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**1287409 B.C. Ltd.**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

(Expressed in Canadian Dollars)

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## **INTRODUCTION**

This Management's Discussion and Analysis ("MD&A") is an overview of the activities of 1287409 B.C. LTD. (the "Company" or "409 BC") for the nine months ended September 30, 2023. The MD&A is intended to help the reader understand the Company's operations, financial performance and present and future business environment. The MD&A should be read in conjunction with the interim financial statements and related notes thereto of the Company for the nine months ended September 30, 2023, the audited financial statements and related notes thereto of the Company for the year ended December 31, 2022, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars.

The date of this MD&A is November 17, 2023.

Additional information regarding the Company can be found on the Company's page at [www.sedarplus.ca](http://www.sedarplus.ca).

## **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 [www.sedarplus.ca](http://www.sedarplus.ca).*

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*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**

1287409 B.C. Ltd. ("409 BC" or "the Company") was incorporated under the Business Corporations Act of British Columbia on February 3, 2021. The Company is a reporting issuer but does not trade on stock exchange.

The head office and principal address of the Company is 3400 – 22 Adelaide S. W. Toronto, Ontario, M5H 4E3.

## **RECENT EVENTS**

On June 27, 2023, the Company issued 750,000 shares for a gross proceed of \$75.

## **SELECTED ANNUAL INFORMATION**

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	For the year ended December 31, 2022	For the period from incorporation on February 3, 2021 to December 31, 2021
Net loss and Comprehensive loss	\$ (23,036)	\$ (22,262)
Net loss per share, basic and fully diluted	\$ (0.008)	\$ (0.010)
Total assets	\$ 1,941	\$ 860
Total liabilities	\$ (46,939)	\$ (22,822)

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## **DISCUSSION OF RESULTS AND OPERATIONS**

### ***Net loss for the three months ended September 30, 2023***

Net loss and comprehensive loss were \$4,864 (2022 - \$5,439). The primary contributors were accounting and corporate secretarial fees, professional fees, and regulatory fees.

### ***Net loss for the nine months ended September 30, 2023***

Net loss and comprehensive loss were \$18,664 (2022 - \$17,804). The primary contributors were accounting and corporate secretarial fees, professional fees, and regulatory fees.

## **SUMMARY OF QUARTERLY RESULTS**

<b>Quarter ended</b>	<b>Revenue (1)</b>	<b>Income (Loss) for the Quarter</b>	<b>Income (Loss) per Share</b>
September 30, 2023	\$ Nil	\$ (4,864)	\$ (0.001)
June 30, 2023	\$ Nil	\$ (7,177)	\$ (0.002)
March 31, 2023	\$ Nil	\$ (6,623)	\$ (0.002)
December 31, 2022	\$ Nil	\$ (5,232)	\$ (0.002)
September 30, 2022	\$ Nil	\$ (5,439)	\$ (0.002)
June 30, 2022	\$ Nil	\$ (7,389)	\$ (0.002)
March 31, 2022	\$ Nil	\$ (4,976)	\$ (0.002)
December 31, 2021	\$ Nil	\$ 13,533	\$ 0.002

(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 \$63,587 as at September 30, 2023 (December 31, 2022 - \$44,998). 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 September 30, 2023, the Company has \$49,869 (December 31, 2022 - \$28,025) in related party liabilities owing to 1289625 for reimbursable expenses incurred on behalf of the Company.

## **PROPOSED TRANSACTION**

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

## **CHANGES IN ACCOUNTING POLICIES**

The Company has applied the same accounting policies as set out in Note 2 of the audited financial statements for the year ended December 31, 2022.

## **Changes in Internal Controls over Financial Reporting**

There were no changes in the Company's internal controls over financial reporting during the period ended September 30, 2023.

## **FINANCIAL INSTRUMENTS**

For financial instruments held by the Company, management classifies accounts payable and accrued liabilities and amounts due to a related party at 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 September 30, 2023, the Company believes that the carrying value of accounts payables and amounts due to a related party approximates their fair value because of their nature and relatively short maturity date or duration.

### **b) Management of risks arising from financial instruments**

Discussions of risks associated with financial assets and liabilities are detailed below:

#### *Credit risk*

Credit risk is the risk associated with the counterparty's inability to fulfil its payment obligations. The Company is not exposed to credit risk.

#### *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*

The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. As at September 30, 2023, the Company had a net working capital deficiency of \$63,587 (December 31, 2022 - \$44,998). All of the Company's current liabilities are expected to be settled within the next 12 months.

## **RISKS AND UNCERTAINTIES**

### ***Risk Factors – General***

The Company is focused on gaining exposure to commodity prices by making strategic investments in mining interests, including royalties, streams, debt and equity investments in mining companies. Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations of metal prices, the proximity

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and capacity of milling facilities, mineral markets, processing reagents and equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environment protection, the combination of which factors may result in the Company not receiving an adequate return on investment.

**OUTSTANDING COMMON SHARES DATA**

The following section updates the outstanding share data provided in the condensed interim financial statements for the period ended September 30, 2023.

	Number of Shares	Exercise Price	Expiry Date
Common Shares outstanding as at November 17, 2023	3,750,001		
Stock Options	100,000	\$0.10	April 28, 2026
Fully Diluted	3,850,001		