

79 RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

November 20, 2020

This Management Discussion and Analysis ("MD&A") of 79 Resources Ltd. ("79" or the "Company") has been prepared by management as of November 20, 2020 and should be read together with the unaudited condensed interim financial statements and related notes for the nine months ended September 30, 2020 and the audited financial statements for the period ended December 31, 2019 which are prepared in accordance with International Financial Reporting Standards ("IFRS").

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

In March 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a global pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in the future.

OVERVIEW AND OVERALL PERFORMANCE

The Company is engaged in the business of mineral exploration.

The Company's head office is located at #600 – 625 Howe Street, Vancouver, British Columbia, V6C 2T6, and its registered and records office is located at #1170 – 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1. The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 17, 2019.

On August 27, 2020, the Company completed its initial public offering (the "IPO") of 4,600,000 units in its capital (each a "Unit"), at a price of \$0.10 per Unit for gross proceeds of \$460,000. Each Unit consists of one common share in the capital of the Company (each, a "Share") and one transferable common share purchase warrant (each, a "Unit Warrant") of the Company. Each Unit Warrant entitles the holder thereof to acquire one Share of the Company at an exercise price of \$0.15 per Share at any time prior to August 27, 2022.

Haywood Securities Inc. acted as agent (the "Agent") for the IPO. The Agent received a cash commission equal to 10% of the gross proceeds of the IPO and a corporate finance fee of \$40,000, of which \$30,000 was paid in cash and \$10,000 in Shares. Additionally, the Company granted the Agent, and its selling group, compensation options entitling the holder to purchase an aggregate of 460,000 Shares at a price of \$0.10 per Share, exercisable on or before August 27, 2022.

On August 28, 2020, the Company began trading on the Canadian Securities Exchange under the symbol SNR.

RESULTS OF OPERATIONS

The Company is an exploration stage mineral resource company and does not have any revenues from its operations.

As at September 30, 2020, the Company had total assets of \$345,969 (December 31, 2019: \$201,935). As at September 30, 2020, the Company had current liabilities of \$21,079 (December 31, 2019: \$74,944).

For the nine months ended September 30, 2020, the Company reported a net loss of \$182,395 (2019: \$15,122). The increase in all categories of expenses is due increased activities since incorporation on April 17, 2019. The losses for the nine months ended September 30, 2020 comprised of bank and interest charges of \$166 (2019: \$266), consulting fee of \$18,000 (2019: \$4,000), management fees of \$22,500 (2019: \$nil), marketing and promotion of \$2,500 (2019: \$7,500), office and miscellaneous of \$3,200 (2019: \$nil), legal, audit and accounting fees of \$87,292 (2019: \$3,356), regulatory and filing fees of \$24,993 (2019: \$nil), rent of \$1,200 (2019: \$nil), and share-based payment of \$22,544 (2019: \$nil).

For the three months ended September 30, 2020, the Company reported a net loss of \$123,832 (2019: \$13,221). The increase in all categories of expenses is due increased activities since incorporation on April 17, 2019. The losses for the three months ended September 30, 2020 comprised of bank and interest charges of \$84 (2019: \$221), consulting fee of \$18,000 (2019: \$4,000), management fees of \$7,500 (2019: \$nil), marketing and promotion of \$2,500 (2019: \$7,500), office and miscellaneous of \$2,800 (2019: \$nil), legal, audit and accounting fees of \$77,808 (2019: \$1,500), regulatory and filing fees of \$15,140 (2019: \$nil).

SUMMARY OF QUARTERLY RESULTS

The Company was incorporated on April 17, 2019 and, for that reason, only the previous six quarters have been presented in the table below.

	Q3	Q2	Q1	Q4
	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Net Loss for the Period	\$ (123,832)	\$ (22,186)	\$ (36,186)	\$ (42,638)
Loss per Share	-	-	-	-
Total assets	\$ 349,969	\$ 141,590	\$ 159,836	\$ 141,590

	Q3	Q2
	September 30, 2019	June 30, 2019
Net Loss for the Period	\$ (13,221)	\$ (1,901)
Loss per Share	-	-
Total assets	\$ 180,129	\$ 8,101

EXPLORATION AND PROJECTS

The principal asset of the Company is its option to acquire up to a 75% interest in the Louise Lake Property, a copper, molybdenum, gold and silver prospect.

Louise Lake Property

On July 8, 2019 the Company entered into an agreement to acquire up to a 75% interest in seven mining claims in the Omineca Mining Division, British Columbia from two vendors who co-own the property. To acquire a 51% interest, the Company issued 100,000 common shares (issued for \$2,000) and made a cash payment of \$5,000 to the vendors (paid).

To earn a further 24% (for a total of 75%), the Company must pay the vendors \$10,000 on or before July 8, 2020, extended to August 8, 2020 (paid), issue 100,000 common shares on or before the first anniversary of the initial listing of the Company's shares on an exchange, and incur aggregate exploration expenditures of \$225,000 of which \$75,000 must be incurred before July 8, 2020 (incurred) and \$150,000 on or before the first anniversary of the initial listing of the Company's shares on an exchange (incurred \$36,994).

The property is subject to a net smelter royalty of 2% payable to the vendors.

In August 2019, the Company acquired 82 additional cells contiguous to the Louise Lake Property for a cash payment of \$2,673.

The Property is located in the northern interior of British Columbia, approximately 35 air kilometers west of Smithers, British Columbia. The Property consists of eight Mineral Tenure Online mineral titles and covers an area of 1,862.36 hectares.

Since 1969, numerous exploration programs have been conducted on the area including geological mapping, geochemical and soil sampling, induced polarization (IP) surveying, diamond drilling, airborne magnetometer and VLF-EM surveying. Companies which conducted exploration on the Property include Canadian Superior Exploration (IP survey and diamond drilling – 1970), Granby Mining Corporation (geochemical surveys in 1975), Bethlehem Copper Corporation (geochemical and IP survey in 1979), Noranda Exploration Company (airborne magnetometer and VLF-EM surveys in 1980), Corona Gold Corporation (VLF-EM, geochemical survey, trenching and diamond drilling in 1988 to 1990), Equity Silver Mines Ltd. (diamond drilling in 1992) Global Mineral and Chemical Ltd. (IP surveying and diamond drilling in 1995 through 1998), Firestone Ventures Inc. and North American Gem Inc. (diamond drilling in 2004 through 2008).

An independent geological report (the "Technical Report") prepared by Jason McLaughlin, P. Geol. of Aurora Geosciences Ltd., who is a "Qualified Person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), was completed in relation to the Property on July 22, 2020. The Technical Report recommends that the Company conduct a two phase exploration program comprised of: phase one, a surface exploration program, geological mapping, rock and soil sampling, and prospecting; and phase two consisting of a drilling program to further examine a target which was indicated in 2004 - 2008 drilling programs.

Exploration Expenditures

79 Resources has incurred the following exploration expenditures with regards to the Property that were capitalized as incurred to September 30, 2020:

Assays and testing	\$	5,404
Geological consulting		32,479
Ground magnetic survey		38,336
Mapping and surveying		2,090
Reports and administration		18,376
Travel and accommodation		24,881
		<hr/>
	\$	121,566
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Future Plans

In relation to the Property, the Company currently plans to follow recommendations made in the Technical Report. The Technical Report recommends that the Company conduct a two phase exploration program comprised of: phase one, a surface exploration program, geological mapping, rock and soil sampling, and prospecting; and phase two consisting of a drilling program to further examine a target which was indicated in 2004 - 2008 drilling programs. The estimated budget for phase one is \$103,200, and the estimated budget for phase two is \$171,900. The Company will make a decision regarding whether to proceed with phase two based on the results from phase one and whether it acquires the additional claim.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported a working capital deficit of \$183,651 at September 30, 2020 and cash of \$194,713. Current liabilities as at September 30, 2020 consisted of accounts payable and accrued liabilities of \$18,454, and amount due to related parties of \$2,625.

During the period from inception on April 17, 2019 to December 31, 2019, the Company issued 1 common share for proceeds of \$1 to the incorporator.

On April 17, 2019, 2,000,000 common shares were issued to the founders and directors for proceeds of \$10,000.

On July 8, 2019, 100,000 common shares were issued to the vendors of the Louise Lake property valued at \$2,000.

On July 17, 2019, 3,000,000 common shares at \$0.02 were issued as part of a flow-through private placement for proceeds of \$60,000.

On July 29, 2019, 1,000,000 common shares at \$0.02 were issued as part of a flow-through private placement for proceeds of \$20,000.

On September 8, 2019, 2,100,000 common shares at \$0.05 were issued as part of a private placement for proceeds of \$105,000.

On August 27, 2020, the Company completed its initial public offering of 4,600,000 units at a price of \$0.10 per unit for gross proceeds of \$460,000. Each unit consists of one common share and one transferable common share purchase warrant of the Company. Each warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of \$0.15 per share at any time prior to August 27, 2022.

In connection to the initial public offering, the Company paid share issuance costs of \$48,000, corporate finance fees of \$40,000, of which \$30,000 was paid in cash and \$10,000 in common shares, and 460,000 broker's warrants (valued at \$24,320) at a price of \$0.10 per share, exercisable on or before August 27, 2022.

The Company has limited working capital to continue administrative operations and development of its exploration asset and may continue to have capital requirements in excess of its currently available resources. The Company intends to raise additional financing either privately or through a public financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the period ended September 30, 2020, the Company had:

- Incurred a management fee expense of \$22,500 to a company controlled by a director and the Chief Executive Officer;
- Incurred bookkeeping and accounting expense of \$7,500 to a former director and Chief Financial Officer;
- Amount due to a company owned by a director and the chief executive officer of the Company of \$2,625;
- Incurred rent expense of \$1,200 and office expense of \$400 to a company that is related by common directors and a senior officer.

The Company has identified the directors and senior officers as key management personnel. The following table lists the compensation costs paid directly or to companies controlled by key management personnel for the period ended September 30, 2020:

Nine months ended September 30, 2020		
	Fees	Share based payment
Gary Musil	\$ 22,500	\$ 11,272
Nancy Kawazoe	7,500	2,818
James Place	-	2,818
Twila Jensen	-	2,818
John Masters	-	2,818
	<u>\$ 30,000</u>	<u>\$ 22,544</u>

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

OUTSTANDING SECURITIES AT NOVEMBER 20, 2020

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 12,900,001 Common Shares

Options:

Number	Exercise Price	Expiry date
800,000	\$0.10	February 24, 2023

Warrants:

Number	Exercise Price	Expiry date
4,600,000	\$0.15	August 27, 2022
460,000	\$0.10	August 27, 2022

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical. The Company has no producing properties, no significant source of operating cash flow and consequently no sales or revenue from operations. The Company has either not yet determined whether its mineral properties contain mineral reserves that are economically recoverable or where reserves have been determined, mining operations have not yet commenced. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The property interests in whom the Company has an option to earn an interest are in the exploration stages only, are without and may not result in any discoveries of commercial mineralization, and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines, the result being the Company will be forced to look for other exploration projects. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.