

1290451 B.C. LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

**FOR THE PERIOD FROM
INCORPORATION (FEBRUARY 23, 2021)
TO SEPTEMBER 30, 2021**

DESCRIPTION OF BUSINESS AND OVERVIEW OF OPERATIONS AND FINANCIAL CONDITION

The following management’s discussion and analysis, prepared as of November 15, 2021 and should be read together with the unaudited interim financial statements and accompanying notes for the period from incorporation (February 23, 2021) to September 30, 2021, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) effective for the reporting period ended September 30, 2021. 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.sedar.com.

DESCRIPTION OF BUSINESS

1290451 B.C. Ltd. (the “Company”) was incorporated under the British Columbia Business Corporations Act on February 23, 2021. The head office and records and registered office is located at 47 Lakeshore Road East, Unit 201, Mississauga, Ontario L5G 1C9.

On May 29, 2019, ECC Diversified Inc. (“ECC”) completed a strategic reorganization of its assets by way of a plan of arrangement (the “Arrangement”) in which it spun out Larose Ventures Ltd and its other investee subsidiaries. This Arrangement involved the transfer of certain assets into Larose. The 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 Arrangement on May 28, 2019.

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

On April 1, 2021, Larose Ventures Ltd. and 1290451 B.C. Ltd. (“447”) announced that the previously announced spin-out of the Spinout Entities by a plan of arrangement under the Business Corporations Act (British Columbia) (the “Arrangement”) has been completed. The Arrangement was approved by the unanimous written consent of the shareholders of the Company. The Company obtained the final order approving the Arrangement from the Supreme Court of British Columbia on March 26, 2021 and the Arrangement closed and became effective on April 1, 2021.

Pursuant to the 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.

Pursuant to the amalgamation of Larose ventures 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. Pursuant to the plan of arrangement between Larose Ventures and the Spinout entities, shareholders of Larose as at the close of the 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.

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FOR THE PERIOD FROM INCORPORATION (FEBRUARY 23, 2021) TO SEPTEMBER 30, 2021

The Company's 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 September 30, 2021, the Company had no sources of revenue and an accumulated deficit \$13,133 (2020 – \$nil). At September 30, 2021, the Company had cash of \$87,927 and working capital of \$86,867. 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 statements contained in this Interim MD&A and in certain documents incorporated by reference in this Interim MD&A, constitute forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of (i) this Interim MD&A or (ii) as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim 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.

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, 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.

Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.

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.

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MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD FROM INCORPORATION (FEBRUARY 23, 2021) TO SEPTEMBER 30, 2021

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

During the period from incorporation (February 23, 2021) to September 30, 2021, operating expenses of \$13,133 were comprised mainly of professional, legal and administrative charges.

During the period from incorporation (Feb 23, 2021) to September 30, 2021:

- i) Professional fees were \$9,450.
- ii) Legal fees were \$3,623.
- iii) General and administrative charges were \$60.

During the quarter ended September 30, 2021:

- i) Professional fees were \$Nil.
- ii) Legal fees were \$597.
- iii) General and administrative charges were \$Nil.

LIQUIDITY AND CAPITAL RESOURCES

The Company's activities have been funded to date through the issuance of common shares.

On April 1, 2021 Larose Ventures Ltd. and 1290439 B.C. Ltd. ("439"), 1290442 B.C. Ltd. ("442"), 1290447 B.C. Ltd. ("447"), 1290448 B.C. Ltd. ("448"), 1290451 B.C. Ltd. ("451"), 1290457 B.C. Ltd. ("457") and together with 439, 442, 447, 448, 451 and 457, the "Spinout Entities") announced that the previously announced spin-out of the Spinout Entities by a plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement") has been completed. The Arrangement was approved by the unanimous written consent of the shareholders of the Company. The Company obtained the final order approving the Arrangement from the Supreme Court of British Columbia on March 26, 2021 and the Arrangement closed and became effective on April 1, 2021.

Pursuant to the 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 Arrangement, two shareholders of the Company each has ownership and control over 500,000 common shares of 1290448 B.C. Ltd.

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 April 1, 2021, as part of the arrangement agreement, the Company also cancelled one share that was issued on incorporation.

SELECTED FINANCIAL INFORMATION

	For the period from incorporation (Feb 23, 2021) to September 30, 2021
Revenue	\$ Nil
Net loss for the year	\$ (13,133)
Net loss per common share, basic and diluted	\$ (0.01)
Weighted average number of common shares	900,457
Statement of financial position data:	
Working capital (deficiency)	\$ 86,867
Total assets	\$ 87,927

SUMMARY OF QUARTERLY RESULTS

	September 30, 2021	June 30, 2021
Total assets	\$ 87,927	\$ 89,521
Working capital (deficiency)	86,867	87,464
Shareholders' equity (deficiency)	86,867	87,464
Revenue	-	-
Operating expenses	(597)	(12,536)
Net Gain / (loss)	(597)	(12,536)
Basic and diluted loss per share	(0.00)	(0.01)

FINANCIAL INSTRUMENTS AND RISK

The Company's financial instruments consist of cash, accounts payable, accrued liabilities and loans payable. As at September 30, 2021, 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 September 30, 2021, the Company had cash balance of \$87,927 (September 30, 2020 - \$Nil) and current liabilities of \$1,560 (September 30, 2020 - \$Nil). 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 September 30, 2021, the Company has no interest-bearing term deposits.

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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: 1,100,000 common shares.
- c) Outstanding stock options: At September 30, 2021, there are no outstanding stock options.
- d) Outstanding warrants: At September 30, 2021, 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.

On April 1, 2021, as a result of the Arrangement, two shareholders have ownership and control over 500,000 common shares of the Company. On May 12, 2021, the Company announced that it closed a non-brokered private placement, in which it raised gross proceeds of \$100,000. Please see note 5 of the interim condensed financial statements for more details.

During the period ended September 30, 2021, the Company incurred the following charges with key management personnel:

- Included in professional fees is \$4,000 paid to a director and officer of the Company.
- Included in professional fees is \$2,500 paid as directors' fees to one director of the Company.
- Included in professional fees is \$2,500 payable as fees to an officer of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

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

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FOR THE PERIOD FROM INCORPORATION (FEBRUARY 23, 2021) TO SEPTEMBER 30, 2021

NEWLY ADOPTED ACCOUNTING POLICIES, FUTURE ACCOUNTING POLICIES AND FINANCIAL INSTRUMENTS

Please refer to Note 2 of the financial statements for the period ended September 30, 2021 posted on www.sedar.com.

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.sedar.com.

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 in NI 52-109.

OTHER MATTER

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.