs of US$2.65/lb, generating significant operating cash flow in the current commodity price environment; and
- After-tax net present value using an 8% discount rate ("NPV8%") of C$313 million at US$4.50/lb copper and a USD foreign exchange rate of 0.82.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization ("WHO") characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The Company has taken significant steps to ensure the health and safety of the employees and that all safety guidelines as established by Federal and various provincial health authorities are met.

Various provinces have announced gradual de-confinement regulations and re-opening plans. The duration of and impact of COVID-19 is unknown at this time, and it is not possible to reliably estimate the impact that the developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities. It is possible that estimates in these Financial Statements will change in the near term as a result of COVID-19. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

QUARTERLY FINANCIAL HIGHLIGHTS

	Three months ended		Six months ended	
($000 CAD, except as otherwise indicated)	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
Financial Statement Highlights				
Revenue	**$ 35,414**	$ 17,012	**$ 60,883**	$ 36,033
Net income (loss) and comprehensive income (loss)	**$ 3,052**	$ (4,297)	**$ 288**	$ (8,993)
per share [2]	**$ 0.00**	$ (0.02)	**$ 0.00**	$ (0.04)
Weighted average shares (000)	**722,746**	238,506	**722,746**	238,506
Net cash provided by (used in) operating activities	**$ 1,933**	$ (4,512)	**$ 8,885**	$ 10,688
Other Financial Highlights				
Adjusted EBITDA [1]	**$ 8,843**	$ (4,787)	**$ 8,351**	$ (2,242)
Cash costs [1]	**$ 26,571**	$ 21,799	**$ 52,532**	$ 38,275
All-in sustaining costs [1]	**$ 26,776**	$ 24,188	**$ 53,122**	$ 42,165
Sustaining capital expenditures [1]	**$ 1,058**	$ 2,213	**$ 2,205**	$ 2,765
Working capital deficit [1]	**$ (24,572)**	$ (4,097)	**$ (24,572)**	$ (4,097)

[1] Non-GAAP measure; may not be comparable to similar non-GAAP measures used by other entities. Please see "Non-GAAP Measures".

[2] Based on weighted average shares outstanding for the related period.

QUARTERLY OPERATING HIGHLIGHTS

	Three months ended		Six months ended	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	June 30, 2020
Production volumes				
Mill feed (dmt)	**231,333**	168,729	**443,662**	287,958
Copper (Mlbs)	**7.35**	4.91	**12.41**	10.00
Gold (oz)	**3,975**	3,213	**6,864**	5,543
Silver (oz)	**48,141**	20,935	**71,537**	40,428
Sales volumes				
Copper (Mlbs)	**4.62**	4.75	**9.95**	9.72
Gold (oz)	**1,837**	2,170	**4,035**	3,831
Silver (oz)	**24,451**	17,711	**47,171**	36,392
Average realized prices				
Copper ($USD/lb)	**$ 4.48**	$ 2.39	**$ 4.13**	$ 2.53
Gold ($USD/toz)	**$ 1,831.84**	$ 1,709.37	**$ 1,819.83**	$ 1,649.49
Silver ($USD/toz)	**$ 27.04**	$ 16.08	**$ 26.73**	$ 16.96

Minto produced a greater quantity of ore and resulting mill feed in during the three and six months ended June 30, 2021 compared to the same periods of 2020. During the three and six months ended June 30, 2020, operating capacity was increasing following the restart of Mine operations in October 2019. The increased operating capacity brought a greater quantity of ore to the surface in the first six months of 2021 compared to the same period of 2020, however, the higher quantity of ore was partially offset by lower grades during the three and six months ended June 30, 2021 compared to the same periods of 2020, resulting in similar total copper production. The variance in grades was due to mining taking place in different zones during each of the periods. Minto expects recovered ore tonnes and resulting mill feed to continue to increase in future periods with further additions of equipment and personnel.

OUTLOOK AND CORPORATE UPDATE

The Minto Mine was acquired by Pembridge on June 3, 2019 and in October 2019, the mine restarted its production. Prior to the acquisition, the mine had been on care and maintenance, since October 2018, due to low copper prices.

Since restarting operations, Minto has focused on acquiring the personnel, equipment and materials necessary to increase mine production and further exploration activities. Technical analysis has been undertaken with outside experts to validate Minto Mine resource deposits and extend the life of mine from four to eight years. This technical expertise was also leveraged for operational planning to ensure that appropriate resourcing was in place to meet production objectives. The quantity and types of equipment have also been adjusted to enable the target level of production.

CAPITAL PROGRAM

	Three months ended		Six months ended	
($000 CAD)	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
Sustaining capital	**$ 1,058**	$ 2,213	**$ 2,205**	$ 2,765
Growth capital	**-**	443	**-**	1,621
Additions to mineral properties, plant and equipment	**$ 1,058**	$ 2,656	**$ 2,205**	$ 4,386

During the first and second quarters of 2021, Minto focused on sustaining capital projects including furthering development of Copper Keel, construction of a new water treatment plant and equipment additions to support future production. During the third quarter of 2021 and through the summer months, Minto expects to complete enhancements on mill infrastructure and buildings to extend useful lives of these assets and to provide increased personnel capacity on site. Ordinary progressive reclamation work is also expected during this time. Commencing in the third quarter of 2021, the Company also intends to focus on growth capital projects, including infill drilling in Minto East 2 to make this area available for mining in future years.

SELECT QUARTERLY FINANCIAL INFORMATION

The Company experiences seasonal fluctuations in operations due to the location of the Minto Mine, the shipping terminal and seasonality due to weather conditions. The concentrates produced at the mine is transported by trucks and barge to the Skagway Ore Terminal, which is in Alaska, USA. The trucks cross the Yukon River by barge in the summer months and by ice bridge in winter months. In the spring and fall where water levels are low, the concentrates must be stored at the mine until the water levels are high enough for barges to cross. In the winter months, an ice bridge is required to cross the Yukon River. This has an impact on the timing of the shipments, the arrival of the concentrate at the customer's port and ultimately settlement of amounts due.

($000 CAD, except as otherwise indicated)	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**
Revenue	**$ 35,414**	**$ 25,469**	**$ 17,206**	**$ 26,084**
Net income (loss) and comprehensive income (loss)	**$ 3,052**	**$ (2,764)**	**$ (9,498)**	**$ 210**
per share	**$ 0.00**	**$ (0.00)**	**$ (0.01)**	**$ 0.00**

($000 CAD, except as otherwise indicated)	**June 30, 2020**	**March 31, 2020**	**December 31, 2019**	**September 30, 2019**
Revenue	**$ 17,012**	**$ 19,021**	**$ 15,802**	**$ -**
Net income (loss) and comprehensive income (loss)	**$ (4,297)**	**$ (4,696)**	**$ 726**	**$ (7,313)**
per share	**$ (0.02)**	**$ (0.02)**	**$ 0.00**	**$ (0.03)**

The Minto Mine was acquired by Pembridge from Capstone on June 3, 2019. The Minto Mine was on care and maintenance from October 2018 until October 2019 when the Company restarted commercial production.

During 2020, the Company continued production of the Mine and began to ramp-up operations. Revenue fluctuated between quarters due to variations in the timing of production and milling operations as well as commodity prices, with copper strengthening throughout 2020, while gold and silver experienced price fluctuations during the year. The Company's net income varied between the quarters of 2020 due to the timing of expenses incurred in association with Minto's planned ramp-up activities and depletion associated with production activities. The Company incurred additional finance costs during the fourth quarter of 2020 due to costs associated with the Sumitomo Prepayment Facility and a long-term payable to Pembridge which both commenced in September 2020.

Results for the second quarters of 2021 and 2020 are discussed in detail within this MD&A.

RESULTS OF OPERATIONS

Net Income (Loss)

	Three months ended		Six months ended	
($000 CAD)	**June 30, 2021**	**June 30, 2020**	**June 30, 2021**	June 30, 2020
Net loss	**$ 3,052**	$ (4,297)	**$ 288**	$ (8,993)

The Company recognized net income of $3.1 million and $0.3 million for the three and six months ended June 30, 2021, compared to net losses of $4.3 million and $9.0 million for the three and six months ended June 30, 2020, respectively. The net income in the 2021 periods compared to the net losses in the 2020 periods were primarily due to higher revenue driven by stronger commodity prices, partially offset by increased production costs and depletion and amortization expenses resulting from the ramp-up of the Company's operations between the 2020 and 2021 periods.

Revenue

	Three months ended		Six months ended	
($000 CAD)	**June 30, 2021**	**June 30, 2020**	**June 30, 2021**	June 30, 2020
Copper	**$ 33,950**	$ 15,340	**$ 59,102**	$ 31,603
Gold	**3,442**	3,192	**6,395**	8,394
Silver	**218**	- 58	**308**	246
Total gross revenue	**37,610**	18,474	**65,805**	40,243
Less: treatment and selling costs	**(2,196)**	(1,462)	**(4,922)**	(4,210)
Revenue	**$ 35,414**	$ 17,012	**$ 60,883**	$ 36,033

	Three months ended		Six months ended	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	June 30, 2020
Sales volumes				
Copper (Mlbs)	**4.62**	4.75	**9.95**	9.72
Gold (oz)	**1,837**	2,170	**4,035**	3,831
Silver (oz)	**24,451**	17,711	**47,171**	36,392
Average realized prices				
Copper ($USD/lb)	**$ 4.48**	$ 2.39	**$ 4.13**	$ 2.53
Gold ($USD/toz)	**$ 1,831.84**	$ 1,709.37	**$ 1,819.83**	$ 1,649.49
Silver ($USD/toz)	**$ 27.04**	$ 16.08	**$ 26.73**	$ 16.96
Average benchmark prices				
Copper ($USD/lb)	**$ 4.51**	$ 2.98	**$ 4.51**	$ 2.98
Gold ($USD/oz)	**$ 1,824.98**	$ 1,943.57	**$ 1,824.98**	$ 1,943.57
Silver ($USD/oz)	**$ 26.88**	$ 27.07	**$ 26.88**	$ 27.07

The Company produces copper, gold, and silver ore from the Minto Mine. The Company has offtake agreements with Sumitomo Canada Ltd. ("Sumitomo") and Wheaton Precious Minerals ("Wheaton") under which all copper production is sold to Sumitomo, and all gold and silver production is sold to Wheaton Precious Minerals. Under the terms of its agreement with Sumitomo, the Company receives 90% of the value of copper produced once the production is delivered to the on-site shed at the Minto Mine. The remaining 10% of the payment is received following the delivery of the production to Sumitomo at the Port of Niihama, Japan or an alternative agreed-upon location. Minto's shipments are subject to seasonal fluctuations as the Yukon River is only traversable during the summer and winter seasons by either barge or ice bridge. The River must be crossed in order to reach the Skagway Ore Terminal in Skagway, Alaska.

Revenue increased by 69% to $60.9 million for the six months ended June 30, 2021, from $36.0 million in the six months ended June 30, 2020. Revenue was $35.4 million for the three months ended June 30, 2021, an increase of 108% from $17.0 million recognized for the three months ended June 30, 2020. The increases in revenue between the periods of 2020 and 2021 were attributable to stronger copper, gold, and silver prices realized during the 2021 periods, in addition to higher silver sales volumes. During the first quarter of 2021, Minto locked-in prices for 90% of the sales value for copper when production is delivered to the on-site shed at the Minto Mine. Gold and silver, as well as the remaining 10% copper volumes are remeasured to current market prices until prices are finalized after shipment. The amount of copper, gold and silver originally invoiced is included in revenue, while the remeasurement ("mark-to-market") gains and losses are included in other income (loss), net.

Production Costs

	Three months ended		Six months ended	
($000 CAD)	**June 30, 2021**	**June 30, 2020**	**June 30, 2021**	June 30, 2020
Production costs	**$ 25,718**	$ 21,532	**$ 50,917**	$ 37,779

Production costs for the six months ended June 30, 2021 were $50.9 million, an increase of 35% compared to $37.8 million incurred in the same period of 2020. The Company incurred production costs of $25.7 million for the three months ended June 30, 2021, an increase of 19% compared to $21.5 million for the three months ended June 30, 2020. The increases between the 2020 and 2021 periods were primarily attributable to increase in production from the mine, consistent with the Company's growth plan. At the outset of fiscal 2020, Minto had commenced production with a core workforce but was not fully staffed or otherwise resourced. At the outset of 2021, Minto had only a few auxiliary support roles vacant, while Mine, mill, and site functions were fully established and operational.

Depletion and Amortization

	Three months ended		Six months ended	
($000 CAD)	**June 30, 2021**	**June 30, 2020**	**June 30, 2021**	June 30, 2020
Depletion and amortization	**$ 2,433**	$ 2,887	**$ 4,819**	$ 4,467

Minto recognizes depletion and amortization expenses on its mineral properties, plant and equipment and right-of-use assets. For the six months ended June 30, 2021, depletion and amortization was $4.8 million, an increase of 8% from $4.5 million recognized for the six months ended June 30, 2020. Depletion and amortization decreased by 16% from $2.9 million for the three months ended June 30, 2020 to $2.4 million in the same period of 2021. The increase in depletion and amortization, for the six months period in 2020 and 2021, is due to the addition of mining equipment and right-of-use assets. The decrease in depletion an amortization, for the three months period ended June 30, 2021 and 2020, is due to early termination of a lease.

Finance Costs

	Three months ended		Six months ended	
($000 CAD)	**June 30, 2021**	**June 30, 2020**	**June 30, 2021**	June 30, 2020
Finance costs	**$ 1,151**	$ 1,057	**$ 2,257**	$ 2,219

Finance costs include accretion and interest expenses on the Company's debt instruments and lease obligations. Total finance costs remained consistent between the three and six month periods ended June 30, 2021 and 2020.

Other Income (Loss), Net

	Three months ended		Six months ended	
($000 CAD)	**June 30, 2021**	**June 30, 2020**	**June 30, 2021**	June 30, 2020
Other income (loss), net	**$ (1,758)**	$ 4,263	**$ (400)**	$ 611

Other income (loss), net includes gains and losses on foreign exchange resulting from differences in exchange rates applied to the valuation and settlement of the Company's assets and liabilities denominated in USD, changes in the fair value of commodities sold but for which prices have not yet been settled, and gains and losses on asset dispositions.

Other loss, net for the six months ended June 30, 2021 was $0.4million, compared to income of $0.6 million for the six months ended June 30, 2020. The $1.0 million decrease was due revaluations of outstanding copper receivables offset by revaluation of the Company's USD-denominated assets.

Other income (loss), net was a loss of $1.8million for the three months ended June 30, 2021 compared to income of $4.3 million for the three months ended June 30, 2020. The variance between the periods was due to losses from foreign exchange revaluations in the 2021 period compared to revaluation gains in the 2020 period.

The following table summarizes the Company's sources and uses of cash for the three and six months ended June 30, 2021 and 2020:

	Three months ended		Six months ended	
($000 CAD)	**June 30, 2021**	**June 30, 2020**	**June 30, 2021**	June 30, 2020
Net cash provided by (used in) operating activities	**$ 1,932**	$ (4,512)	**$ 8,885**	$ 10,688
Net cash used in investing activities	**$ (1,058)**	$ (2,656)	**$ (2,205)**	$ (4,386)
Net cash provided by (used in) financing activities	**$ (1,123)**	$ 1,883	**$ (6,658)**	$ 602

Net cash provided by (used in) operating activities

Net cash provided by operating activities was $8.9 million for the six months ended June 30, 2021, compared to $10.7 million for the six months ended June 30, 2020. The decrease between the periods was primarily due to variances in non-cash working capital balances, partially offset by net income in the 2021 period compared to a net loss in the 2020 period as described above.

Net cash provided by operating activities was $1.9 million for the three months ended June 30, 2021, compared to net cash used in operating activities of $4.5 million for the three months ended June 30, 2020. The increase between the periods was primarily due to net income in the 2021 period compared to a net loss in the 2020 period as described above, partially offset by variances in non-cash working capital balances.

Changes in the Company's working capital between the 2020 and 2021 periods was mainly attributable to the timing of payments of the Company's payables and receipt of accounts receivables from Sumitomo.

The Company receives 90% of its accounts receivable with Sumitomo once production is delivered to the on-site shed at the Minto Mine. The remaining 10% of the payment is received following the delivery of the production to Sumitomo. The balance of accounts receivable can fluctuate between periods depending on the timing of deliveries.

Net cash used in investing activities

Net cash used in investing activities was $1.1 million and $2.2 million for the three and six months ended June 30, 2021, compared to $2.7 million and $4.4 million for the three and six months ended June 30, 2020, respectively. Investing activities in both periods were due to additions to the Company's mineral properties, plant and equipment (see "Capital Program"). Capital expenditures were higher in the 2020 periods due to asset additions required for the initial restart and ramp-up of operations.

Net cash provided by (used in) financing activities

Net cash used in financing activities was $6.7 million for the six months ended June 30, 2021, compared to net cash provided by financing activities of $0.6 million for the six months ended June 30, 2020. The use of cash in the 2021 period was due to a return on Pembridge's share capital of $6.3 million, repayments of lease liabilities of $3.3 million, and partially offset by $4.8 million of net advances on the Prepayment Facility Agreement with Sumitomo. Net cash provided by financing activities in the 2020 period was due to $4.1 million from Class B share issuances, partially offset by $3.5 million of repayments of lease liabilities.

Net cash used in financing activities was $1.1 million for the three months ended June 30, 2021, compared to net cash provided by financing activities of $1.8 million for the three months ended June 30, 2020. The use of cash in the 2021 period was due to repayments of lease liabilities of $1.8 million, and $0.9 million of long-term deposits, interest, partially offset by $1.6 million of net advances on the Prepayment Facility Agreement with Sumitomo. Net cash provided by financing activities in the 2020 period was due to $4.1 million from Class B share issuances, partially offset by $2.2 million of repayments of lease liabilities.

LIQUIDITY AND CAPITAL RESOURCES

Minto's primary liquidity and capital resource needs are to sustain current operations and fund its capital development plans and working capital. The Company has in place a planning, budgeting and forecasting process to determine the funds required to support the Company's operations and expansionary plans.

At June 30, 2021, the Company had cash of $0.5 million and a working capital deficiency of $24.6 million. The working capital deficiency was primarily due to accounts payable and accruals of $29.1 million as June 30, 2021 incurred as part of the ramp up of operations at the Minto Mine.

Sources of Liquidity

As described in detail above, Minto and 778 have entered into an engagement letter pursuant to which the Agents have agreed to sell, on a "best efforts" private placement basis, subscription receipts of 778 for gross proceeds of up to $45 million. In addition, Minto and 778 have granted to the Agents an option to increase the size of the Offering to raise additional gross proceeds up to CAD $6.75 million, with closing of the Offering expected to occur in September 2021.

The new entity created a result of the RTO transaction, Minto Metals Corp., intends to use the proceeds of the Offering to fund operational improvements at the Minto Mine, near-mine exploration activities, and for general corporate purposes, including the working capital deficit.

At June 30, 2021, the Company had long-term debt including USD $10.0 million of senior secured notes, a USD $12.5 million Prepayment Facility Agreement with Sumitomo, and a CAD $4.0 million long-term payable to Pembridge.

Senior Secured Notes

On June 3, 2019 the Company closed a private placement of USD $10.0 million 8.0% senior secured notes due June 3, 2024 (the "Notes") with Copper Holdings LLC ("Copper Holdings") and Cedro Holdings I LLC ("Cedro Holdings"). Proceeds net of discount on the Notes amounted to USD $8.4 million with an implied discount of 12%. Interest on the Notes is payable in semi-annual instalments and the Notes have a general security charge over all of Minto's assets. The Notes do not bear any maintenance capital covenants. Concurrent with the issuance of the Notes, Copper Holdings and Cedro Holdings I LLC acquired Class B common shares of the Company for total consideration of $2.1 million.

Prepayment Facility Agreement

On September 8, 2020, the Company entered into a Prepayment Facility Agreement with Sumitomo, the purchaser of the Company's copper. The facility limit is USD $12.5 million and may be drawn against at anytime giving notice in increments of USD $1.0 million. Interest is calculated quarterly on the outstanding balance at LIBOR for the applicable period. Management is currently assessing the impact of the LIBOR Reform and is currently in discussion with Sumitomo. On April 21, 2021, an additional USD $2.0 million was drawn under the Prepayment Facility. **[To be updated]**

The loan is secured by a general and continuing security in the collateral; all accounts, inventory, equipment, intangibles, documents of title, money, chattel paper, instruments, securities, documents, proceeds, leaseholds and all present and future undertakings.

The Company is required to meet certain non-financial covenants under the Prepayment Facility Agreement in the case where an advance subsequent to the initial advance of $9.9 million (USD $8.0 million) is requested by Minto. The key covenants include the following:

(i) In the immediately preceding period of three full calendar months, the Company shall have produced more than 75% of the forecast figure for the Minto Mine, as set out in the 2020 Cash Flow Model;

(ii) successful establishment of flow-through ventilation and secondary egress (or any other appropriate vent system to support full production from the Copper Keel zone at the Minto Mine) and commencement of ore production from the Copper Keel zone at the Minto Mine; and

(iii) readiness of equipment at the Minto Mine site to support 3,500 tonnes per day of ore production.

The Company was not in compliance with all covenants at June 30, 2021 and as a result, can't draw on the remaining USD $4.5 million until such time a waiver is made, changes to the covenants occur or renegotiated, which management is currently in negotiations with Sumitomo on.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company has commitments and contractual obligations in the normal course of operations. At June 30, 2021, the Company's contractual obligations were related to its leased equipment and vehicles, long-term debt, due to Sumitomo, and due to Pembridge liabilities.

The Company has a short-term lease (being defined as leases with a term of 12 months or less) with respect to its office space. The lease term is month-to-month basis and as a result, the Company has included the costs associated with this contract in production costs in the statements of net income (loss) and comprehensive income (loss).

The Company had the following contractual obligation and commitments as at June 30, 2021:

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 - 3 years	4 - 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 29,051	$ 29,051	$ 29,051	$ -	$ -	$ -
Long-term debt	11,241	12,394	-	-	12,394	-
Due to Pembridge	5,013	5,013	-	5,013	-	-
Due to Sumitomo	8,188	8,188	8,188	-	-	-
Lease liabilities	7,914	8,558	5,510	3,048	-	-
	$ 61,407	$ 63,204	$ 42,749	$ 8,061	$ 12,394	$ -

Under the terms of a revised co-operation agreement between Minto and Selkirk First Nation ("Selkirk") dated October 15, 2009, the Company has made various commitments to Selkirk to enhance Selkirk's participation in the Minto Mine, including a variable net smelter return royalty on production from the Minto Mine that fluctuates from 0.5% to 1.5% depending on the variation of copper prices, as well as various commitments in respect of employment, contracting, training, and scholarship opportunities. Except as described above, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current of future effect on the Company's financial performance.

OUTSTANDING EQUITY

As at September 17, 2021, the Company had 79,502,100 Class A common voting shares and 643,244,264 Class B common non-voting shares outstanding.

TRANSACTIONS WITH RELATED PARTIES

The Company's transactions with related parties are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Transactions with related parties during the three and six months ended June 30, 2021 are summarized in the following table:

	Three months ended		**Six months ended**	
($000 CAD)	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
Pembridge Resources plc [(1)]	**$ 93**	$ -	**$ 172**	$ -
Copper Holdings LLC [(2)]	**120**	140	**246**	266
Cedro Holdings LLC [(3)]	**120**	140	**246**	282
Minto Management Ltd. [(4)]	**-**	95	**-**	191
	$ 333	$ 375	**$ 664**	$ 739

	As at June 30, 2021	
($000 CAD)	**Accounts payable**	**Long-term debt**
Pembridge Resources plc [(1)]	**$ -**	**$ 5,013**
Copper Holdings LLC [(2)]	**246**	**5,621**
Cedro Holdings LLC [(3)]	**246**	**5,621**
Minto Management Ltd. [(4)]	**-**	**-**
	$ 492	**$ 16,255**

(1) Pembridge Resources plc is a mining company listed on the standard segment of the Official List of the FCA and trading on the main market for listed securities of London Stock Exchange plc. Pembridge owns and controls all outstanding Class A common shares of Minto. Minto incurrs interest on a CAD $4.0 million payable to Pembridge. Prior to 2021, Pembridge also provided management services to Minto in exchange for a management fee.

(2) Copper Holdings LLC owns approximately 45% of outstanding Class B common shares of Minto. Copper Holdings LLC holds USD $5.0 of senior secured notes maturing June 3, 2024. Minto incurrs 8% annual interest associated with the notes, payable semi-annually.

(3) Cedro Holdings LLC is a wholly owned entity of Lion Point Master, LP which, in turn, is managed by Lion Point Capital. Cedro Holdings LLC owns approximately 33% of outstanding Class B common shares of Minto. Cedro Holdings LLC holds USD $5.0 of senior secured notes maturing June 3, 2024. Minto incurrs 8% annual interest associated with the notes, payable semi-annually.

(4) Minto Management Ltd. was a management and advisory company in which Minto's Interim Chief Financial Officer held a 50% ownership. Prior to 2021, Minto Management Ltd. provided management services to Minto in exchange for a management fee.

On March 31, 2021, pursuant to the Shareholders' Agreement of June 2020, the Company paid the first USD $5.0 million payment of the purchase price for the Company to Capstone Mining Corp. on behalf of Pembridge in the form of a return of capital.

During the three and six months ended June 30, 2021, the Company had no other transactions with related parties, with the exception of renumeration of key management personnel in the ordinary course of their employment.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, long-term deposit, accounts payable and accrued liabilities, due to Sumitomo, due to Pembridge, and long-term debt.

Minto's trade accounts receivable are fully attributable to Sumitomo and Wheaton Precious Metals. Both entities are well-capitalized, with credit risk considered to be minimal.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities, and the disclosure of contingent assets and liabilities. These estimates and judgments concern matters that are inherently complex and uncertain. Judgements and estimates are continually evaluated and are based on historical experience and expectation of future events. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period on or in the period of the revision and future periods if the revision affects current and future periods.

In preparing the Financial Statements for the three and six month periods ended June 30, 2021, the Company applied the critical judgements and estimates as disclosed in Note 2 of its consolidated financial statements for the year ended December 31, 2020, other than, on April 1, 2021, the Company changed its estimate of its depletion base from estimated reserves to estimated resources, based on a Preliminary Economic Assessment ("PEA") prepared in accordance with NI 43-101 for the entire Minto mine site, that was completed on as of March 31, 2021. The company's best estimate of units of production for depletion purposes, is derived from the estimated resources in the PEA which reflects the most recent and reliable estimate of future production. The depletion rate for producing mineral properties, mill development costs and underground equipment for the three month period ended June 30, 2021 reflects this change in estimate which has been applied prospectively. The Company is not able to estimate the impact of this change in estimate on future periods as compared to the previous estimate.

CONTROL ENVIRONMENT

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The Company has a very limited history of operations and has not made any assessment as to the effectiveness of its internal controls. Though the Company intends to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, there are limited internal controls currently in place.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company's certifying officers, as a venture issuer, are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Company will not be required to make any representations that they have:

(a) designed, or caused to be designed, DC&P to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) designed, or caused to be designed, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Readers should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

NON-GAAP MEASURES

The Company discloses several financial and performance measures in the MD&A that do not have any standardized meaning prescribed under GAAP. These financial and performance measures include "Adjusted EBITDA", "Cash costs", "All-in sustaining costs", "Sustaining capital", and "Growth capital", which should not be considered as alternatives to, or more meaningful than individual measures as determined in accordance with GAAP. Management believes that these measures provide an indication of the results generated by the Company's principal business activities and provide useful supplemental information for analysis of the Company's operating performance and liquidity. The Company's method of calculating these measures may differ from other companies, and accordingly, these measures may not be comparable to similar measures used by other companies.

Adjusted EBIDTA

Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA is calculated as net income (loss) and comprehensive income (loss) before depletion and amortization, corporate overhead, related party management fees, other expenses, other (income) loss, net, finance costs, and income tax expense (recovery).

Adjusted EBITDA is used by management to assess performance, establish objectives, and to make operating and capital decisions. In addition, Adjusted EBITDA is a measure widely used by securities analysts, investors, lending institutions and others to evaluate the financial performance of companies in the mining industry. Adjusted EBITDA is presented as a relevant measure in the MD&A to assist readers in assessing the performance of the Company. Readers should be cautioned that Adjusted EBITDA should not be construed as an alternative to net income (loss), as determined in accordance with GAAP as an indicator of the Company's performance and may not be comparable to companies with similar calculations.

The following table reconciles the nearest GAAP measure, net income (loss) and comprehensive income (loss), to Adjusted EBITDA:

	Three months ended		**Six months ended**	
($000 CAD)	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
Net income (loss) and comprehensive income (loss)	**$ 3,052**	$ (4,297)	**$ 288**	$ (8,993)
Depletion and amortization	**2,433**	2,887	**4,819**	4,467
Related party management fees	**125**	95	**250**	191
Other expenses	**350**	(114)	**613**	205
Other (income) loss, net	**1,758**	(4,263)	**400**	(611)
Finance costs	**1,151**	1,057	**2,257**	2,219
Income tax expense (recovery)	**(26)**	(152)	**(276)**	280
Adjusted EBITDA	**$ 8,843**	$ (4,787)	**$ 8,351**	$ (2,242)

Cash Costs

Cash costs is a non-GAAP measure. Cash costs is calculated as production costs and royalties, a component of revenue as presented in the notes to the Financial Statements.

Cash costs is used by management to assess the direct operating costs incurred to generate revenue during the period. Cash costs is presented as a relevant measure in the MD&A to assist readers in assessing the liquidity and cost-management performance of the Company. Readers should be cautioned that cash costs should not be construed as an alternative to individual expenses as determined in accordance with GAAP and presented in the Financial Statements as an indicator of the Company's performance or liquidity and may not be comparable to companies with similar calculations.

The following table presents the GAAP measures used in the calculation of cash costs:

	Three months ended		**Six months ended**	
($000 CAD)	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
Production costs	**$ 25,718**	$ 21,532	**$ 50,917**	$ 37,779
Royalties (component of revenue)	**853**	267	**1,615**	496
Cash costs	**$ 26,571**	$ 21,799	**$ 52,532**	$ 38,275

Sustaining Capital and Growth Capital

The Company identifies two components comprising total additions to mineral properties, plant and equipment: sustaining capital and growth capital. Sustaining capital expenditures are non-discretionary expenditures required to maintain the Company's base operating levels and capacity. Growth capital expenditures are expenditures made as part of the Company's growth and development plans in order to expand, expediate or enhance the earning potential of its assets. Management uses sustaining and growth capital to assess the extent of discretionary and non-discretionary capital spending during the period.

The following table identifies the components of additions to mineral properties, plant and equipment as presented in the statement of cash flows:

	Three months ended		Six months ended	
($000 CAD)	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
Sustaining capital	**$ 1,058**	$ 2,213	**$ 2,205**	$ 2,765
Growth capital	**-**	443	**-**	1,621
Additions to mineral properties, plant and equipment	**$ 1,058**	$ 2,656	**$ 2,205**	$ 4,386

All-in Sustaining Costs

All-in sustaining costs is a non-GAAP measure. All-in sustaining costs is calculated as production costs plus sustaining capital.

All-in sustaining costs is used by management to assess the direct operating costs and capital expenditures required to incurred to generate revenue and maintain mine operations during the period. All-in sustaining costs is presented as a relevant measure in the MD&A to assist readers in assessing the expenditures required to generate revenue and maintain the Company's operations. Readers should be cautioned that all-in sustaining costs should not be construed as an alternative to individual expenses or cash used in investing activities, as determined in accordance with GAAP and presented in the Financial Statements as an indicator of the Company's performance or liquidity and may not be comparable to companies with similar calculations.

All-in sustaining costs is calculated below as production costs as calculated in accordance with GAAP and sustaining capital as described and reconciled above:

	Three months ended		Six months ended	
($000 CAD)	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
Production costs	**$ 25,207**	$ 20,786	**$ 49,669**	$ 36,768
Sustaining capital	**1,057**	2,656	**2,204**	4,386
All-in sustaining costs	**$ 26,264**	$ 23,442	**$ 51,873**	$ 41,154

RISK MANAGEMENT

The risks described below are applicable to both the Company and the anticipated Resulting Issuer. Risks specific solely to the RTO and Resulting Issuer are described in the Company's Filing Statement.

COVID-19

Minto's business, operations and financial condition could be materially adversely affected by the outbreak of pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility, and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Company's operations, and the operations of suppliers, contractors and service providers.

The Company may experience business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events outside of its control, which could have a material adverse impact on its business, operations and operating results, financial condition and liquidity.

As at the date hereof, the duration of the business disruptions internationally and related financial impact of COVID-19 cannot be reasonably estimated. It is unknown whether and how the Company may be affected if the pandemic persists for an extended period of time. Minto's exposure to such public health crises also includes risks to employee health and safety. Should an employee, contractor, community member or visitor become infected with a serious illness that has the potential to spread rapidly, this could place the Company's workforce at risk.

Additional Capital

The Company plans to continue its focus on mining extraction and the processing of that extraction. The Company will use its working capital to carry out such endeavors. However, the Company may require substantial additional financing. Further extraction and processing capacities may be dependent upon its ability to obtain financing through equity or debt, and there can be no assurance that it 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 result in the delay or indefinite postponement of further exploration, development, and processing of the Company's projects.

Lack of Funding to Satisfy Contractual Obligations

It is expected that the Company may in the future enter into partnerships or joint ventures in order to fully exploit the Minto Mineral resources available. The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may have its property interests subject to such agreements reduced as a result or even face termination of such agreements.

Exploration Risks

The Company is a resource company focused primarily on the continued exploration and development of Minto Mineral resources in the Yukon. There is no assurance that any of the Company's discovered or acquired projects can be mined profitably, nor that the Minto Mine Property can be continued to mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability from the business of the Company will be dependent upon the continued extraction and processing of the economic deposits of Minto Minerals, which in itself is subject to numerous risk factors.

The exploration, development, and processing of Minto Mineral deposits involves a high degree of financial risk over a significant period of time that even a combination of management's careful evaluation, experience and knowledge may not eliminate. Major expenses may be required to continue establishing reserves by drilling and constructing mining and processing facilities at a particular site. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration, development and production programs, which may be affected by a number of factors. Substantial expenditures are required to maintain and capitalize upon Minto Mineral reserves that are sufficient to support the commercial mining operations and the construction of new and maintaining of existing processing facilities on those properties that are actually developed.

Replacement of Reserves

The Minto Mine Property deposits are the current source of metals production. Current life-of-mine plans provide for a defined production life for the mine. If the mineral reserves are not replaced either by the development or discovery of additional reserves and/or extension of the life-of-mine at the current operating mine or through the acquisition or development of additional producing mines, this could have an adverse impact on future cash flows, earnings, results of operations, and financial condition, and this may be compounded by requirements to expend funds for reclamation and decommissioning.

Imprecision in Mineral Reserve and Mineral Resource Estimates

There is a degree of uncertainty attributable to the estimation of mineral reserves and mineral resources. Until mineral reserves or mineral resources are actually mined and processed, the quantity and grade of mineral resources and mineral reserves must be considered as estimates only and no assurances can be given that the estimated levels of metals will be produced or that we will receive the price assumed in determining our mineral reserves. These estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral reserve and mineral resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and interpretations that may ultimately prove unreliable.

Furthermore, fluctuations in the market price of metals, as well as increased capital or production costs or reduced recovery rates may render mineral reserves uneconomic and may ultimately result in a reduction of mineral reserves. The extent to which resources may ultimately be reclassified as proven or probable mineral reserves is dependent upon the demonstration of their profitable recovery. The evaluation of mineral reserves or mineral resources is always influenced by economic and technological factors, which may change over time. No assurances can be given that any resource estimate will ultimately be reclassified as proven or probable mineral reserves or that mineralization can be mined or processed profitably. If our mineral reserve or mineral resource figures are inaccurate or are reduced in the future, this could have an adverse impact on future cash flows, earnings, results of operations, and financial condition.

Inaccuracies in Production and Cost Estimates

The Company may prepare estimates of future production and future production costs of operations. No assurance can be given that production and cost estimates will be achieved. These production and cost estimates are based on, among other things, the following factors: the accuracy of mineral reserve estimates; the accuracy of assumptions regarding ground conditions and physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics; equipment and mechanical availability; labour availability and productivity; access to the mine; facilities and infrastructure; sufficient materials and supplies on hand; and the accuracy of estimated rates and costs of mining and processing, including the cost of human and physical resources required to carry out our activities. Failure to achieve production or cost estimates, or increases in costs, could have an adverse impact on our future cash flows, earnings, results of operations, and financial condition.

Actual production and costs may vary from estimates for a variety of reasons, including actual metals mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the mineral reserves, such as the need for sequential development of minerals and the processing of new or different mineral grades. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue. Costs of production may also be affected by a variety of factors, including: changing stripping ratios, mineral grade metallurgy, labour costs and productivity, costs of supplies and services (such as, for example, fuel and power), general inflationary pressures, and currency exchange rates. Failure to achieve production estimates could have an adverse impact on future cash flows, earnings, results of operations, and financial condition.

Network Systems

Equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Company's network could disrupt Company's business functions, including Company's exploration, production, and processing activities. The mining industry has become increasingly dependent on digital technologies. Modern day mines and mills are automated and networked, and Company relies on digital technologies to conduct certain exploration, development, production, processing and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact Company's operations. A corruption of Company's financial or operational data or an operational disruption of Company's production infrastructure could, among other potential impacts, result in: (i) loss of production or accidental discharge; (ii) expensive remediation efforts; (iii) distraction of management; (iv) damage to Company's reputation or its relationship with customers, vendors employees and joint venture partners; or (v) events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on Company's reputation, profitability, future cash flows, earnings, results of operations and financial condition.

Land Title and Royalty Risks

General

Although the title to the properties in which Minto holds an interest were reviewed by or on behalf of Minto, no formal title opinions were delivered to Minto and, consequently, no assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available, and the Company's ability to ensure that it has obtained from Minto secure claim to individual Minto Mineral properties or mining concessions may be severely constrained. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's Minto Mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including indigenous land claims, and title may be affected by, among other things, undetected defects. This is a risk inherent in all unpatented mining claims. The Quartz Mining lease in the Yukon will have a registered survey. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

There are uncertainties as to title matters in the mining industry. Any defects in title could cause the Company to lose rights in its Minto Mineral properties and jeopardize its business operations. The Company's Minto Mineral properties currently consist of unpatented mining claims located on lands administered by the Yukon Government to which the Company only has possessory title. Because title to unpatented mining claims is subject to inherent uncertainties, it is difficult to determine conclusively ownership of such claims. These uncertainties relate to such things as sufficiency of Minto Mineral discovery, proper location and posting and marking of boundaries, proper and timely payment of annual claim maintenance fees, the existence and terms of royalties, and possible conflicts with other claims not determinable from descriptions of record.

The present status of the Company's unpatented mining claims located on public lands allows the Company the right to mine and remove valuable Minto Minerals, such as precious and base metals, from the claims conditioned upon applicable environmental reviews and permitting programs. The Company is also allowed to use the surface of the land solely for purposes related to mining and processing the Minto Minerals. The Company remains at risk that the mining claims may be forfeited either to the Yukon or to rival private claimants due to failure to comply with regulatory requirements.

Title to Minto Mine Property Interests may be Challenged

There may be challenges to title to the Minto Mineral properties in which the Company holds a material interest. If there are title defects with respect to any properties, the Company might be required to compensate other persons or perhaps reduce its interest in the affected property. Furthermore, in any such case, the investigation and resolution of these issues would divert the Company management's time from ongoing management of production and processing of the Minto Minerals.

Minto Mine Property may be Subject to Defects in Title.

The ownership and validity or title of unpatented mining claims and concessions are often uncertain and may be contested. The Company also may not have, or may not be able to obtain, all necessary surface rights to develop a property. The Company has taken reasonable measures, in accordance with industry standards for properties at the same stage of production as that of the Company, to ensure proper title to the Minto Mine Property. However, there is no guarantee that title to any of its properties will not be challenged or impugned. Title insurance generally is not available for mining claims and the Company's ability to ensure that it has obtained secure claim to individual Minto Mineral properties may be limited. The Minto Mine Property may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate the Minto Mine Property as permitted or to enforce its rights with respect to the Minto Mine Property. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or annual claim maintenance fees may invalidate title to portions of the Minto Mine Property. The Company may incur significant costs related to defending the title to the Minto Mine Property. A successful claim contesting title to a property may cause the Company to compensate other persons or perhaps reduce its interest in the affected property or lose our rights to explore and, if warranted, develop that property. This could result in the Company not being compensated for its prior expenditures relating to the Minto Mine Property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing management of production and processing of the Minto Minerals.

Natural Resource Properties are Largely Contractual in Nature

Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. Accordingly, there may be instances where the Company would be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success. Any pending proceedings or actions or any decisions determined adversely to the Company, may have a material and adverse effect on the Company's results of operations, financial condition and the trading price of the Company Common Shares.

Financing Risks

As at the date of this MD&A, it is expected that the Company will have sufficient cash and cash equivalents; however, there are no assurance that additional funding will be available to it for further exploration, development, and production of its projects. Further development and production of the Minto Mine Property or other properties of the Company may be dependent upon its ability to obtain financing through equity or debt and there can be no assurance that it 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 result in the delay or indefinite postponement of further exploration, development, and production of the Company's projects.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing. These conditions may affect the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. If such volatile conditions continue, the Company's operations could be negatively impacted.

Commodity Markets

The price of the Company's securities, its financial results, and its access to the capital required to finance its exploration and production activities may in the future be adversely affected by declines in the price of precious and base metals and, in particular, the price of copper. Precious metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors continue to adversely affect the price of copper, the market price of the Company's securities may decline.

Market Fluctuation and Commercial Quantities

The market for copper and other Minto Minerals, generally, is influenced by many factors beyond the Company's control, including without limitation the supply and demand for these metals. In addition, the metals industry in general is intensely competitive and there is no assurance that, even if apparently commercial quantities and qualities of metals (such as copper) are discovered, a market will exist for their profitable sale. Commercial viability of precious and base metals and other Minto Mineral deposits may be affected by other factors that are beyond the Company's control, including particular attributes of the deposit such as its size, quantity and quality, the cost of processing, proximity to infrastructure, the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, and environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability such that any adverse combination of such factors may result in the Company not receiving an adequate return on invested capital or having its projects be rendered uneconomic.

Economic Dependence

The resources extracted from the Minto Mine Property have one customer that accounts for 100% of the Minto Mineral copper sales revenue. The loss of certain of these customers or curtailment of purchases by such customers could have a material adverse effect on our results of operations, financial condition, and cash flows of the Company.

Dependence on the Minto Mine Property

The Minto Mine Property accounts for all of the Company’s current commercial production and is expected to continue to account for all of its commercial production in the near term. Any adverse condition affecting mining, processing conditions, expansion plans or ongoing permitting at the Minto Mine Property could have a material adverse effect on the Company’s financial performance and results of operations.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Health, Safety and Community Relations

The Company's operations are subject to various health and safety laws and regulations that impose various duties on the Company's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. These laws and regulations also grant the relevant authorities the broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Company's operations. The Company expects to make significant expenditure to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, and protection of endangered and other special status species, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities near the Company's properties.

Environmental Risks and Hazards

The mining industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds. There is also a risk that environmental and other laws and regulations may become more onerous, making it more costly for the Company to remain in compliance with such laws and regulations, which could result in the incurrence of additional costs and operational delays. All phases of the Company's operations in the Yukon will be subject to extensive federal and territorial environmental regulation.

These environmental regulations require the Company to obtain various operating approvals and licenses and also impose standards and controls relating to exploration, development and production activities. Compliance with federal and territorial regulations could result in delays in beginning or expanding operations, incurring additional costs for the treatment of water and tailings, cleanup of hazardous substances or reclamation activities, and payment of penalties, all of which could have an adverse impact on the Company's financial performance and results of operations.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

The Company cannot give any assurances that breaches of environmental Laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect the Company.

Minto proactively manages the regulatory risks and is committed to operating the mine at all times in compliance with applicable laws and regulations and Minto policies, practices and procedures. Operations at the Minto Mine property involve the following procedures to avoid, minimize, mitigate and/or offset its' environmental impacts by:

- Implementing an Operations Adaptive Management Plan whereby specific responses are staged according to specific performance thresholds that describe actions to be implemented if specific performance thresholds are crossed;
- Implementing an Environmental Monitoring and Surveillance, Reporting Plan (EMSRP) to proactively identify potential environmental risks;
- Implementing regular site inspections by qualified professionals including external experts; and
- Regularly engaging with external experts (whether consultants or university researchers) and with environmental professionals at other mine sites to collaborate on key environmental risks including via Northern Mine Remediation Program at Yukon University. Minto is hosting two projects: a PhD reclamation-focused project and the potential use of bioreactors to treat mine-impacted water.

If these environmental mitigation procedures are insufficient or fail, the Company could become subject to liability for remediation costs, which could be significant and may not be insured against. In addition, metal production could be delayed or halted to prevent further discharges and to allow for remediation. Such delays or cessations in production could be long-term or, in some cases, permanent and any interference with production could result in a significant reduction in, or loss of, cash flow and value for us. While appropriate steps are taken to prevent the failure of Minto's environmental remediation procedures, such failures may occur.

Reclamation Obligations

Reclamation requirements vary depending on the location of the property and the managing governmental agency, but they are similar in that they aim to minimize long-term effects of mining exploitation and exploration disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree pre-disturbance landforms and vegetation. The Company will be actively providing for or carrying out any required reclamation activities on the Minto Mine Property. Any significant environmental issues that may arise, however, could lead to increased reclamation expenditures and have a material adverse effect on financial resources.

Option and Joint Venture Agreements

The Company may in the future enter into option agreements and/or joint ventures as a means of acquiring property interests. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on the Company's rights under such agreements. Furthermore, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying claims.

Currency Rate Risk

The Company may be subject to currency risks. The Company's reporting currency is the Canadian dollar, which is exposed to fluctuations against other currencies. The Company's primary operations are located in Canada. Should the Company expand its operations into additional countries its expenditures and obligations may be incurred in foreign currencies. As such, the Company's results of operations may become subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company. The Company has not undertaken actions to mitigate transactional volatility in the Canadian dollar at this time. The Company may, however, enter into foreign currency forward contracts in order to match or partially offset existing currency exposures.

Infrastructure

Mining activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges (land and ice), power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Limited Supplies and Supply Chain Disruptions

The Company’s operations depend on a supply of a number of materials and supplies specific to underground mining and milling operations such as explosives, ground support, chemicals, and other supplies and resources such as skilled personnel. Supply may be interrupted due to a shortage or the scarce nature of inputs. Supply might also be interrupted due to transportation and logistics associated with the remote location of some of Minto’s operations, and government restrictions or regulations which delay importation of necessary items. Any interruptions to the procurement and supply of these items, production inputs and other supplies, or the availability of skilled personnel could have an adverse impact on our future cash flows, earnings, results of operations, and financial condition.

Competitive Industry Environment

The mining industry is highly competitive in all of its phases, both domestically and internationally. The Company's continued ability to extract metals and process those metals will not only depend on its ability to develop its present properties, but also on its ability to access or acquire further metals deposits, of which there is a limited supply. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, some of which may have greater financial resources, operational experience or technical capabilities than the Company. The Company may also encounter competition from other mining companies in its efforts to hire experienced project management professionals. Competition could adversely affect the Company's ability to attract necessary funding or acquire and develop suitable producing properties or prospects for metals extraction in the future. Competition for services and equipment could result in delays if such services or equipment cannot be obtained in a timely manner due to inadequate availability, and could also cause scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development, exploration or construction costs and result in project delays.

Government Regulation

The Company's exploration, production, and processing operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, taxes and labour standards. In order for the Company to carry out its activities, its various licenses and permits must be obtained and kept current. There is no guarantee that the Company's licenses and permits will be granted, or that once granted will be extended. In addition, the terms and conditions of such licenses or permits could be changed and there can be no assurances that any application to renew any existing licenses will be approved. There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and licenses that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions. Future taxation of mining operators cannot be predicted with certainty so planning must be undertaken using present conditions and best estimates of any potential future changes.

Audit of Tax Filings

The Company's taxes may be affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever reason, this could have a material adverse effect on The Company's business, results of operations and financial condition. The Company may be subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

Market for the Company's Common Shares

There can be no assurance that an active market for the Company's Common Shares will develop or be sustained. If an active public market for the Company's Common Shares does not develop, the liquidity of a purchaser's investment may be limited, and the share price may decline.

Market Price of Company Common Shares

The Company Common Shares do not currently trade on any exchange or market. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the Company Common Shares is also likely to be significantly affected by short-term changes in metals prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Company Common Shares include the following: (i) the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company's securities; (ii) lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Company Common Shares; (iii) the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and (iv) a substantial decline in the price of the Company Common Shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Company Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The fact that no market currently exists for the Company Common Shares may affect the pricing of the Company Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Company Common Shares and the extent of the regulations to which the Company is subject.

Influence of Third-Party Stakeholders

Some of the lands in which the Company holds an interest, or the exploration, production, and processing equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

Acquisitions and Integration

From time to time, it can be expected that the Company will examine opportunities to acquire additional exploration and/or production and/or processing assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. In the event that the Company chooses to raise debt capital to finance any such acquisitions, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Climate Change and Climate Change Regulations

Climate change could have an adverse impact on the Company's cost of operations. The potential physical impacts of climate change on the operations of the Company are highly uncertain and would be particular to the geographic circumstances in areas in which it operates. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These changes in climate could have an impact on the cost of development or production on the Minto Mines and adversely affect the financial performance of its operations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the business of the Company. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the Company, its venture partners and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Company's ability to compete with companies situated in areas not subject to such regulations. Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, the Company cannot predict how legislation and regulation will affect its financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by the Company or other companies in natural resources industry could harm the reputation of the Company.

Relationships with Local Communities and Other Stakeholders

The Company's relationships with the communities in which it operates are critical to the future success of its existing operations and the construction and development of its projects. In recent years, there has been ongoing and potentially increasing public concern relating to the effects of resource extraction on the natural landscape, communities and the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose globalization and resource development can be vocal critics of the metals and mining industries and its practices, including the use of cyanide and other hazardous substances in processing activities. In addition, there have been many instances in which local community groups have opposed resource extraction activities, resulting in disruption and delays to the relevant operations. Adverse publicity generated by such NGOs or others related to the metals and mining industries, or to extractive industries generally, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, there is no guarantee that its efforts in this respect will mitigate this potential risk. NGOs or local community groups could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, despite the Company's successful compliance with social and environmental best practices. Any such actions and the resulting media coverage could have adverse effects on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the business, financial condition, results of operations, cash flows or prospects of the Company.

The Company's ability to maintain existing valid permits and approvals to operate the Minto Mines and to successfully operate in communities will likely depend on its ability to develop, operate and close Minto Mines in a manner that is consistent with the creation of social and economic benefits in the surrounding communities, which may or may not be required by law. Mining operations should be designed to minimize the negative impact on such communities and the environment, for example, by modifying extraction plans and operations or by relocating those affected to an agreed location. The cost of these measures could increase capital and operating costs and therefore could have an adverse impact upon the Company's financial condition and operations. The Company seeks to promote improvements in health and safety, human rights, environmental performance and community relations. However, the Company's ability to operate could be adversely impacted by accidents or events detrimental (or perceived to be detrimental) to the health, safety and well-being of the Company's employees, human rights, the environment or the communities in which the Company operates.

Risk of Litigation

The Company may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

Reliance on Key Personnel

The Company's development will depend on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Company's ability to employ the specific personnel required.

Due to the relatively small size of the Company, the failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of future operations and financial condition. The Company does not intend to take out 'key person' insurance in respect of any directors, officers or other employees.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Business Corporations Act and other applicable laws.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, derivative financial instruments (including forward gold sales contracts) and amounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable, and it is not currently known precisely when the Company will require external financing in future periods.

FORWARD-LOOKING INFORMATION AND OTHER ADVISORIES

Certain statements contained in the MD&A constitute forward-looking statements and forward-looking information (collectively, “forward-looking statements”). Such forward-looking statements relate to possible events, conditions or financial performance of the Corporation based on future economic conditions and courses of action. All statements other than statements of historical fact are forward-looking statements. The use of any words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “budget”, “scheduled”, “aims”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “will likely result”, “are expected to”, “will continue”, “is anticipated”, “believes”, “estimated”, “intends”, “plans”, “projection”, “outlook” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes there is a reasonable basis for the expectations reflected in the forward-looking statements, however no assurance can be given that these expectations will prove to be correct, and the forward-looking statements included in this MD&A should not be unduly relied upon by investors.

Forward looking statements in the MD&A include, among other things, statements regarding estimates of mineral resources the opportunities for development and expansion of the Minto Mine estimates of capital expenditures and operating costs related to the Minto Mine future financial or operational performance, including the amount of future production at the Minto Mine and target share price life of mine projections for the Minto Mine planned drilling mine and the potential to convert Inferred mineral resources to Measured and Indicated resources.

These forward looking statements and information reflect Minto’s current views with respect to future events and are necessarily based upon a number of assumptions that, while considered reasonable by Minto, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies These assumptions include the expected results of proposed drilling programs our mineral resource estimates and the assumptions upon which they are based, including geotechnical and metallurgical characteristics of rock confirming to sampled results and metallurgical performance tonnage of ore to be mined and processed ore grades and recoveries assumptions and discount rates being appropriately applied to the PEA prices for copper, silver and gold remaining as estimated availability of funds for Minto’s projects capital, decommissioning and reclamation estimates, including the availability of financing to complete proposed drilling and work programs mineral resource estimates and the assumptions upon which they are based prices for energy inputs, labour, materials, supplies and services (including transportation) no labour related disruptions no unplanned delays or interruptions in production all necessary drilling and mining equipment, energy and supplies being obtained in a timely and cost efficient manner Minto’s capital and operating costs will not increase significantly from current levels key personnel will continue their employment with Minto and Minto’s ability to recruit and retain additional qualified personnel the ability to comply with environmental, health and safety laws and the absence of any material adverse effects arising as a result of political instability, terrorism, sabotage, natural disasters, public health concerns, equipment failures or adverse changes in government legislation or the socio economic conditions in the Yukon and the surrounding area with respect to the Minto Mine and operations The foregoing list of assumptions is not exhaustive.

Minto cautions the reader that forward looking statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward looking statements or information contained in this presentation and Minto has made assumptions and estimates based on or related to many of these factors Such risk factors include, without limitation Minto’s limited operating history the existence of mineral resources and mineral reserves on Minto’s mineral properties Minto’s ability to obtain adequate financing for development and production Minto’s ability to carry out operations in accordance with plans in the face of significant disruptions, including the COVID 19 pandemic Minto’s ability to convert mineral resource estimates previously classified as Inferred to Indicated or Measured the uncertain nature of estimating mineral resources fluctuations in copper, silver and gold prices fluctuations in prices for energy inputs, labour, materials, supplies and services (including transportation) fluctuations in currency markets operational risks and hazards inherent with the business of mining (including environmental accidents and hazards, industrial accidents, equipment breakdown, unusual or unexpected geological or structural formations, cave ins, flooding and severe weather) inadequate insurance, or inability to obtain insurance, to cover these risks and hazards our ability to obtain all necessary permits, licenses and regulatory approvals in a timely manner changes in laws, regulations and government practices in Canada, including environmental, export and import laws and regulations legal restrictions relating to mining risks relating to expropriation increased competition in the mining industry for equipment and qualified personnel the availability of additional capital indigenous claims title matters risks related to natural disasters, climate change, terrorism, civil unrest, public health concerns (including health epidemics or pandemics or outbreaks of communicable diseases such as COVID 19 and other geopolitical uncertainties and decreased spending as a result of the COVID 19 pandemic which could adversely affect and harm Minto’s business and results of operations.

Although Minto has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended.

Investors are cautioned against undue reliance on forward looking statements or information These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, Minto does not assume any obligation to update or revise them to reflect new events or circumstances except as required by law.

APPENDIX "F"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF 778

See attached.

1246778 B.C. LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

FROM INCEPTION ON APRIL 8, 2020 TO DECEMBER 31, 2020

(Expressed in Canadian Dollars)

INTRODUCTION

The Management Discussion & Analysis has been prepared by management and reviewed and approved by the Board of Directors on March 10, 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 audited financial statements and the related notes thereto for the period ended December 31, 2020. The information provided herein supplements but does not form part of the financial statements. This discussion covers the period from inception on April 8, 2020 to the period ended December 31, 2020 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.

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 25, 2020, 2583262 Ontario Inc. ("2583262") announced that it will go through a statutory plan of arrangement (the "Plan") involving its eight (8) wholly-owned subsidiaries. The Plan will involve, among other things, the distribution of common shares of 778 BC to current shareholders of 2586232 on the basis of one hundred thousand (100,000) 778 BC common shares per outstanding common share of 2583262.

On July 24, 2020, 2583262 completed the Plan thereby resulting in the Company being spun out and becoming a non-listed reporting issuer.

On October 30, 2020, Medalist Capital Ltd. ("Medalist") announced that it has sold (the "Sale") the following shares to B. Keast Family Holdings Inc. ("BKF"), R. Keast Family Holdings Inc. ("RKF") and SFH Inc. (together with BKF and RKF, the "Purchasers") pursuant to a share purchase agreement entered into between Medalist and each Purchaser on October 29, 2020: 2,715,000 common shares of 1246764 B.C. Ltd., 1,500,000 common shares of 1246765 B.C. Ltd., 1,500,000 common shares of 1246768 B.C. Ltd., 1,500,000 common shares of 1246773 B.C. Ltd., 1,500,000 common shares of 1246775 B.C. Ltd., 1,500,000 common shares of 1246777 B.C. Ltd., 1,500,000 common shares of 1246778 B.C. Ltd., and 1,500,000 common shares of 1246779 B.C. Ltd. (collectively, the "Subject Shares").

The Subject Shares were sold for an aggregate price of $136,012.50. The common shares of 1246764 B.C. Ltd. were sold at a price $0.05 per share and all other Subject Shares were sold at a price of $0.00003 per share.

As a result of the Sale, Medalist now holds nil common shares in each of 1246764 B.C. Ltd., 1246765 B.C. Ltd., 1246768 B.C. Ltd., 1246773, B.C. Ltd., 1246775 B.C. Ltd., 1246777 B.C. Ltd., 1246778 B.C. Ltd. and 1246779 B.C. Ltd. (collectively, the "Subject Entities").

SUMMARY OF QUARTERLY RESULTS

Quarter ended		Revenue (1)		Loss for the Quarter		Loss per Share
December 31, 2020	$	Nil	$	(3,822)	$	(0.001)
September 30, 2020	$	Nil	$	(14,725)	$	(0.005)
From April 8th to June 30, 2020	$	Nil	$	(22,895)	$	(0.076)

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

Net loss from April 8, 2020 to the period ended December 31, 2020

Net and comprehensive loss was $41,442 due to accounting and corporate secretarial fees, regulatory and transfer agent fees, and professional fees incurred.

Net loss for the three months ended December 31, 2020

Net and comprehensive loss was $3,822 due to accounting and corporate secretarial fees, regulatory and transfer agent fees, and professional fees incurred.

SELECTED ANNUAL INFORMATION

As the Company was only incorporated on April 8, 2020, there is no annual information available.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital deficit of $41,142 as at December 31, 2020. 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.

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.

CHANGES IN ACCOUNTING POLICIES

The Company has applied the same accounting policies as set out in Note 2 of the 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 period from April 8, 2020 to December 31, 2020.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, 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.

RELATED PARTY DISCLOSURES

As at December 31, 2020 the Company had $37,489 in related party liabilities owing to 2583262 as reimbursable expenses were incurred on behalf of the Company.

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.

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.

OFF BALANCE SHEET ARRANGEMENTS

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

OUTSTANDING COMMON SHARES DATA

The following section updates the outstanding share data provided in the audited financial statements for the period ended December 31, 2020.

Common Shares outstanding at December 31, 2020 and March 10, 2021	3,000,000

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.

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 8th 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.

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		

APPENDIX "G"

RESULTING ISSUER EQUITY INCENTIVE PLAN

See attached.

1246778 B.C. Ltd.

2021 Long Term Incentive Plan

1. Purpose; Eligibility.

1.1 General Purpose. The name of this plan is the Long Term Incentive Plan (the "**Plan**"). The purposes of the Plan are to (a) enable 1246778 B.C. Ltd., a corporation organized under the laws of the Province of British Columbia (the "**Company**"), and any successor or Affiliate to attract and retain the types of Employees, Consultants and Directors who will contribute to the Company's long-range success; (b) provide incentives that align the interests of Employees, Consultants and Directors with those of the security holders of the Company; and (c) promote the success of the Company's business**.**

1.2 Eligible Award Recipients.

(a) The Persons eligible to receive Awards are the Employees, Consultants and Directors of the Company and its Affiliates and such other individuals designated by the Committee who are reasonably expected to become Employees, Consultants and Directors after the receipt of Awards. Notwithstanding the foregoing, providers of Investor Relations Activities shall not be included as Eligible Award Recipients entitled to receive any Awards, other than Stock Options.

(b) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Award Recipient's relationship, employment or appointment with the Company.

(c) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment or appointment by the Company Group.

1.3 Available Awards. Awards that may be granted under the Plan include: (a) Stock Options, (b) Share Appreciation Rights, (c) Restricted Awards, (d) Performance Compensation Awards, (e) Performance Share Units, and (f) Other Equity-Based Awards.

2. Definitions.

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time.

"**Applicable Laws**" means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Company or the Plan.

"**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts that an Employer is required by law to withhold from any amounts to be paid or credited hereunder.

"**Award**" means any right granted under the Plan, including a Stock Option, a Share Appreciation Right, a Restricted Award, a Performance Share Unit, a Performance Compensation Award, or an Other Equity-Based Award.

"**Award Agreement**" means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan that may, in the discretion of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

"**Bank of Canada Rate**" means the exchange rate for the applicable currency published by the Bank of Canada on the relevant date.

"**Beneficial Owner**" means any Person who, directly or indirectly, through a contract or other arrangement, has (or shares in) the rights to securities that typically occur with the ownership of securities, such as voting, dividend, distribution or transfer rights. A person or entity may be the beneficial owner of a security even though title to the security may be in another name (commonly referred to as securities held in street form). More than one Person or Persons can be the beneficial owner of a single security. A Person is an indirect beneficial owner of securities if the securities are owned through a corporation, affiliated corporation, a trust of which the Person is a beneficial owner or some other legal entity. A Person will be deemed to beneficially own securities that are owned by a corporation controlled by the Person or an Affiliate of such corporation. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"**Beneficiary**" means, subject to Applicable Law, any Person designated by a Participant by written instrument filed with the Company in such form as may be approved from time to time by the Company, to receive any amount payable under the Plan in the event of a Participant's death or, failing any such effective designation, the Participant's estate.

"**Blackout Period**" means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by such person, including any period when such person has material undisclosed information with respect to the Company, but excluding any period during which a regulator has halted trading in the Company's securities.

"**Board**" means the Board of Directors of the Company, as constituted at any time.

"**Business Day**" means any day on which the Exchange is open for business other than a Saturday, Sunday or any other day on which the principal chartered banks located in the Calgary, Alberta, Vancouver, British Columbia or Whitehorse, Yukon are open for business.

"**Cash Award**" means an Award denominated in cash that is granted under Section 7.5 of the Plan.

"**Cause**" means:

With respect to any Participant, unless the applicable Award Agreement states otherwise:

(a) if the Participant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or

(b) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Company to terminate the Participant's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (i) the conviction of an indictable offence; (ii) material fiduciary breach with respect to the Company or an Affiliate; (iii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Company or any of its Affiliates; (iv) gross negligence or willful misconduct with respect to the Company or an Affiliate; (v) material violation of Applicable Laws; or (vi) the willful failure of the Participant to properly carry out their duties on behalf of the Company or to act in accordance with the reasonable direction of the Company.

With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

(a) gross misconduct or neglect;

(b) willful conversion of corporate funds; or

(c) false or fraudulent misrepresentation inducing the director's appointment.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

"**Change in Control**" means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:

(a) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Company or any wholly owned Subsidiary of the Company) thereafter directly or indirectly "beneficially owns" (as defined in the *Business Corporation Act* (British Columbia)), or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a Take-over Bid, an issuance or exchange of securities, an amalgamation of the Company with any other Person, an arrangement, a capital reorganization or any other business combination or reorganization;

(b) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly owned Subsidiary of the Company);

(c) the date which is 10 Business Days prior to the consummation of a complete dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly-owned Subsidiaries of the Company prior to such event;

(d) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned Subsidiary of the Company);

(e) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred; or

(f) a majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election,

provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of: (i) a Permitted Reorganization; or as a result of the amalgamation of the Company and Minto Explorations Ltd. pursuant to the amalgamation agreement between such parties dated June 15, 2021, as amended from time to time.

"**Committee**" means a committee of one or more members of the Board appointed by the Board to administer the Plan in accordance with Section 3.3 and Section 3.4; provided, however, if such a committee does not exist, all references in the Plan to "Committee" shall at such time be in reference to the Board.

"**Common Share**" means a common share in the capital of the Company, or such other security of the Company as may be designated by the Committee from time to time in substitution thereof.

"**Company**" means 1246778 B.C. Ltd., and any successor thereto.

"**Company Group**" means the Company and its Subsidiaries and Affiliates.

"**Constructive Dismissal**", unless otherwise defined in the Participant's employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a material reduction of the Participant's compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer, provided that the termination of any Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal.

"**Consultant**" means any individual or entity engaged by the Company or any Affiliate to render consulting or advisory services, other than as an Employee or Director, and whether or not compensated for such services;

"**Continuing Entity**" has the meaning ascribed thereto in Section 11.2.

"**Continuous Service**" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, acting reasonably and in good faith, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence other than a Leave of Absence that is not considered a termination pursuant to Section 9.6. The Committee or its delegate, acting reasonably and in good faith, may determine whether a Company transaction, such as a sale or spin-off of a division or Subsidiary that employs a Participant, shall be deemed to result in a Termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding.

"**Control Period**" means the period commencing on the date of the Change in Control and ending two years after the date of the Change in Control.

"**Deferred Share Units**" or "**DSUs**" has the meaning set forth in Section 7.2 hereof.

"**Director**" means a member of the Board.

"**Disability**" means, unless an employment agreement or the applicable Award Agreement says otherwise, that the Participant:

(a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill their obligations as an officer or employee of the Employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or

(b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing their affairs.

The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates.

"**Dividend Equivalent**" has the meaning ascribed to such term in Section 7.2(c).

"**Effective Date**" shall mean the date the Company's security holders approve this Plan.

"**Eligible Person**" means any Director, officer, Employee or Consultant of the Company or an Affiliate.

"**Employee**" means any person, including an officer or Director, employed by the Company or an Affiliate.

"**Employer**" means, with respect to an Employee, the entity in the Company Group that employs the Employee or that employed the Employee immediately prior to their Termination of Continuous Service.

"**Exchange**" means the TSXV or the TSX, as applicable from time to time.

"**Expiry Date**" has the meaning ascribed thereto in Section 6.2.

"**Fair Market Value**" means, as of any particular date, the value of the Common Shares as determined by the Committee in accordance with the following: (a) if the Common Shares are listed on the Exchange, the Fair Market Value shall be the weighted average trading price of a Common Share on the Exchange during the last five trading days prior to that particular date on which at least a board lot of Common Shares has so traded or, if a board lot has not traded on a particular day, the average of the bid and asked prices; provided, however, that if the Common Shares are not then listed and posted for trading on the Exchange, then the Fair Market Value shall mean the weighted average trading price of a Common Share on such stock exchange in Canada or the United States on which the Common Shares are then listed and posted for trading during the last five trading days prior to that particular date (and, if in United States dollars, converted to Canadian dollars using the Bank of Canada Rate) or, if the Common Shares are not then listed and posted for trading on any stock exchange in Canada or the United States, then the Fair Market Value shall mean the fair market value per Common Share (in Canadian dollars) as determined in good faith by the Committee in its sole discretion, and such determination shall be conclusive and binding on all persons.

"**Free-Standing Rights**" has the meaning set forth in Section 7.1(a).

"**Grant Date**" means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

"**Insider**" has the meaning attributed thereto in the TSXV Policy 1.1, as amended, supplemented or replaced from time to time;

"**ITA**" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time.

"**Investor Relations Activities**" has the meaning given to such term in TSXV Policy 1.1, as amended, supplemented or replaced from time to time;

"**Leave of Absence**" means any period during which, pursuant to the prior written approval of the Participant's Employer or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to their Employer or any other entity in the Company Group.

"**Notice of Exercise**" means a notice in a form determined by the Board from time to time.

"**Option**" means a Stock Option granted to a Participant pursuant to the Plan.

“**Option Exercise Price**” means the price at which a Common Share may be purchased upon the exercise of an Option.

“**Optionholder**” means a Participant to whom an Option is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Option.

“Other Equity-Based Award” means an Award that is not an Option, Share Appreciation Right, Restricted Share Unit, Performance Share Unit, Deferred Share Unit or Performance Share Unit that is granted under Section 7.5 and is payable by delivery of Common Shares and/or which is measured by reference to the value of the Common Shares.

“**Participant**” means an Eligible Person to whom an Award is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Award.

“**Participant Information**” has the meaning set forth in Section 13.15(a).

“**Performance Compensation Award**” means any Award designated by the Committee as a Performance Compensation Award pursuant to Section 7.6 of the Plan.

“**Performance Criteria**” or “**Performance Criterion**” means the criteria or criterion that the Committee shall select for purposes of establishing the Performance Goals for a Performance Period with respect to any Performance Compensation Award under the Plan. The Performance Criteria that will be used to establish the Performance Goals shall be based on the attainment of specific levels of performance of the Company (or Affiliate, division, business unit or operational unit of the Company) and shall include, without limitation, the following:

(a) net earnings or net income (before or after taxes);

(b) basic or diluted earnings per share (before or after taxes);

(c) net revenue or net revenue growth;

(d) gross revenue;

(e) gross profit or gross profit growth;

(f) net operating profit (before or after taxes);

(g) return on assets, capital, invested capital, equity or sales;

(h) cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital);

(i) earnings before or after taxes, interest, depreciation and/or amortization;

(j) gross or operating margins;

(k) improvements in capital structure;

(l) budget and expense management;

(m) productivity ratios;

(n) economic value-added or other value-added measurements;

(o) share price (including, but not limited to, growth measures and total shareholder return);

(p) expense targets;

(q) margins;

(r) operating efficiency;

(s) working capital targets;

(t) enterprise value;

(u) safety record; and

(v) completion of acquisitions or business expansion.

Any one or more of the Performance Criteria may be used on an absolute or relative basis to measure the performance of the Company and/or an Affiliate as a whole or any division, business unit or operational unit of the Company and/or an Affiliate or any combination thereof, as the Committee may deem appropriate, or as compared to the performance of a group of comparable companies, or published or special index that the Committee, in its sole discretion, deems appropriate. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals pursuant to the Performance Criteria specified in this paragraph. In the event that Applicable Laws permit the Committee discretion to alter the governing Performance Criteria without obtaining security holder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining security holder approval.

"**Performance Formula**" means, for a Performance Period, the one or more objective formulas applied against the relevant Performance Goal to determine, with regard to the Performance Compensation Award of a particular Participant, whether all, some portion but less than all, or none of the Performance Compensation Award has been earned for the Performance Period.

"**Performance Goals**" means, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria.

"**Performance Period**" means the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Performance Award.

"**Performance Share Unit**" or "**PSU**" means a unit designated as a Performance Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted pursuant to Section 7.3 to the Participant to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, subject to the achievement of Performance Goals and the satisfaction of such other conditions to vesting, if any, as may be determined by the Committee.

"**Permitted Reorganization**" means a reorganization of the Company Group in circumstances where the shareholdings or ultimate ownership remains substantially the same upon the completion of the reorganization.

"Person" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"**Plan**" means this 1246778 B.C. Ltd. 2021 Long Term Incentive Plan, as amended and/or amended and restated from time to time.

"**Related Rights**" has the meaning set forth in Section 7.1(a).

"**Restricted Award**" means any Award granted pursuant to Section 7.2 to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"**Restricted Period**" means the period during which a Restricted Award is subject to vesting or other restrictions in accordance with its terms.

"**Restricted Share Unit**" or "**RSU**" means a unit designated as a Restricted Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted to the Participant pursuant to Section 7.2(a) to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"**Retirement**" or "**Retire**" means, unless otherwise defined in the Participant's employment agreement, executive agreement or in the applicable Award Agreement, the normal retirement age of the Participant pursuant to the applicable regulations of the jurisdiction of their employment or such earlier retirement age, with consent of the Employer, if applicable.

"**Settlement Date**" has the meaning ascribed to such term in Section 7.2(f).

"**Share Appreciation Right**" means the right pursuant to an Award granted under Section 7.1 to receive, upon exercise, an amount payable in cash or shares equal to the number of shares subject to the Share Appreciation Right that is being exercised, multiplied by the excess of (a) the Fair Market Value of a share of Common Shares on the date the Award is exercised, over (b) the exercise price specified in the Share Appreciation Right Award Agreement.

"**Share Unit**" means either an RSU, DSU, PSU or Dividend Equivalent as the context requires.

"**Share Unit Account**" has the meaning ascribed to such term in Section 7.4.

“**Stock Option**” means an Option that is designated by the Committee as a stock option that meets the requirements set out in the Plan.

“**Subsidiary**” means any entity that is a “subsidiary” for the purposes of National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time.

“**Substitute Award**” has the meaning set forth in Section 4.5.

“**Substitution Event**” means a Change in Control pursuant to which the Common Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise.

“**Take-Over Bid**” means a take-over bid as defined in National Instrument 62-104 – *Take-over Bids and Issuer Bids*, as amended from time to time.

“**Termination of Continuous Service**” means the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or retention with the Company or an Affiliate for any reason, including death, retirement, or resignation with or without cause. For the purposes of the Plan, a Participant’s employment or retention with the Company or an Affiliate shall be considered to have terminated effective on the last day of the Participant’s actual and active employment or retention with the Company or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Participant or the Company or Affiliate, and whether with or without advance notice to the Participant. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Participant’s last day of actual and active employment or retention shall be considered as extending the Participant’s period of employment or retention for the purposes of determining their entitlement under the Plan. A Participant’s transfer of employment to another Employer within the Company Group will not be considered a Termination of Continuous Service.

“**Total Share Reserve**” has the meaning set forth in Section 4.1.

“**TSX**” means the Toronto Stock Exchange;

“**TSXV**” means the TSX Venture Exchange;

“**TSXV Market Price**” means the closing price of the Common Shares on the TSXV on the last Trading Day preceding the Grant Date, or if the Common Shares of the Company are not listed on any stock exchange, the value as is determined solely by the Committee, acting reasonably and in good faith;

“**TSXV Policy**” means the TSXV Corporate Finance Policies; and

“**Vesting Date**” means the date or dates set out in the Award Agreement on which an Award will vest, or such earlier date as is provided for in the Plan or is determined by the Committee.

3. Administration.

3.1 Authority of Committee. The Plan shall be administered by the Committee or, in the Board's sole discretion, by the Board. Subject to the terms of the Plan, the Committee's charter and Applicable Laws, and in addition to other express powers and authorization conferred by the Plan, the Committee shall have the authority:

(a) to construe and interpret the Plan and apply its provisions;

(b) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;

(c) to authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;

(d) to determine when Awards are to be granted under the Plan and the applicable Grant Date;

(e) from time to time to select, subject to the limitations set forth in this Plan, to determine those Participants to whom Awards shall be granted;

(f) to determine the number of Common Shares to be made subject to each Award;

(g) to prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Award Agreement relating to such grant;

(h) to determine the performance measures that will be used to establish the Performance Goals, the performance period(s) and the number of shares earned by a Participant;

(i) to designate an Award (including a Cash Award) as a Performance Compensation Award and to select the Performance Criteria that will be used to establish the Performance Goals;

(j) subject to the limitations set forth in this Plan, to amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; provided, however, that if any such amendment impairs a Participant's rights or increases a Participant's obligations under their Award or creates or increases a Participant's income tax liability with respect to an Award, such amendment shall also be subject to the Participant's consent;

(k) to determine the duration and purpose of leaves of absences that may be granted to a Participant without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Company's employment policies;

(l) to make decisions with respect to outstanding Awards that may become necessary upon a Change in Control or an event that triggers anti-dilution adjustments;

(m) to interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan;

(n) subject to Applicable Law, to delegate to any Director or Employee such duties and powers relating to the Plan as it may see fit;

(o) to seek recommendations from the Chairman or from the Chief Executive Officer or from the President of the Company;

(p) to appoint or engage a trustee, custodian or administrator to administer or implement the Plan; and

(q) to exercise discretion to make any and all other determinations that it determines to be necessary or advisable for the administration of the Plan.

The Committee also may modify the purchase price or the exercise price of any outstanding Award, provided that if the modification effects a repricing, security holder approval shall be required before the repricing is effective. At all times when the Company is listed on the TSXV, if any such modification of the purchase price or the exercise is of an Award which is held by an Insider, such required shareholder approval must be obtained on a “disinterested” basis in compliance with the applicable policies of the TSXV.

3.2 Committee Decisions Final. All decisions made by the Committee pursuant to the provisions of the Plan shall be conclusive and binding on the Company and the Participants.

3.3 Delegation. The Committee or, if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, and the term “Committee” shall apply to any Person or Persons to whom such authority has been delegated. The Committee shall have the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board or the Committee shall thereafter be to the committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revest in the Board the administration of the Plan. The members of the Committee shall be appointed by and serve at the pleasure of the Board. From time to time, the Board may increase or decrease the size of the Committee, add additional members to, remove members (with or without cause) from, appoint new members in substitution therefor, and fill vacancies, however caused, in the Committee. The Committee shall act pursuant to a vote of the majority of its members or, in the case of a Committee comprised of only two members, the unanimous consent of its members, whether present or not, or by the written consent of the majority of its members, and minutes shall be kept of all of its meetings and copies thereof shall be provided to the Board. Subject to the limitations prescribed by the Plan and the Board, the Committee may establish and follow such rules and regulations for the conduct of its business as it may determine to be advisable.

3.4 Committee Composition. Except as otherwise determined by the Board, the Committee shall consist solely of two or more non-Employee Directors. Within the scope of such authority, the Board or the Committee may delegate to a committee of one or more members of the Board who are not non-Employee Directors the authority to grant Awards to Eligible Persons. Nothing herein shall create an inference that an Award is not validly granted under the Plan in the event Awards are granted under the Plan by a compensation committee of the Board that does not at all times consist solely of two or more non-Employee Directors.

3.5 Indemnification. In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Applicable Laws, the Committee shall be indemnified by the Company against the reasonable expenses, including legal fees, actually incurred in connection with any action, suit or proceeding, or in connection with any appeal therein, to which the Committee may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee in settlement thereof (provided, however, that the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee did not act in good faith and in a manner that such person reasonably believed to be in the best interests of the Company or, in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; provided, however, that within 60 days after the institution of any such action, suit or proceeding, such Committee shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

4. Shares Subject to the Plan.

4.1 Subject to adjustment in accordance with Section 10, the aggregate number of Common Shares reserved for issuance upon the exercise or redemption of all Awards granted under the Plan shall not exceed 10% of the issued and outstanding Common Shares at the time of granting of Awards (the "**Total Share Reserve**") or such other number or percentage as may be approved by the Stock Exchange and the shareholders of the Company from time to time; provided that at all times when the Corporation is listed on the TSXV, the shareholder approval referred to herein must be obtained on a "disinterested" basis in compliance with the applicable policies of the TSXV. For the purposes of this Section 4.1, in the event that the Company cancels or purchases to cancel any of its issued and outstanding Shares ("**Cancellation**") and as a result of such Cancellation the Company exceeds the limit set out in this Section 4.1, no approval of the Company's shareholders will be required for the issuance of Common Shares on the exercise of any Awards which were granted prior to such Cancellation.

4.2 During the terms of the Awards, the Company shall keep available at all times the number of Common Shares required to satisfy such Awards.

4.3 Common Shares available for distribution under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares or shares reacquired by the Company in any manner.

4.4 Any Common Shares subject to an Award that expires or is canceled, forfeited, or terminated without issuance of the full number of Common Shares to which the Award related will again be available for issuance under the Plan.

4.5 Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Company or with which the Company combines ("**Substitute Awards**"). Substitute Awards shall not be counted against the Total Share Reserve. Subject to applicable stock exchange requirements, available shares under a security holder approved plan of an entity directly or indirectly acquired by the Company or with which the Company combines (as appropriately adjusted to reflect such acquisition or transaction) may be used for Awards under the Plan and shall not count toward the Total Share Reserve.

5. Eligibility.

5.1 Eligibility for Specific Awards. Awards may be granted to Employees, Consultants and Directors and those individuals whom the Committee determines are reasonably expected to become Employees, Consultants and Directors following the Grant Date. Notwithstanding the foregoing, providers of Investor Relations Activities shall not be entitled to receive any Awards other than Stock Options.

5.2 Participation Limits. The grant of Awards under the Plan is subject to the following limitations:

(a) no more than 5% of the outstanding Common Shares may be issued under the Plan alone or when combined with all other security-based compensation arrangements of the Company in any one-year period;

(b) no more than 2% of the outstanding Common Shares may be issued under the Plan alone or when combined with all other security-based compensation arrangements of the Company to any one Participant; and

(c) the number of Common Shares that may be:

(i) issued to Insiders within any one-year period, or

(ii) issuable to Insiders at any time, in each case, under this Plan, alone or when combined with all other security-based compensation arrangements of the Company,

cannot exceed 10% of the outstanding Common Shares.

5.3 Additional TSXV Limits. In addition to the requirements in Section 4 and this Section 5, and notwithstanding any other provision of this Plan, at all times when the Company is listed on the TSXV:

(a) the total number of Common Shares which may be reserved for issuance to any one Participant under the Plan together with all of the Corporation's other previously established or proposed security-based compensation arrangements of the Company shall not exceed 5% of the issued and outstanding Common Shares on the Grant Date or within any 12-month period (in each case on a non-diluted basis);

(b) the aggregate number of Awards to any one Participant that is a Consultant in any 12 month period must not exceed 2% of the issued Common Shares calculated at the first such Grant Date;

(c) the aggregate number of Stock Options to all persons retained to provide Investor Relations Activities must not exceed 2% of the issued Common Shares in any 12-month period calculated at the first such Grant Date (and including any Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities);

(d) Stock Options granted to any person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the Grant Date of the Award and with no more the 25% of the Stock Options vesting in any three (3) month period notwithstanding any other provision of this Plan;

(e) the aggregate number of Share Units to any one Participant must not exceed (i) 1% of the issued Common Shares at the each such Grant Date and (ii) 2% of the total issued and outstanding Common Shares within the last 12-month period calculated at the each such Grant Date; and

(f) the aggregate number of Common Shares issuable to all Participants under the Plan for Awards other than Stock Options must not exceed 7,249,185. Upon issuance of all such Common Shares pursuant to such Awards, the Company will need to apply to the Exchange to reserve additional Common Shares for issuance to Participants under this Plan in respect of Awards other than Stock Options. Such approval will be subject to the Company obtaining shareholder approval in respect of the same.

At all times when the Company is listed on the TSXV, the Company shall seek annual TSXV and shareholder approval for this rolling Plan in conformity with TSXV Policy 4.4.

6. Option Provisions.

6.1 Award Agreement. Each Stock Option granted under the Plan shall be evidenced by an Award Agreement. Each Stock Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The provisions of separate Stock Options need not be identical, but each Stock Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the provisions in this Section 6.

6.2 Term. No Stock Option shall be exercisable after the expiration of 10 years from the Grant Date or such shorter period as set out in the Optionholder’s Option Agreement (“**Expiry Date**”), at which time such Option will expire. Notwithstanding any other provision of this Plan, each Option that would expire during or within ten Business Days immediately following a Blackout Period shall expire on the date that is ten Business Days immediately following the end of the Blackout Period.

6.3 Exercise Price of a Stock Option. The Option Exercise Price of each Stock Option shall be fixed by the Committee on the Grant Date and will not be less than: (i) 100% of the Fair Market Value of the Common Shares as of the Grant Date; or (ii) if the Common Shares are listed on the TSXV, the TSXV Market Price, subject to all applicable regulatory requirements. The Exercise Price shall be stated and payable in Canadian dollars.

6.4 Manner of Exercise. A vested Option or any portion thereof may be exercised by the Optionholder delivering to the Company a Notice of Exercise signed by the Optionholder or their legal personal representative, accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, payable in cash, by means of certified cheque, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Committee.

Subject to Section 8, upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised will be duly issued to the Optionholder as fully paid and non-assessable, following which the Optionholder shall have no further rights, title or interest with respect to such Option or portion thereof.

6.5 Surrender of Option. As an alternative to the exercise of an Option pursuant to Section 6.4, an Optionholder may elect to surrender for cancellation, unexercised, any vested Option that is otherwise then exercisable and, in consideration for such surrender for cancellation, to receive a cash payment in an amount equal to the positive difference, if any, obtained by subtracting the aggregate Exercise Price of the surrendered Option from the then current Fair Market Value of the Common Shares subject to the surrendered Option, less Applicable Withholding Taxes. The Committee has the discretion, acting reasonably and in good faith, to consent to or disapprove of the election of the Optionholder to surrender any vested Option pursuant to this Section 6.5. If the Committee disapproves of the election, the Optionholder may (i) exercise the Option under Section 6.4, or (ii) retract the request to surrender such Option and retain the Option. If the Committee consents to the election, the Company shall make the cash payment to the Optionholder in respect of the surrendered Option within 15 days. Any cash payment in accordance with this Section 6.5 shall be payable in Canadian dollars.

Notwithstanding anything else contained in this Section 6.5, in the event that the Company is listed on the TSXV and the policies of the TSXV in effect at the applicable time do not permit the cashless exercise of Options, an Optionholder will not be permitted to surrender their vested Options in accordance with this Section 6.5.

6.6 Vesting of Options. Each Option may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee may deem appropriate. The vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event.

6.7 Termination of Continuous Service. Unless otherwise determined by the Committee, or as provided in this Section 6 or pursuant to the terms provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Committee, all rights to purchase Common Shares pursuant to an Option or to surrender such Option shall expire and terminate immediately upon the Optionholder's Termination of Continuous Service, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if employment of the Optionholder is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Optionholder of such termination for Cause.

6.8 Disability or Leave of Absence. Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of Disability or the Optionholder is on a Leave of Absence, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time until the Option's Expiry Date.

6.9 Death. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's death, any Option held by the Optionholder shall become fully vested and may be exercised or surrendered by the Beneficiary in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of the Option's Expiry Date and the first anniversary of the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.10 Retirement. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's Retirement, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date and (b) the first anniversary of the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.11 Resignation. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's voluntary resignation, then:

(a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and

(b) the vested part of any Option held by the Optionholder may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 90th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.12 Termination Without Cause. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service is terminated by the Employer for any reason other than for Cause, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date and (b) the 90th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.13 Termination Following Change in Control. Unless otherwise provided in an Award Agreement, if a Change in Control occurs and the Optionholder's employment with the Company Group is terminated:

(a) by the Employer or by the entity that has entered into a valid and binding agreement with the Company and/or other members of the Company Group to effect the Change in Control at any time after such agreement is entered into or during the Control Period and such termination was for any reason other than for Cause; or

(b) by the Optionholder as a result of Constructive Dismissal, provided the event giving rise to the Constructive Dismissal occurs during the Control Period;

any Option held by the Optionholder shall become fully vested and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 90th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

7. Provisions of Awards Other than Options.

7.1 Share Appreciation Rights.

(a) General

Each Share Appreciation Right granted under the Plan shall be evidenced by an Award Agreement. Each Share Appreciation Right so granted shall be subject to the conditions set forth in this Section 7.1, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. In all cases, the Share Appreciation Rights shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer and, for greater certainty, shall be in respect of services to be rendered by the Participant and not in respect of services previously rendered by a Participant. Share Appreciation Rights may be granted alone ("**Free-Standing Rights**") or in tandem with an Option granted under the Plan ("**Related Rights**").

(b) Grant Requirements

Any Related Right may be granted at the same time the Option is granted or at any time thereafter but before the exercise or expiration of the Option.

(c) Term of Share Appreciation Rights

The term of a Share Appreciation Right granted under the Plan shall be determined by the Committee; provided, however, no Share Appreciation Right shall be exercisable later than the tenth anniversary of the Grant Date.

(d) Vesting of Share Appreciation Rights

Each Share Appreciation Right may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Share

Appreciation Right may be subject to such other terms and conditions on the time or times when it may be exercised as the Committee may deem appropriate. The vesting provisions of individual Share Appreciation Rights may vary. No Share Appreciation Right may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Share Appreciation Right upon the occurrence of a specified event.

(e) Exercise and Payment

Upon exercise of a Share Appreciation Right, the holder shall be entitled to receive from the Company an amount equal to the number of Common Shares subject to the Share Appreciation Right that is being exercised, multiplied by the excess of (i) the Fair Market Value of a Common Share on the date the Award is exercised, over (ii) the exercise price specified in the Share Appreciation Right or related Option. Payment with respect to the exercise of a Share Appreciation Right shall be made on the date of exercise. Payment shall be made in the form of Common Shares, cash or a combination thereof, as determined by the Committee.

(f) Exercise Price

The exercise price of a Free-Standing Right shall be determined by the Committee**,** but shall not be less than 100% of the Fair Market Value of one Common Share on the Grant Date of such Share Appreciation Right. A Related Right granted simultaneously with or subsequent to the grant of an Option and in conjunction therewith or in the alternative thereto shall have the same exercise price as the related Option, shall be transferable only upon the same terms and conditions as the related Option, and shall be exercisable only to the same extent as the related Option; provided, however, that a Share Appreciation Right, by its terms, shall be exercisable only when the Fair Market Value per Common Share subject to the Share Appreciation Right and related Option, if applicable, exceeds the exercise price per share thereof, and no Share Appreciation Rights may be granted in tandem with an Option unless the Committee determines that the requirements of Section 7.1(b) are satisfied.

(g) Reduction in the Underlying Option Shares

Upon any exercise of a Related Right, the number of Common Shares for which any related Option shall be exercisable shall be reduced by the number of shares for which the Share Appreciation Right has been exercised. The number of Common Shares for which a Related Right shall be exercisable shall be reduced upon any exercise of any related Option by the number of Common Shares for which such Option has been exercised.

7.2 <u>Restricted Awards</u>.

(a) Restricted Share Units

The Committee may, from time to time, grant RSUs to Participants. The grant of an RSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an RSU. Each RSU granted by the Committee shall be evidenced by an Award Agreement. Unless otherwise provided in the applicable Award Agreement, RSUs granted to a Participant shall be awarded solely in respect of performance of such Participant in the calendar year in which the Grant Date occurs. In all cases, the RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time an RSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any RSU granted hereunder. Each RSU so granted shall be subject to the conditions set forth in this Section 7.2, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

(b) Deferred Share Units

The Committee may also grant RSUs with a deferral feature, whereby settlement is deferred beyond the vesting date until the occurrence of a future payment date or event set forth in an Award Agreement ("**DSUs**").

(c) Dividend Equivalents

At the discretion of the Committee, each RSU and DSU (representing one Common Share) may be credited with cash and stock dividends paid by the Company in respect of one Common Share ("**Dividend Equivalents**"). Dividend Equivalents shall be paid currently (and in no case later than the end of the calendar year in which the dividend is paid to the holders of the Common Shares or, if later, the 15^{th} day of the third month following the date the dividend is paid to holders of the Common Shares). In any event, the Dividend Equivalent Payment shall be paid no later than December 31 of the third year following the year in respect of which the Share Unit is granted.

(d) Restrictions

(i) RSUs and DSUs awarded to any Participant shall be subject to (A) forfeiture until the expiration of the Restricted Period, and satisfaction of any applicable Performance Goals during such period, to the extent provided in the applicable Award Agreement, and to the extent such RSUs or DSUs are forfeited, all rights of the Participant to such RSUs or DSUs shall terminate without further obligation on the part of the Company and (B) such other terms and conditions as may be set forth in the applicable Award Agreement.

(ii) The Committee shall have the authority to remove any or all of the restrictions on the RSUs and DSUs whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date the RSUs or DSUs are granted, such action is appropriate.

(e) Restricted Period

Subject to the terms of any employment agreement or executive agreement between the Participant and the Employer, or the Committee expressly providing to the contrary, a Participant's RSUs shall vest on the Vesting Date(s). No such Vesting Date shall extend beyond December 31 of the third year following the year in respect of which the RSU is granted and all vesting conditions shall be such that the RSUs comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto. With respect to Restricted Awards, the Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Committee in the applicable Award Agreement.

(f) Settlement of Restricted Share Units and Deferred Share Units

On or within 60 days following the Vesting Date of a Share Unit (and in any event no later than December 31 of the third year following the year in respect of which the Share Unit is granted) (the "**Settlement Date**"), and subject to Section 9.9, the Company shall (i) issue to Participant or Beneficiary, as applicable, from treasury the number of Common Shares that is equal to the number of vested Share Units held by the Participant as at the Settlement Date (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares, (ii) deliver, or cause to be delivered, to the Participant or Beneficiary, as applicable, Common Shares purchased in the open market equal to the number of vested Share Units held by the Participant as of the Settlement Date (rounded down to the nearest whole number), (iii) deliver to the Participant or Beneficiary, as applicable, an amount in cash equal to the number of vested Share Units held by the Participant as at the Settlement Date multiplied by the Fair Market Value as at the Settlement Date, or (iv) a combination of (i), (ii) and (iii). Notwithstanding the foregoing, if a Participant's Termination of Continuous Service occurs prior to any applicable Settlement Date, the Share Units shall be settled by the Company delivering to the Participant or Beneficiary, as applicable, an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Termination of Continuous Service multiplied by the Fair Market Value as at the Termination of Continuous Service. Upon settlement of such Share Units, the corresponding number of Share Units credited to the Participant's Share Unit Account shall be cancelled and the Participant or Beneficiary, as applicable shall have no further rights, title or interest with respect thereto.

Upon the expiration of the Restricted Period with respect to any outstanding RSUs, or at the expiration of the deferral period with respect to any outstanding DSUs, the Company shall deliver to the Participant or Beneficiary, without charge, one Common Share for each such outstanding vested RSU or DSU ("**Vested Unit**") and cash equal to any Dividend Equivalents credited with respect to each such Vested Unit in accordance with Section 7.2(c) hereof and the interest thereon or, at the election of Participant or Beneficiary, in Common Shares having a Fair Market Value equal to such Dividend Equivalents and the interest thereon, if any; provided, however, that if explicitly provided in the applicable Award Agreement, the Committee may elect to pay cash or part cash and part Common Shares in lieu of delivering only Common Shares for Vested Units. If a cash payment is made in lieu of delivering Common Shares, the amount of such payment shall be equal to the Fair Market Value of the Common Shares as of the date on which the Restricted Period lapsed in the case of RSUs, or the delivery date in the case of DSUs, with respect to each Vested Unit.

7.3 Performance Share Unit Awards.

The Committee may, from time to time, grant PSUs to Participants. The grant of a PSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a PSU. Each PSU granted by the Committee shall be evidenced by an Award Agreement. Unless otherwise provided in the applicable Award Agreement, PSUs granted to a Participant shall be awarded solely in respect of performance of such Participant in the calendar year in which the Grant Date occurs. In all cases, the PSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time a PSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any PSU granted hereunder. The Committee shall have the discretion to determine: (i) the number of Common Shares or stock-denominated units subject to a Performance Share Unit granted to any Participant; (ii) the Performance Period applicable to any Award; (iii) the Performance Goals and other conditions that must be satisfied for a Participant to earn an Award; and (iv) the other terms, conditions and restrictions of the Award. Each PSU so granted shall be subject to the conditions set forth in this Section 7.3, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. No Performance Period shall extend beyond December 31 of the third year following the year in respect of which the PSU is granted and all vesting conditions shall be such that the PSUs comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto.

7.4 Share Unit Accounts. An account, called a "**Share Unit Account**", shall be maintained by the Company for each Participant and will be credited with such grants of RSUs, DSUs, PSUs or Dividend Equivalents as are received by the Participant from time to time. Share Units that fail to vest or that are settled in accordance with Section 7.2(f) shall be cancelled and shall cease to be recorded in the Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are settled, as the case may be. Where a Participant has been granted one or more RSUs, DSUs or PSUs, such RSUs, DSUs or PSUs (and related Dividend Equivalents) shall be recorded separately in the Participant's Share Unit Account.

7.5 Other Equity-Based and Cash Awards. The Committee may grant Other Equity-Based Awards, either alone or in tandem with other Awards, in such amounts and subject to such conditions as the Committee shall determine in its sole discretion. Each Equity-Based Award shall be evidenced by an Award Agreement and shall be subject to such conditions, not inconsistent with the Plan, as may be reflected in the applicable Award Agreement. The Committee may grant Cash Awards to Participants. All Cash Awards shall be designated Performance Compensation Awards and shall be subject to Section 7.6 of the Plan. Cash Awards shall be evidenced in such form as the Committee may determine.

7.6 Performance Compensation Awards.

(a) General

The Committee shall have the authority, at the time of grant of any Award described in this Plan (other than Options and Share Appreciation Rights granted with an exercise price equal to or greater than the Fair Market Value per Common Share on the Grant Date), to designate such Award as a Performance Compensation Award. In addition, the Committee shall have the authority to grant a Cash Award to any Participant and designate such Award as a Performance Compensation Award.

(b) Eligibility

The Committee will designate within the first 90 days of a Performance Period which Participants will be eligible to receive Performance Compensation Awards in respect of such Performance Period. However, designation of a Participant eligible to receive an Award hereunder for a Performance Period shall not in any manner entitle the Participant to receive payment in respect of any Performance Compensation Award for such Performance Period. The determination as to whether or not such Participant becomes entitled to payment in respect of any Performance Compensation Award shall be decided solely in accordance with the provisions of this Section 7.6. Moreover, designation of a Participant eligible to receive an Award hereunder for a particular Performance Period shall not require designation of such Participant eligible to receive an Award hereunder in any subsequent Performance Period, and designation of one person as a Participant eligible to receive an Award hereunder shall not require designation of any other person as a Participant eligible to receive an Award hereunder in such period or in any other period.

(c) Discretion of Committee with Respect to Performance Compensation Awards

With regard to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period (provided any such Performance Period shall be not less than one fiscal quarter in duration), the types of Performance Compensation Awards to be issued, the Performance Criteria that will be used to establish the Performance Goals, the kinds and/or levels of the Performance Goals that are to apply to the Company and the Performance Formula.

(d) Payment of Performance Compensation Awards

(i) Condition to Receipt of Payment

Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company on the last day of a Performance Period to be eligible for payment in respect of a Performance Compensation Award for such Performance Period. A Participant's eligibility for payment in respect of a Performance Compensation Award ends on the Termination of Continuous Service, regardless of whether the Participant's termination of employment was lawful, and does not include any period of statutory, contractual, common law or other reasonable notice of termination of employment or any period of salary continuance except as specified in this section. If the Participant resigns or is terminated for Cause, the Participant shall not be entitled to payment in respect of a Performance Compensation Award where the date the Participant ceases to provide services to the Company occurs before the payment date set out in the applicable Award Agreement. If the Participant is terminated without Cause the Participant is not entitled to payment in respect of a Performance Compensation Award after the expiry of the minimum period of statutory notice under the applicable minimum standards statute.

(ii) Limitation

A Participant shall be eligible to receive payment in respect of a Performance Compensation Award only to the extent that: (A) the Performance Goals for such period are achieved; and (B) the Performance Formula as applied against such Performance Goals determines that all or some portion of such Participant's Performance Compensation Award has been earned for the Performance Period.

(iii) Certification

Following the completion of a Performance Period, the Committee shall review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, calculate and certify in writing the amount of the Performance Compensation Awards earned for the period based upon the Performance Formula. The Committee shall then determine the actual size of each Participant's Performance Compensation Award for the Performance Period.

(iv) Timing of Award Payments

Performance Compensation Awards granted for a Performance Period shall be paid to Participants as soon as administratively practicable following completion of the certifications required by this Section 7.6 but in no event later than December 31 of the third year following the end of the calendar year during which the Performance Period is completed.

8. Compliance with Applicable Laws. The Company's obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such qualification of such Common Shares or obtaining approval of such regulatory authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Company shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with Applicable Laws and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed. Awards may not be granted with a Grant Date or effective date earlier than the date on which all actions required to grant the Awards have been completed.

9. Miscellaneous.

9.1 Acceleration of Exercisability and Vesting. Subject to the limitations in this Plan, the Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.

9.2 Non-Transferability of Awards. Awards shall not be transferable or assignable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the holder of the Award only by such holder.

9.3 Representation Regarding Eligible Persons. All Award Agreements representing any Awards granted pursuant to this Plan must contain a representation of the Company that such Director, officer, Employee or Consultant, as the case may be, is a bona fide Director, officer, Employee or Consultant of the Company or an Affiliate.

9.4 Shareholder Rights. Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Share certificate is issued, except as provided in Section 10 hereof.

9.5 No Employment or Other Service Rights. Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with or without Cause or (b) the service of a Director pursuant to the by-laws of the Company or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.

9.6 Transfer; Leave of Absence. For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (a) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another, or (b) a Leave of Absence, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the Leave of Absence was granted or if the Committee otherwise so provides in writing.

9.7 Conformity to Plan. In the event that an Award is granted or an agreement evidencing an Award is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.

9.8 Hold Period. In the event that the Common Shares are listed on the TSXV, the granting of an Award (i) to Insiders, or (ii) where the exercise price is at a discount to the TSXV Market Price shall be subject to a four-month hold period in compliance with the applicable policies of the TSXV.

9.9 Withholding Obligations. It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from their receipt of Common Shares or other property pursuant to this Plan. In connection with the issuance of Common Shares pursuant to this Plan, a Participant shall, at the Participant's discretion:

(a) pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance;

(b) authorize a securities dealer designated by the Company, on behalf of the Participant, to sell in the capital markets a portion of the Common Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or

(c) make other arrangements acceptable to the Company to fund the Applicable Withholding Taxes.

10. Adjustments upon Changes in Capital. In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting Common Shares, the Board will make such proportionate adjustments, if any, as the Board, acting reasonably and in good faith, deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (i) the maximum number of Common Shares subject to all Awards stated in Section 4; (ii) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in Section 4; (iii) the number or kind of shares or other securities subject to any outstanding Awards; (iv) the Exercise Price of any outstanding Options and Share Appreciation Rights; (v) the number of Share Units in the Participants' Share Unit Accounts; and (vi) the vesting of RSUs, DSUs or PSUs (and related Dividend Equivalents) provided, however, that no adjustment will obligate the Company to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments made pursuant to this Section 10 shall be made in compliance with section 7(1.4)(c) of the ITA and subject to the rules of the Exchange, to the extent applicable. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

11. Effect of Change in Control.

11.1 Unless otherwise provided in an Award Agreement, notwithstanding any provision of the Plan to the contrary:

(a) In the event of a Change in Control that is not a Substitution Event or Permitted Reorganization, all outstanding Options and Share Appreciation Rights shall become immediately exercisable with respect to 100% of the shares subject to such Options or Share Appreciation Rights, and the Restricted Period shall expire immediately with respect to 100% of the outstanding RSUs.

(b) With respect to Performance Compensation Awards, in the event of a Change in Control that is not a Substitution Event or Permitted Reorganization, all Performance Goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions will be deemed met.

To the extent practicable, any actions taken by the Committee under the immediately preceding Section 11.1(a) and Section 11.1(b) shall occur in a manner and at a time which allows affected Participants the ability to participate in the Change in Control that is not a Substitution Event or Permitted Reorganization with respect to the Common Shares subject to their Awards.

11.2 Substitution Event or a Permitted Reorganization. Upon the occurrence of a Substitution Event or a Permitted Reorganization, the surviving or acquiring entity (the "**Continuing Entity**") shall, to the extent commercially reasonable, take all necessary steps to continue the Plan and to continue the Awards granted hereunder or to substitute or replace similar options or share units, as applicable for the Options and Share Units outstanding under the Plan on substantially the same terms and conditions as the Plan. For greater certainty, no consideration other than Continuing Entity options shall be received, and the amount that the aggregate fair market value of the securities of the Continuing Entity subject to the Continuing Entity options immediately after the substitution or replacement exceeds the aggregate exercise price of such securities under the Continuing Entity options shall not be greater than the amount the aggregate Fair Market Value of the Common Shares subject to the outstanding Options immediately before such substitution or replacement exceeds the aggregate Exercise Price of such Common Shares. Any such adjustment, substitution or replacement in respect of options shall, at all times, be made in compliance with the provisions of section 7(1.4) of the ITA. Any such adjustment, substitution or replacement in respect of Share Units shall, at all times, be such that the Plan and any Share Units granted hereunder comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto.

In the event that:

(a) the Continuing Entity does not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not) comply with the provisions of this Section 11.2;

(b) the Board determines, acting reasonably, that such substitution or replacement is not practicable;

(c) the Board determines, acting reasonably, that such substitution or replacement would give rise to adverse tax results, under the ITA; or

(d) the securities of the Continuing Entity are not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not be) listed and posted for trading on a recognizable stock exchange;

the outstanding Options shall become fully vested and may be exercised or surrendered by the Participant at any time after the Participant receives written notice from the Board of such accelerated vesting and prior to the occurrence of the Substitution Event or Permitted Reorganization; provided, however, that such vesting, exercise or surrender shall be, unless otherwise determined in advance by the Board, effective immediately prior to, and shall be conditional on, the consummation of such Substitution Event or Permitted Reorganization. Any Options that have not been exercised or surrendered pursuant to this Section 11.2 shall be forfeited and cancelled without compensation to the holder thereof upon the consummation of such Substitution Event or Permitted Reorganization. Unless otherwise determined by the Board prior to the date of the Substitution Event or Permitted Reorganization, as applicable, upon such Substitution Event or Permitted Reorganization, a pro rata proportion of the PSUs (and related Dividend Equivalents) credited to a Participant's Share Unit Account, which did not vest on or prior to the date of the Substitution Event or Permitted Reorganization, and a pro rata proportion of the RSUs or DSUs (and related Dividend Equivalents) credited to a Participant's Share Unit Account, which did not vest on or prior to the date of the Substitution Event or Permitted Reorganization, shall vest in accordance with the provisions of Section 6.13, on the basis that the references to “Change of Control” in Section 6.13 shall be read as “Substitution Event or Permitted Reorganization, as applicable”. Any Share Units that have been credited to a Share Unit Account of a Participant to whom this Section 11.2 applies and that do not vest pursuant to this Section 11.2 shall be terminated and forfeited. Notwithstanding any other provision of the Plan, in the event that Share Units vest, as contemplated in this Section 11.2, the Board may by resolution determine that the “Fair Market Value” with respect to such Share Units shall be the price per Common Share offered or provided for in the Substitution Event or Permitted Reorganization, as applicable.

11.3 The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

11.4 In addition, in the event of a Change in Control, the Committee may in its discretion and upon at least ten days' advance notice to the affected persons, cancel any outstanding Awards and pay to the holders thereof, in cash or stock, or any combination thereof, the value of such Awards based upon the price per Common Share received or to be received by other shareholders of the Company in the event. In the case of any Stock Option or Share Appreciation Right with an exercise price that equals or exceeds the price paid for a Common Share in connection with the Change in Control, the Committee may cancel the Option or Share Appreciation Right without the payment of consideration for it.

12. Amendment of the Plan and Awards.

12.1 Amendment of Plan and Awards. The Board at any time, and from time to time, may amend or suspend any provision of an Award or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.

(a) Without limiting the generality of the foregoing, the Board may make the following types of amendments to this Plan or any Awards without seeking security holder approval:

(i) amendments of a “housekeeping” or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;

(ii) amendments necessary to comply with the provisions of Applicable Law (including, without limitation, the rules, regulations and policies of the Exchange);

(iii) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws;

(iv) amendments to the vesting provisions of this Plan or any Award;

(v) other than in respect of Stock Options, amendments to include or modify a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying Common Shares from the Plan maximum;

(vi) any amendment to add or amend provisions relating to the granting of cash- settled awards, provision of financial assistance or clawbacks and any amendment to a cash-settled award, financial assistance or clawbacks provisions which are adopted;

(vii) amendments to the termination or early termination provisions of this Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date of the Award;

(viii) amendments necessary to suspend or terminate this Plan; and

(ix) any other amendment that does not require shareholder approval under Section 12.1(b).

(b) Security holder approval will be required for the following types of amendments:

(i) any amendment to increase the maximum number of Common Shares issuable under this Plan, other than pursuant to Section 10;

(ii) any amendment to this Plan that increases the length of the period after a Blackout Period during which Options may be exercised;

(iii) any amendment that would result in the Exercise Price for any Stock Option granted under this Plan being lower than: (i) the Fair Market Value at the Grant Date of the Stock Option; or (ii) if the Common Shares are listed on the TSXV, the TSXV Market Price;

(iv) any amendment to remove or to exceed the Insider participation limit set out in Section 5.2(c);

(v) any amendment that reduces the Exercise Price of an Option or permits the cancellation and reissuance of an Option or other entitlement, in each case, other than pursuant to Section 10, Section 11.1, or Section 11.2;

(vi) any amendment extending the term of an Option beyond the original Expiry Date, except as provided in Section 6.2;

(vii) any amendment to the amendment provisions;

(viii) any amendment that would allow for the transfer or assignment of Awards under this Plan, other than for normal estate settlement purposes; and

(ix) amendments required to be approved by security holders under Applicable Law (including the rules, regulations and policies of the Exchange) .

At all times when the Corporation is listed on the TSXV, the shareholder approval referred to in Section 12.1(b)(v) (if any such Award is held by an Insider) and Section 12.1(b)(vii)12.1(b)(vii) above must be obtained on a "disinterested" basis in compliance with the applicable policies of the TSXV.

12.2 Additional Approvals when Listed on TSXV. Notwithstanding any other provision of this Plan, at all times when the Company is listed on the TSXV:

(a) the Company shall be required to obtain prior TSXV acceptance of any amendment to this Plan; and

(b) the Company shall be required to obtain disinterested shareholder approval in compliance with the applicable policies of the TSXV for this Plan if, together with all of the Company's previously established and outstanding equity compensation plans or grants, could permit at any time: (1) the aggregate number of Common Shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued Common Shares; and (2) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Awards exceeding 10% of the issued Common Shares, calculated at the date an Award is granted to any Insider.

12.3 No Impairment of Rights. Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

13. General Provisions.

13.1 Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

13.2 Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or security-holder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

13.3 Sub-Plans. The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying Applicable Laws of various jurisdictions in which the Company intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.

13.4 Deferral of Awards. The Committee may establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Participant to payment or receipt of Common Shares or other consideration under an Award. The Committee may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Committee deems advisable for the administration of any such deferral program.

13.5 Unfunded Plan. The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

13.6 Recapitalizations. Each Award Agreement shall contain provisions required to reflect the provisions of Section 10.

13.7 Delivery. Upon exercise of a right granted under this Plan, the Company shall issue Common Shares or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

13.8 No Fractional Shares. No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Common Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.

13.9 Other Provisions. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.

13.10 Beneficiary Designation. Each Participant under the Plan may from time to time name any beneficiary or beneficiaries by whom any right under the Plan is to be exercised in case of such Participant's death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

13.11 Expenses. The costs of administering the Plan shall be paid by the Company.

13.12 Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

13.13 Plan Headings. The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

13.14 Non-Uniform Treatment. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.

13.15 Participant Information.

(a) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such Applicable Laws. Each Participant shall provide the Company with all information (including personal information) required in order to administer the Plan (the "**Participant Information**").

(b) The Company may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Company in connection with the operation and administration of the Plan. The Company may also transfer and provide access to Participant Information to the Employers for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Company shall not disclose Participant Information except (i) as contemplated above in this Section 13.15(b), (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Company to compel production of the information.

13.16 Priority of Agreements. In the event of any inconsistency or conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any inconsistency or conflict between the provisions of the Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Employer, on the other hand, the provisions of the employment agreement shall prevail.

14. Effective Date of Plan. The Plan shall become effective as of the Effective Date. This Plan applies to Awards granted hereunder on and after the Effective Date.

15. Termination or Suspension of the Plan. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated but Awards theretofore granted may extend beyond that date.

16. Governing Law. The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

As adopted by the Board of Directors of 1246778 B.C. Ltd. on November 5, 2021.

As approved by the security holders of 1246778 B.C. Ltd. on November 5, 2021.

APPENDIX "H"

RESULTING ISSUER AUDIT COMMITTEE CHARTER

See attached

1246778 B.C. LTD.

AUDIT COMMITTEE CHARTER

1. **Mandate**

The primary function of the audit committee (the "**Committee**") is to assist the board of directors (the "**Board**") of 1246778 B.C. Ltd. (the "**Company**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

(a) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;

(b) review and appraise the performance of the Company's external auditor;

(c) provide an open avenue of communication among the Company's auditor, financial and senior management and the Board; and

(d) report regularly to the Board the results of its activities.

2. **Composition**

The Committee shall be comprised of a minimum three directors as determined by the Board, a majority of whom shall not be officers or employees of the Company or any of its affiliates. If the Company ceases to be a "venture issuer" (as that term is defined in Multilateral Instrument 52 - 110 *Audit Committees),* then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a venture issuer then all members of the Committee shall also have accounting or related financial management expertise. All members of the Committee should have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting or until their successors are duly elected. Unless a chairperson ("**Chair**") is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

3. **Meetings**

The Committee shall meet a least once quarterly, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer of the Company and the external auditor of the Company in separate sessions.

4. **Responsibilities and Duties**

A. <u>Documents/Reports Review</u>

To fulfill its responsibilities and duties, the Committee shall endeavor to:

(a) review and update this Audit Committee Charter annually;

(b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor; and

(c) review regular summary reports of directors and officers expense account claims at least annually, establish and review approval policies for expense reports and, as required, request audits of expense claims and policies for expense approval and reimbursements. The Chair of the Committee will be responsible for approving the expense reports of the President and the Chief Executive Officer of the Company, and the Chief Executive Officer of the Company will be responsible for approving the expense reports of the directors and officers of the Company.

B. External Auditor

To fulfill its responsibilities and duties, the Committee shall endeavor to:

(a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;

(b) obtain annually, a formal written statement of the external auditor setting forth all relationships between the external auditor and the Company;

(c) review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;

(d) take, or recommend that the Board, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(e) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;

(f) recommend to the Board the compensation to be paid to the external auditor;

(g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

(h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

(i) review with management and the external auditor the audit plan for the year-end financial statements; and

(j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:

i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,

ii. such services were not recognized by the Company at the time of the engagement to be non-audit services, and

iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

C. Financial Reporting Processes

To fulfill its responsibilities and duties, the Committee shall endeavor to:

(a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;

(b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

(c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;

(d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;

(e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

(f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;

(g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;

(h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;

(i) review certification process;

(j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;

(k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and

(l) on at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

D. Authority

(a) The Committee will have the authority to:

i. review any related-party transactions;

ii. engage independent counsel and other advisors as it determines necessary to carry out its duties;

iii. set and pay compensation for any independent counsel and other advisors employed by the Committee;

iv. communicate directly with the auditors; and

v. conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.