

1290439 B.C. LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

**FOR THE THREE AND SIX MONTHS
ENDED
JUNE 30, 2025 AND JUNE 30, 2024**

DESCRIPTION OF BUSINESS AND OVERVIEW OF OPERATIONS AND FINANCIAL CONDITION

The following management's discussion and analysis (this "MD&A") of 1290439 B.C. Ltd. (the "Company"), prepared as of August 11, 2025 should be read together with the unaudited interim financial statements and accompanying notes for the period ended June 30, 2025 and related notes hereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board effective for the reporting period ended June 30, 2025. All amounts are stated in Canadian dollars unless otherwise indicated.

The Company's ability to continue as a going concern and the recoverability of past expenditures mainly in day-to-day operations are dependent upon the ability of the Company to obtain necessary financing and/or loans to successfully complete its future objectives. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. Should the Company be unable to realize its assets or discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in the financial statements. These financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Management pursues relationships and alliances with diverse entities in order to attract additional sources of funds or other transactions that would assure the continuance of the Company's operations.

All statements in this report that do not directly and exclusively relate to historical facts constitute forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties, and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from the Company's expectations. The Company assumes no obligation to update or revise any forward-looking statements, as a result of new information, future events or otherwise.

Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.ca.

DESCRIPTION OF BUSINESS

The Company was incorporated under the *Business Corporations Act* (British Columbia) on February 23, 2021. The head office and records and registered office is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario M5C 2V9.

The Company is investigating and evaluating business opportunities to either acquire or in which to participate.

On May 29, 2019, ECC Diversified Inc. ("ECC") completed a strategic reorganization of its assets by way of a plan of arrangement (the "ECC Arrangement") in which it spun out Larose Ventures Ltd. ("Larose") and its other investee subsidiaries. The ECC Arrangement involved the transfer of certain assets into Larose. The ECC Arrangement was approved by the shareholders of ECC at an annual general and special meeting held on May 17, 2019 and the Supreme Court of British Columbia issued its final order approving the ECC Arrangement on May 28, 2019.

Effective April 1, 2021 Larose completed a spinout by way of a plan of arrangement with the Company and 1290439 B.C. Ltd. ("439"), 1290447 B.C. Ltd. ("447"), 1290448 B.C. Ltd. ("448"), 1290442 B.C. Ltd. ("442"), 1290457 B.C. Ltd. ("457") and together with, the Company 439, 442, 447, 448 and 457, the ("Spinout Entities") under the *Business Corporations Act* (British Columbia) (the "Larose Arrangement").

The Larose Arrangement was approved by the unanimous written consent of the shareholders of Larose. Larose obtained the final order approving the Larose Arrangement from the Supreme Court of British Columbia on March 26, 2021.

Pursuant to the amalgamation of Larose with 1282454 BC Ltd., the shareholders of the Company were issued 1,000,000 common shares each at a cost of \$0.125 per common share.

These interim condensed financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. At June 30, 2025, the Company had no sources of revenue and an accumulated deficit of \$261,866 (December 31, 2024 - \$245,941). At June 30, 2025, the Company had cash of \$4,035 (December 31, 2024 - \$21,555) and working capital deficit of \$91,866 (December 31, 2024 - \$75,941). These conditions raise material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern and the recoverability of past expenditures mainly in day-to-day operations are dependent upon the ability of the Company to obtain necessary financing and/or loans to successfully complete its future objectives. Management pursues relationships and alliances with diverse entities in order to attract additional sources of funds or other transactions that would assure the continuance of the Company's operations.

FORWARD LOOKING STATEMENTS

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information which reflect management's expectations regarding future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new reserves and the success of exploration activities) and opportunities. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

The forward-looking information in this MD&A reflects the current expectations, assumptions or beliefs of the Company based on information currently available to the Company. With respect to forward looking information contained in this MD&A, the Company has made assumptions regarding, among other things, the Company's ability to successfully generate sufficient funds from capital markets to meet its future obligations as and when required, assumptions relating to the Company's critical accounting policies, the Company's business, completion of a potential business combination, the Company's ability to pursue potential corporate transactions, the Company's ability to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Company's demand. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward - looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward - looking information. Such risks, uncertainties and other factors include among other things the following: the risk that the Company will continue to have negative operating cash flow; the risk that additional financing will not be obtained as and when required; risks with respect to future growth, risks of negative results of operations, performance and business prospects; risks with respect to lack of further opportunities; material increases in operating costs; the risk that the Company will not be able to successfully complete a business combination.

This MD&A (See "FINANCIAL INSTRUMENTS AND RISK") contain information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

During the three-month period ended June 30, 2025, operating expenses of \$8,899 (June 30, 2024 - \$9,833) were comprised mainly of professional, legal and administrative charges.

- i) Professional fees were \$4,851 (June 30, 2024 - \$6,250).
- ii) Legal fees were \$3,694 (June 30, 2024 - \$2,845).
- iii) General and administrative charges were \$344 (June 30, 2024 - \$738).

During the six-month period ended June 30, 2025, operating expenses of \$17,539 (June 30, 2024 - \$17,539) were comprised mainly of professional, legal and administrative charges.

- iv) Professional fees were \$10,251 (June 30, 2024 - \$12,670).
- v) Legal fees were \$4,974 (June 30, 2024 - \$3,435).
- vi) General and administrative charges were \$700 (June 30, 2024 - \$1,434).

LIQUIDITY AND CAPITAL RESOURCES

The Company's activities have been funded to date through the issuance of common shares and loans provided by controlling shareholders.

Effective April 1, 2021, Larose completed the Larose Arrangement. Pursuant to the Larose Arrangement, shareholders of Larose as of the close of business on the record date of March 8, 2021 received one half of one common share of each of the Spinout Entities for every common share of Larose that they held as of March 8, 2021.

As a result of the Larose Arrangement, two shareholders of the Company each has ownership and control over 500,000 common shares of 1290439 B.C. Ltd.

On April 1, 2021, as part of the Larose Arrangement, the Company cancelled one share that was issued on incorporation.

On May 12, 2021, the Company closed a non-brokered private placement, in which it raised gross proceeds of \$100,000. This placement consisted of 100,000 common shares of the Company at a price of \$1.00 per common share (the "Offering"). No finder's fees were payable in connection with the Offering. The Company intends to use the proceeds of the Offering for general working capital purposes.

On November 23, 2022, the Company closed a non-brokered private placement, in which it raised gross proceeds of \$70,000 with the above-mentioned shareholders. This placement consisted of 70,000 common shares of the Company at a price of \$1.00 per common share. No finder's fees were payable in connection with the Offering. The Company intends to use the proceeds of the Offering for general working capital purposes.

In July 2024, one of the Company's controlling shareholders advanced \$30,000 to the Company. The loan is interest free and is repayable on demand.

There were no share issuances in the three-month period ended June 30, 2025.

SUMMARY OF QUARTERLY RESULTS

Three Months Ending	Total Assets	Total Liabilities	Net Loss and Comprehensive Loss	Net Loss and Comprehensive Loss Per Share	Weighted Average Number of Shares
June 30, 2025	\$4,305	\$95,901	(\$8,899)	(\$0.01)	1,170,000
March 31, 2025	\$21,555	\$104,532	(\$7,036)	(\$0.01)	1,170,000
December 31, 2024	\$21,555	\$97,496	(\$11,917)	(\$0.01)	1,170,000
September 30, 2024	\$21,555	\$85,594	(\$6,113)	(\$0.01)	1,170,000
June 30, 2024	\$738	\$58,647	(\$9,833)	(\$0.01)	1,170,000
March 31, 2024	\$795	\$48,871	(\$7,706)	(\$0.01)	1,170,000
December 31, 2024	\$577	\$40,946	(\$17,511)	(\$0.01)	1,170,000
September 30, 2023	\$595	\$23,454	(\$7,374)	(\$0.01)	1,170,000

FINANCIAL INSTRUMENTS AND RISK

The Company's financial instruments consist of cash, accounts payable, accrued liabilities and loans payable. As at June 30, 2025, the carrying value of accounts payable, accrued liabilities and loans payable approximate their fair value due to their short term to maturity. Cash is measured at fair value.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. As at June 30, 2025, the Company had cash balance of \$4,035 (December 31, 2024 - \$21,555) and current liabilities of \$95,901

(December 31, 2024 - \$97,496). As such the Company has sufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Credit risk

The Company's credit risk is primarily attributable to its liquid financial assets and would arise from the non-performance by counterparties of contractual financial obligations. The Company limits its exposure to credit risk on liquid assets by maintaining its cash with high-credit quality financial institutions, for which management believes the risk of loss to be minimal.

Interest rate risk

As of June 30, 2025, the Company has no interest-bearing term deposits.

Currency risk

The Company is not exposed to foreign currency risk.

OUTSTANDING SHARE DATA

As at the date of this report:

- a) Authorized: unlimited common shares without par value
- b) Issued and outstanding: 1,170,000 common shares.
- c) Outstanding stock options: At June 30, 2025, there are no outstanding stock options.
- d) Outstanding warrants: At June 30, 2025, there are no warrants outstanding.

CAPITAL MANAGEMENT

The Company considers its capital to be the components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

Included in loans payable at June 30, 2025 is \$14,000 (December 31, 2024 - \$14,000) which was advanced by two separate companies controlled by the same controlling shareholders and directors as 1290439 B.C. Ltd. Included in loans payable at June 30, 2025 is \$30,000 (December 31, 2024 - \$30,000) which was advanced by one of the Company's controlling shareholders in July 2024. These loans are interest-free and are repayable

During the six months ended June 30, 2025, the Company incurred the following charges with key management personnel:

- Included in professional fees is \$2,500 (June 30, 2024 - \$10,000) paid to a company controlled by a former director and officer of the Company and included in accrued liabilities is \$21,758 (December 31, 2024 - \$18,933) payable to the same Company.
- Included in professional fees is \$4,367 (June 30, 2024 - \$2,500) paid to the current directors and officers of the Company and also included in accrued liabilities is \$14,120 (December 31, 2024 - \$9,448) payable to the same directors and officers

OFF-BALANCE SHEET ARRANGEMENTS

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

NEWLY ADOPTED ACCOUNTING POLICIES, FUTURE ACCOUNTING POLICIES AND FINANCIAL INSTRUMENTS

Please refer to Note 3 of the condensed interim financial statements for the three and six months ended June 30, 2025 posted on www.sedarplus.ca.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

CONTINGENCIES

There are no contingent liabilities.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR+ at www.sedarplus.ca.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited condensed interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined

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in NI 52-109.