

**STRALAK RESOURCES INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED**

**NOVEMBER 30, 2020**

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**Introduction**

The following is Management's Discussion and Analysis (the "MD&A") of the financial position and results from operations of Stralak Resources Inc. (the "Company"), for the year ended November 30, 2020. This MD&A should be read in conjunction with the Company's financial statements for its fiscal years ended November 30, 2020 and 2019 along with accompanying notes to the statements for the years then ended.

The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated. The Company's financial statements for its fiscal years ended November 30, 2020 and 2019 were prepared in accordance with International Financial Reporting Standards ("IFRS").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

The registered office of the Corporation is located at Suite 405, 1049 Chilco Street, Vancouver, BC V6G 2R7.

This MD&A is dated as of February 12, 2021.

**Additional Information**

Additional information relating to the Company is on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

**Business Overview and Corporate Update**

**Description of the Business**

The Company is focused on identifying suitable assets or businesses to acquire or merge with, with a view to maximizing value for shareholders. The Company was previously engaged in the acquisition and exploration of precious metal and industrial mineral properties, but has disposed of these interests. The

Company was incorporated on January 31, 1981, under the laws of the Province of British Columbia. In July 2005, the Company entered into a joint venture agreement (the "Agreement") whereby it transferred its one-third interest in the Street Property to Mohawk Garnet Inc. (MGI) in exchange for a 20% interest in MGI. The Agreement failed and the investment was recognized as fully impaired in 2009, with a write off of the \$674,143 carrying cost at that time.

The Company does not currently own any operating mines or exploration properties. Funding for the Company was raised primarily through public and private offerings. Future operations and the Company's ability to find and negotiate a business opportunity are dependent on the Company's ability to raise sufficient funds through share offerings, debt, or operations to support current and future expenditures.

The securities of the Company are not presently listed on any stock exchange. However, the Company's securities are subject to a cease trade order issued by the British Columbia Securities Commission (the "BCSC") dated April 12, 2007 (the "BC Cease Trade Order") and by the Alberta Securities Commission (the "ASC") on July 11, 2007 (the "AB Cease Trade Order", together with the BC Cease Trade Order, the "Cease Trade Orders"), for failure to file certain continuous disclosure filings required under applicable securities laws. The Company applied for partial revocation of the Cease Trade Orders ("Partial Revocation Orders") November 23, 2020. The BCSC and the ASC granted the Partial Revocation Orders on December 17, 2020, which allowed the Company to complete a private placement of 85,000,000 common shares for gross proceeds of \$85,000 on December 22, 2020. Completion of the private placement will allow the Company to prepare and file all outstanding continuous disclosure documents with the applicable regulatory authorities. Once those filings have been completed, the Company expects to apply for a full revocation of the Cease Trade Orders.

### **Corporate Update and Outlook**

All exploration properties have been disposed of as of November 2009. At that time the Company had limited cash and negative working capital. The Company has been dormant since November 2009 until November 2020. The intent of management is to seek a corporate transaction to generate shareholder value. On December 22, 2020, the Company raised \$85,000 which will be applied towards, among other things, the following (i) accounting, audit and legal fees associated with the preparation and filing of the relevant continuous disclosure documents; (ii) filing fees associated with obtaining the Partial Revocation Orders and the full revocation order; (iii) legacy accounts payable; and (iv) working capital and general and administrative expenses.

### **Changes to Board of Directors and Management**

On November 23, 2020, the Company announced the resignation of Robert Gartenberg, David Abrahams, and David R. Crutch from the board of directors. Robert Gartenberg has also resigned as Chief Executive Officer and Chief Financial Officer of the Company. The Company has appointed Aaron Meckler, Daniel Talkins and Michael Meckler to the board of directors in order to fill the vacancies created by the foregoing

resignations. In addition, Aaron Meckler has been appointed as Chief Executive Officer and Chief Financial Officer.

Subsequently, on January 12, 2021, the Company appointed Joseph Meckler to the board of directors.

## **Financial Performance**

### **Selected Annual Financial Information**

The table below summarizes key operating data for the last three fiscal years.

	Year Ended Nov. 30, 2020	Year Ended Nov. 30, 2019	Year Ended Nov. 30, 2018
	\$	\$	\$
Total assets	-	-	-
Total liabilities	421,880	414,280	414,280
Revenue	Nil	Nil	Nil
Net gain (loss)	(7,600)	-	-
Net gain (loss) per share	(0.00)	0.00	0.00
Weighted average shares outstanding	12,563,375	12,563,375	12,563,375

### **Selected Quarterly Financial Information**

The following quarterly results for the eight most recent quarters have been prepared in accordance with IFRS as listed below.

Three Months Ended	Assets	Liabilities	Net (Loss)	Gain (Loss) Per Share	Weighted Average Shares Outstanding
November 30, 2020	\$ -	\$ 421,880	\$ (7,600)	\$ (0.00)	12,563,375
August 31, 2020	-	414,280	-	0.00	12,563,375
May 31, 2020	-	414,280	-	0.00	12,563,375
February 28, 2020	-	414,280	-	0.00	12,563,375
November 30, 2019	-	414,280	-	0.00	12,563,375
August 31, 2019	-	414,280	-	0.00	12,563,375
May 31, 2019	-	414,280	-	0.00	12,563,375
February 28, 2019	-	414,280	-	0.00	12,563,375

### **Year ended November 30, 2020 compared to the year ended November 30, 2019**

The Company commenced rehabilitating its business and reviewing opportunities for a corporate transaction in 2020. Professional fees of \$7,600 were incurred in the fourth quarter of 2020 for operational activities in 2020. The Company was not operating during the first three quarters of 2020 and for all of 2019.

## Related Party Transactions

Related parties include directors, officers, close family members, certain consultants and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. There was no remuneration of directors and key management personnel of the Company for the years ended November 30, 2020 and 2019.

## Related party balances

At November 30, 2020, related parties held \$Nil (2019 - \$Nil) in accrued liabilities and accounts payable.

Any amounts due to related parties will be unsecured, non-interest bearing and have no fixed terms of repayment.

## Financial Condition

### Cash Flow

At November 30, 2020, the Company held cash of \$Nil. The working capital changes during 2020 reflected the accruals for audit and public reporting expenses. The Company was dormant for the first three quarters of 2020 and for all of 2019.

Subsequent to November 30, 2020, the Company raised \$85,000 through a private placement of 85,000,000 common shares.

The proceeds will be applied to payment of outstanding payables and for general working capital. Cash has been applied as follows:

	<u>Plan</u>	<u>Spent to Date</u>
Payables and accruals	\$ 7,600	\$ -
HST receivable	5,000	-
Regulatory fees	22,400	-
Operating costs	50,000	-
	<hr/> 85,000	<hr/> -
Cash on hand	-	85,000
	<hr/> \$85,000	<hr/> \$85,000

## **Critical Accounting Estimates and Changes in Accounting Policies**

All significant critical accounting estimates are fully disclosed in Note 4 of the financial statements for the years ended November 30, 2020 and 2019.

## **Liquidity and Capital Resources**

The Company had negative working capital of as of November 30, 2020 of \$7,600 (2019 - \$Nil working capital). The Company held cash of \$Nil as at November 30, 2020. The Company held no cash as at November 30, 2019.

Management is currently reviewing alternative sources of capital to meet its obligations and short-term working capital requirements. While the Company plans to continue to monitor closely its spending, conditions in the capital markets continue to make it difficult for early stage companies to raise additional capital. The Company may require substantial additional capital to fund any new project or to advance a new business opportunity.

Historically, the Company has used the net proceeds from issuances of its securities to provide sufficient funds for it to meet its near-term operational and other contractual obligations when due. However, given the Cease Trade Order, the Company's reporting deficiencies and other uncertainties discussed herein, there can be no assurance that the Company will be able to obtain sufficient additional funds on favorable terms, or at all, in order to carry out its objectives. As mentioned elsewhere in this MD&A, the Company is evaluating various strategic alternatives and, if it decides to pursue any such alternative, it may also require additional funds to carry out its strategic plans in amounts that cannot be determined as of the date hereof, which funds may also be unavailable to the Company on favorable terms or at all.

The change in management effective November 23, 2020 represents a significant change in the management of the business and approach to liquidity in future periods.

## **Financial Instruments and Financial Risk Factors**

International financial reporting standards require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. At November 30, 2020 the Company carried cash of \$Nil (2019 - \$Nil) and no other assets. At November 30, 2019 the Company carried no cash and no other assets.

As at November 30, 2020 and 2019, carrying amounts of cash, amounts receivable, accounts payable and accrued liabilities on the statement of financial position approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from previous periods.

(a) Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company's primary exposure to credit risk is in its cash accounts. This risk is managed through holding the cash in a trust account with the Company's legal firm, or with major banks which are high credit quality financial institutions as determined by rating agencies.

(b) Liquidity Risk

The Company's approach to managing liquidity risk is to raise sufficient cash to ensure that it will have sufficient liquidity to meet its obligations when due. At November 30, 2020, the Company had cash of \$Nil (November 30, 2019 - \$Nil) available to settle current liabilities of \$7,600 (November 30, 2019 - \$Nil). The Company's accounts payable are subject to normal trade terms.

(c) Market Risk

The Company is exposed to the following market risks:

(i) Interest Rate Risk

The Company has cash of \$Nil and no variable interest-bearing debt at November 30, 2020. The Company's policy for future excess cash will be to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company will periodically monitor the investments it makes and ensure it is satisfied with the credit ratings of its banks.

(ii) Foreign Exchange Risk

While the Company's functional currency is the Canadian dollar, major purchases could be transacted in Canadian dollars or United States dollars. As at November, 2020, the Company does not hold foreign currency balances.

**Off-Balance Sheet Arrangements**

At November 30, 2020, there were no off-balance sheet arrangements.

## Outstanding Share Data

The common stock, warrants and stock options of the Company which were outstanding as at the date of this MDA, November 30, 2020, and November 30, 2019 were as follows:

	December 22, 2020	November 30, 2020	November 30, 2019
Common Shares	87,563,375	12,563,375	12,563,375
Warrants	—	—	—
Stock Options	—	—	—
Fully diluted	87,563,375	12,563,375	12,563,375

On December 22, 2020 the Company issued 85,000,000 common shares for gross proceeds of \$85,000. Two directors of the Company participated in the private placement through the acquisition of 73,333,330 common shares for gross proceeds of approximately \$73,333.

## Risk Factors

Until a business combination is completed, the Company's risk factors are those related to a successful corporate transaction. The ability of the Company to continue operations is dependent upon its ability to find and close a corporate transaction. Other risk exposures and the impact on the Company's financial instruments are summarized below.

The risks, objectives, policies and procedures from previous years have been adjusted to reflect the pursuit of a corporate transaction.

## Dependence on Key Individuals

The Company's business and operations are dependent on retaining the services of a small number of key individuals. The success of the Company is, and will continue to be to a significant extent, dependent on the expertise and experience of these individuals. The loss of one or more of these individuals could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key individuals.

## Global Pandemic

The Company's operations could be significantly affected, in an adverse manner, by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of the COVID-19 disease. 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 as a result, 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 global economies and financial markets, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

### **Capital Management**

The Company considers its capital to consist of shareholders' equity. The Company manages its capital structure, based on the funds available to the Company, in order to support the pursuit of a corporate transaction. The Board does not establish a quantitative return on capital criteria for Management, but rather relies on the expertise of the Company's Management to sustain future development of the business.

The Company will continue to assess corporate opportunities with the intent to realize value. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. A significant change in the Company's approach to capital management occurred in December 2020, with a change to officers and directors. The incoming group is currently pursuing alternatives to finance the Company. The Company is not currently subject to externally imposed capital requirements.

### **Corporate Transactions**

The Company could pursue corporate transactions with the ultimate goal to effect a business combination. However, there is no assurance that such a transaction could be reached or, even if a transaction is entered into if the transaction will close on the disclosed terms or at all.

### **Financing**

The Company does not currently have any operations generating cash. The Company is therefore dependent upon debt and equity financing to carry out its plans. There can be no assurance that such financing will be available to the Company.

## **FORWARD LOOKING STATEMENTS**

This MD&A contains certain "forward-looking information" 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", "budgeted", "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. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statements.

Forward-looking statements in this MD&A include, but are not limited to, statements with respect to: the Company's ability to access sufficient funds to meet its obligations and short-term working capital requirements; the Company's ability to accomplish its strategic plans and complete a successful corporate transaction; and the mitigation of liquidity risk through obtaining additional financing on favourable terms or at all.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. The risks and other factors include, but are not limited to: the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the effects of the global COVID-19 pandemic on the Company; the Company's dependence on debt and equity financing; the absence of dividends; competition; dilution; the volatility of the Company's common share price and volume; and the additional risks identified in the "Risk Factors" section of this MD&A or other reports and filings with applicable Canadian securities regulations.

Forward-looking statements are based upon certain assumptions and other important factors which could prove to be significantly incorrect. The Company has made assumptions regarding, among other things: present and future business strategies; conditions in general economic and financial markets; the 10 environment in which the Company will operate in the future; cash flow; timing and amount of capital expenditures; future operating costs; and the Company's ability to obtain financing on acceptable terms.

The Company is pursuing a course of action to have Cease Trade Orders lifted and from there, to pursue a corporate transaction. This course of action may require additional capital. There is no guarantee that the Company can succeed in having the Cease Trade Orders lifted. There is no guarantee that the Company will be successful in finding a corporate transaction, or if such transaction is found, that the transaction can be successfully completed. There is no guarantee that, should additional funds be required, such funds would be available to the Company and that Cease Trade Orders could be lifted to allow the Company to accept such funds.

The above summary of risks and assumptions related to forward-looking statements is included in this MD&A in order to provide readers with a more complete perspective on the future operations of the Company. Readers are cautioned that this information may not be appropriate for other purposes.

All forward-looking statements herein are expressly qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new

information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.