

**STRAIGHTUP RESOURCES INC.**

**Management Discussion and Analysis**

**For the three months ended March 31, 2021**



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The purpose of this Management Discussion and Analysis (“MD&A”) is to explain management’s point of view of Straightup Resources Inc.’s (the “Company”) past performance and future outlook. This report also provides information to improve the reader’s understanding of the financial statements and related notes, and should therefore be read in conjunction with the unaudited condensed interim financial statements and notes thereto for the three months ended March 31, 2021 and the financial statements of the Company and notes thereto for the year ended December 31, 2020 (the “Financial Statements”). Additional information on the Company is available on SEDAR and on the Company’s website, [www.straightupresources.com](http://www.straightupresources.com). All information contained in this MD&A is current as of May 31, 2021 unless otherwise stated.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

### **FORWARD-LOOKING STATEMENTS**

Certain sections of this MD&A contain forward-looking statements and forward looking information.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements or forward-looking information, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words.

Forward-looking statements and forward-looking information contained or incorporated by reference in this MD&A may relate to the Company’s future financial condition, results of operations, plans, objectives, performance or business developments including, among other things, potential property acquisitions, exploration and work programs, drilling plans and timing of drilling, the performance characteristics of the Company’s exploration and evaluation assets, exploration results of various projects of the Company, projections of market prices and costs, supply and demand for resource minerals, expectations regarding the ability to raise capital and to acquire resources and/or reserves through acquisitions and/or development, treatment under governmental regulatory regimes and tax laws, and capital expenditure programs and the timing and method of financing thereof. Forward-looking statements and forward looking-information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements and information, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment, adverse weather conditions or otherwise; (2) permitting, access, exploration, expansion and acquisitions at our projects (including, without limitation, land acquisitions for and permitting of exploration plans) being consistent with the Company’s current expectations; (3) the viability, permitting, access, exploration and, if warranted, development of the Company’s projects being consistent with the Company’s current expectations; (4) political developments in Canada including, without limitation, the implementation of new mining laws and related regulations being consistent with the Company’s current expectations; (5) certain price assumptions for resource minerals; (6) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (7) the results of the Company’s exploration programs on the Company’s projects being consistent with the Company’s expectations; (8) labour and materials costs increasing on a basis consistent with the Company’s current expectations; and (9) the availability and timing of additional financing being consistent with the Company’s current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and forward-looking information. Such factors include, but are not limited to: the timing and availability of additional capital, fluctuations in the currency markets; fluctuations in the spot and forward price of resource minerals or other commodities (such as diesel fuel

**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

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and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada or other countries in which the Company may carry on business in the future; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration activities; employee relations; the speculative nature of resource mineral exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of resources and/or reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the mineral resource industry; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and resource mineral bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements or forward-looking information made by, or on behalf of, the Company. There can be no assurance that forward-looking statements and forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Forward-looking statements and forward-looking information are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements and forward-looking information made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada including, but not limited to, the Financial Statements. These factors are not intended to represent a complete list of the factors that could affect the Company and readers should not place undue reliance on forward-looking statements or forward-looking information in this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements and forward-looking information, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements and forward-looking information, except to the extent required by applicable law.

The forward looking statements and forward-looking information contained herein are based on information available as of May 31, 2021.

## **BUSINESS OVERVIEW**

The Company is principally engaged in the acquisition and exploration of mineral property assets in Canada. Its head office is at Suite 200, 551 Howe Street, Vancouver, British Columbia V6C 2C2.

The Company's objective is to locate and develop economic precious and base metal properties of merit and to conduct exploration programs on its mineral properties. The properties are at an early stage of exploration; there are no estimates of mineral resources or reserves for the properties.

As at the March 31, 2021, the Company's exploration projects are:

- the Hi Mars Project
- the Belanger Project
- the Ferdinand Gold Project

**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

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**Key highlights**

On February 3, 2021, the Company announced results from re-logging of historic drill core on the Belanger property and provided updates on the RLX Properties (defined in the Summary of Exploration Activities).

On March 18, 2021, the Company announced it had initiated a ground magnetic survey on its RLX North property.

On March 22, 2021 the Company appointed Mark Brezer to the Board of Directors. Upon Mr. Brezer's appointment, John Hiner has resigned as a director the Company.

On March 24, 2021, the Company announced it had entered into an option agreement to acquire the Ferdinand Gold Project.

**Subsequent events**

- a) In April 2021, the Company entered into a Financial Advisory Services Agreement with Wawel Capital Corp., a Company whereby Daniel Cruz, the CFO of the Company, is a principal owner to provide financial advisory services to the Company in consideration of \$240,000 per annum, payable quarterly with up to 50% of the quarterly payment eligible to be paid in common shares of the Company at a price per share equal to the discounted market price at the time of payment. As settlement of the first quarterly payment, on April 21, 2021, the Company paid \$30,000 and on May 28, 2021, the Company issued 150,000 common shares of the Company.
- b) On April 28, 2021, the Company closed a non-brokered private placement by issuing 5,814,157 units at \$0.12 per unit for gross proceeds of \$697,700. Each unit consists of one common share and one-half share purchase warrant, with each whole warrant entitling the holder to purchase one common share of the Company at \$0.20 per common share maturing on April 28, 2022. In connection with the private placement, the Company paid finders fees of 22,290 and issued 166,950 finders warrants with an exercise price of \$0.20 per common share and a maturity date of April 28, 2022.
- c) On April 28, 2021, the Company appointed Mr. Brezer as the President and CEO of the Company. Upon Mr. Brezer's appointment, Mathew Coltura stepped down as the President and CEO but remains a member of the Board of Directors.
- d) On May 5, 2021, the Company appointed Daniel Cruz as the CFO of the Company. Additionally, Mr. Cruz was appointed to the Company's Board of Directors. Upon Mr. Cruz's appointment, Mark Lotz stepped down as the CFO and resigned as a member of the Board of Directors.
- e) On May 13, 2021, the Company granted 500,000 share options with an exercise price of \$0.20 per common share and a maturity date of May 13, 2026 to a director and consultant of the Company.
- f) On May 17, 2021, the Company issued 350,000 common shares in accordance with the agreement for the Ferdinand Gold Project.
- g) On May 17, 2021, the Company issued 100,000 warrants with an exercise price of \$0.26 and an expiry date of May 17, 2024 in accordance with the Digital Database Agreement for the Belanger Project.
- h) Subsequent to the period, the Company issued 500,000 common shares pursuant to the exercise of share options for total proceeds of \$50,000.
- i) Subsequent to the period, the Company issued 1,350,000 common shares pursuant to the exercise of warrants for total proceeds of \$67,500.

**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

**SELECTED QUARTERLY FINANCIAL INFORMATION**

As at March 31, 2021, the Company was listed on the Canadian Stock Exchange. The Company has not recorded any revenues, and depends upon share issuances to fund its administrative and exploration expenses. See the summary of results, below:

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Revenues	-	-
Expenses	(156,838)	(127,700)
Net and comprehensive loss for the period	(156,838)	(127,700)
Basic and diluted net loss per common share	(0.01)	(0.01)
Exploration and evaluation assets	445,711	123,239
Total assets	1,412,293	319,124
Total long-term liabilities	-	-
Working capital	840,307	134,008
Dividends per share	-	-

The Company's current projects are at the exploration and development stages and have not generated any revenues.

At March 31, 2021, the Company had not yet achieved profitable operations and had accumulated losses of \$979,567 (December 31, 2020 – \$822,729) since inception. The net losses for the quarters ended March 31, 2021 and 2020 resulted in a net loss per share of \$0.01 and \$0.01, respectively.

At March 31, 2021, the Company has no continuing source of operating revenues. The Company has not paid any dividends on its common shares nor does it have any present intention of paying dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities, primarily the development of its exploration projects.

**RESULTS OF OPERATIONS**

The table below details the significant changes in administrative expenditures for the quarter ended March 31, 2021 as compared to the quarter ended March 31, 2020.

<b>Expenses</b>	<b>Increase / Decrease in Expenses</b>	<b>Explanation for Change</b>
Management fees	Increase of \$10,000	Increased as the comparative quarter did not include any payments to management.
Professional fees	Increase of \$35,780	Increased due to an increase in accounting fees charged by the previous CFO of the Company.

**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

**SUMMARY OF QUARTERLY RESULTS**

Below is a summary of the Company's last eight quarterly results, selected from financial statements prepared under International Financial Reporting Standards:

	<b>2021 Q1</b>	<b>2020 Q4</b>	<b>2020 Q3</b>	<b>2020 Q2</b>
	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>	<b>June 30, 2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net and comprehensive loss	(156,838)	(67,058)	(313,600)	(67,280)
Loss per share-basic and diluted	(0.01)	(0.00)	(0.01)	(0.00)
	<b>2020 Q1</b>	<b>2019 Q4</b>	<b>2019 Q3</b>	<b>2019 Q2</b>
	<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>	<b>June 30, 2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net and comprehensive loss	(127,700)	(108,694)	(3,030)	(16,945)
Loss per share-basic and diluted	(0.01)	(0.00)	(0.00)	(0.00)

The variations in net loss from quarter to quarter are a result of the extent of the amount of administrative expenses needed, the amount of activity the Company is incurring on its exploration and evaluation assets, and the amount of write-downs and impairments recorded.

**SUMMARY OF EXPLORATION ACTIVITIES**

The total cumulative acquisition and exploration and evaluation expenditures to March 31, 2021 is summarized as follows:

	<b>Hi Mars Project</b>	<b>Belanger Project</b>	<b>Ferdinand Gold Project</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Property acquisition	15,000	221,500	26,000	262,500
Exploration costs				
Assay	-	31,614	-	31,614
Data and reporting	-	28,725	-	28,725
Equipment rental	-	21,000	-	21,000
Geological consulting	-	9,841	375	10,216
Labour	-	68,965	-	68,965
Supplies and other	-	4,985	-	4,985
Travel	-	17,706	-	17,706
<b>Balance, March 31, 2021</b>	<b>15,000</b>	<b>404,336</b>	<b>26,375</b>	<b>445,711</b>

For the quarter ended March 31, 2021, the Company incurred \$56,587 in exploration expenditures compared to incurring \$nil in exploration expenditures for the corresponding quarter ended March 31, 2020.

**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

---

**Current Projects**

**Hi Mars Project**

Pursuant to an option agreement dated October 30, 2017, with Rich River Exploration (“Rich River”) and Craig A. Lynes, (collectively, the “Hi Mars Optionors”), the Company was granted an option to acquire a 100% undivided interest in two mineral claims located near Powel River area in the Vancouver Mining Division, British Columbia (the “Hi Mars Project”). The Hi Mars Project is located approx.. 17 km NE of the city of Powell River in southwestern British Columbia and consists of 11 contiguous mineral titles covering an area of 1788 hectares within the Vancouver Mining Division.

The Hi Mars Project covers six distinct Minfile mineral occurrences all of which are classified as porphyry Cu-Mo type. The project is on Crown Land and is open to mineral exploration providing a Notice of Work is filed with the Province of British Columbia for any physical disturbances and that local First Nations are consulted.

The current and previous mineral tenures were all staked after the expiry of previous claims and thus there are no inherited royalty or Net Smelter Returns attached to the Hi Mars Project.

In accordance with the option agreement, the Company can acquire a 51% interest in the Hi Mars Project by making a cash payment of \$5,000 upon execution of the option agreement (paid). The Company will acquire the additional 49% interest in consideration of the following cash payments, share issuances, and work commitments:

	<b>Common Shares</b>	<b>Cash</b>	<b>Exploration Expenditures</b>
	<b>Number</b>	<b>\$</b>	<b>\$</b>
Upon listing of the Company’s common shares on a Canadian Stock Exchange (the “Listing”) (issued)	100,000	-	-
On or before the first anniversary of the Listing	100,000	-	-
On or before the second anniversary of the Listing	100,000	25,000	200,000
On or before the third anniversary of the Listing	100,000	30,000	100,000
On or before the fourth anniversary of the Listing	200,000	100,000	300,000
	<b>600,000</b>	<b>155,000</b>	<b>600,000</b>

The Hi Mars Optionors retained a 3% net smelter returns royalty which the Company has the right to purchase the first 1% of the royalty for \$750,000 and the remaining 2% for \$1,000,000 at any time prior to the commencement of commercial production. The Company was listed on the Canadian Stock Exchange on March 10, 2020.

The Company, or its designate, shall be the operator of the Hi Mars Project during the term of the Agreement. Rich River shall be the primary exploration contractor when possible.

In order to keep the claims comprising the Hi Mars Project in good standing, the Company shall pay or cause to be paid any rates, taxes, duties, royalties, assessments or fees levied with respect to the Hi Mars Project or the Company’s operations thereon. Without limiting the generality of the foregoing, during the duration of the option agreement and after the earn-in of the 51% interest by the Company, the Hi Mars Optionors shall have a free-carried interest equal to 51% in the Hi Mars Project. The Company shall apply and pay for assessment credits for the mineral claims comprising the Hi Mars Project for all work and expenditures conducted on all or any part of the property.

**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

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The Company announced that during the week of July 20, 2020 it commenced its exploration program on the Hi Mars Project (the "Hi Mars Exploration Program"), as recommended by the author of the technical report dated December 11, 2019 entitled "Technical Report Hi-Mars Mineral Property, South West British Columbia, Canada" (the "Technical Report"). Further information on the Hi Mars Exploration Program can be found in the Technical Report and the final long form prospectus of the Company dated January 22, 2020, copies of which are available on the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com)

### **Belanger Project**

Pursuant to an option agreement dated June 1, 2020 with Bounty Gold Corp. ("Belanger Project Optionor"), the Company was granted an option to acquire a 100% undivided interest in certain unpatented mining claims comprising the RLX North, RLX South, and Belanger properties (collectively, the "Belanger Project") located in the District of Red Lake, Ontario, Canada.

The RLX North and RLX South properties (the "RLX Properties") form a large (approximately 10,000 hectare) land package contiguous to, and almost entirely surrounding, Great Bear Resources Ltd.'s Sobel property. The RLX Properties are also situated along the same geological trend as the Red Lake Gold Mines, now operated by Evolution Mining Limited, with gold endowment of 29.63 M oz Au at an average grade of 21 g/t Au.

Exploration activities in 2020 on the RLX Properties consisted of historical data review and reinterpretation, geological mapping and sampling, all of which may be conducted prior to the issuance of an exploration permit and are not ground-disturbing activities. Exploration permit applications have been submitted and are anticipated to be issued in the near-term. The issuance of an exploration permit will allow more advanced exploration activities on the RLX Properties in the future, if warranted, such as diamond drilling of high-priority targets identified by the early exploration program.

On August 6, 2020 the Company reported that it has completed an initial field examination of its RLX Properties.

Consulting geologist Mr. Tim Twomey, P. Geo, recommended that further work be conducted on the RLX Properties, including:

- compiling, digitizing and interpreting all historical data on the RLX Properties; and
- conducting a detailed geological mapping and sampling program (including geology, structure, alteration, mineralization, and geochemistry) in order to better understand the geologic complexity and provide better targeting for potential future exploration.

The Belanger property is an approximately 2,100 hectare property located 2.2 km north of Infinite Ore Corp.'s Garnet/Arrow deposit in the District of Red Lake, Ontario. The Belanger property is interpreted to be primarily underlain by the 2.74 Ga Confederation Assemblage. Historic exploration on the Belanger property has identified three significant gold-copper occurrences over an interpreted strike length of 600 meters.

Exploration activities in 2020 on the Belanger property consisted of historical data review and reinterpretation, geological mapping and sampling (including validating the historical sampling results in Trenches "C", "D" and "E"), all of which may be conducted prior to the issuance of an exploration permit. Exploration permit applications have recently been submitted and are anticipated to be issued in the near-term. The issuance of an exploration permit will allow more advanced exploration activities on the Belanger property in the future, if warranted, such as diamond drilling of high-priority targets identified by the early exploration program.

On September 9, 2020, the Company announced that Clark Exploration and Consulting had commenced compilation and reinterpretation work of all of the available historical data (the "Program") on the Company's Belanger property. The Program includes repatriating, re-logging and assaying historic drill core from



**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

diamond drilling conducted in 2002 by King's Bay Gold Corporation. Initial work on the Program has already commenced, with the historic drill core being relocated to Thunder Bay, Ontario. This initial work is expected to assist the Company with additional sampling and with the interpretation of the gold mineralization trends on the Belanger property. Additional work on the Program will consist of a mapping and sampling program which will assist the Company in defining potential diamond drill targets on the Belanger property.

In accordance with the option agreement, the Company can acquire the 100% interest in the project by: (i) making cash payments in the aggregate amount of \$150,000; and (ii) issuing common shares in the capital of the Company (the "Consideration Shares") having an aggregate cash value of \$300,000 to the Belanger Project Optionor as follows:

	Consideration Shares		Cash
	Number	\$	\$
Upon execution of the option agreement on June 1, 2020 (paid and issued)	300,000	30,000	25,000
On or before the 1 <sup>st</sup> anniversary on June 1, 2021		30,000	25,000
On or before the 2 <sup>nd</sup> anniversary on June 1, 2022		100,000	50,000
On or before the 3 <sup>rd</sup> anniversary on June 1, 2023		140,000	50,000
	<b>300,000</b>	<b>300,000</b>	<b>150,000</b>

The Belanger Project Optionor retained a 3% net smelter returns royalty which the Company has the right to purchase the first 1% of the royalty for \$750,000 and the remaining 2% for \$2,000,000 at any time prior to the commencement of commercial production.

During the Option period, the Company will be responsible for maintaining the Belanger Project in good standing, paying all exploration licenses fees and taking such other steps as may be required to carry out the foregoing. There will be no other work commitments, and any work carried out on the Belanger Project will be at the sole discretion of the Company.

On October 22, 2020, the Company entered into an agreement to acquire a digital database of compilation and field exploration data for the Belanger Project (the "Digital Database Agreement"). In consideration of the Digital Database Agreement, the Company will pay cash consideration of \$100,000 and issue 200,000 warrants as follows:

	Cash	Warrants
	\$	Number
Upon closing of the Digital Database Agreement on October 22, 2020 (paid and issued)	50,000	100,000
Upon the earlier of (i) the commencement of a work program on either of the Property, or (ii) April 22, 2021 (subsequently paid and issued)	50,000	100,000
	<b>100,000</b>	<b>200,000</b>

Under the Digital Database Agreement, each warrant will be exercisable to purchase one common share of the Company for a period of three years from the date of issuance at an exercise price of \$0.26 per share. For the year ended December 31, 2020, the value of the warrants was determined to be \$20,000 which has been capitalized by the Company as an acquisition cost.

**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

**Ferdinand Gold Project**

Pursuant to an option agreement dated March 19, 2021 with 1544230 Ontario Inc. (the “Ferdinand Gold Project Optioner”), the Company was granted an option to acquire a 100% undivided interest in 17 unpatented mining claims comprising 354 cells and encompassing 6,600 hectares, which are situated near Red Lake, Ontario (the “Ferdinand Gold Property”).

In accordance with the agreement, the Company can acquire the 100% interest in the Ferdinand Gold Project in consideration of the following cash payments and share issuances:

	<b>Common Shares</b>	<b>Cash</b>
	<b>Number</b>	<b>\$</b>
Upon execution of the option agreement on March 19, 2021 (paid; subsequently issued)	350,000	26,000
On or before the 1 <sup>st</sup> anniversary on March 19, 2022	400,000	32,000
On or before the 2 <sup>nd</sup> anniversary on March 19, 2023	-	40,000
On or before the 3 <sup>rd</sup> anniversary on March 19, 2024	-	50,000
	<b>750,000</b>	<b>148,000</b>

The Ferdinand Gold Project Optioner retained a 1.5% net smelter return royalty which the Company has the right to repurchase 0.5% of the royalty for \$500,000 at any time.

The Ferdinand Gold Project is 13 km northwest of the town of slate falls. Access is currently by logging roads with forestry logging operations scheduled for expansion into the property. It is located within the eastern extension of the Confederation-Uchi greenstone belt, one of the best metal endowed greenstone belts in the world. Crustal Scale structural features such as the Fry-Bamaji deformation zone traverse the length of the property. Total magnetic intensity of the Ferdinand Gold property display folded stratigraphy along D2 structures. These are important structural features that are important for gold-bearing hydrothermal fluids and traps. The Ferdinand Gold Project is situated within the prolific Uchi Subprovince, which is one of the most metal endowed greenstone belts in the world by square kilometer.

The Company plans to start exploration on the Ferdinand Gold Project beginning in 2021 Q2.

**LIQUIDITY, FINANCIAL POSITION, AND CAPITAL RESOURCES**

The Company is not in commercial production on any of its properties. Accordingly, the Company does not generate cash from operations. The Company finances development and exploration activities by raising capital from equity markets from time to time.

The Company’s liquidity and capital resources are as follows:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
	<b>\$</b>	<b>\$</b>
Cash	932,849	1,096,219
Amounts receivable	33,733	20,048
Prepays	-	43,050
<b>Total current assets</b>	<b>966,582</b>	<b>1,159,317</b>
Accounts payables and accrued liabilities	126,275	105,585
<b>Total current liabilities</b>	<b>126,275</b>	<b>105,585</b>
<b>Working capital</b>	<b>840,307</b>	<b>1,053,732</b>

**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

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The Company's operations consist of acquisition, maintenance, and exploration of mineral properties. The Company's financial success will be dependent on the extent to which it can discover new resources. In order for the Company to continue exploration of these assets, the Company will need to raise additional financing through or a combination of equity offerings and debt.

At March 31, 2021, the Company had cash of \$932,849 (December 31, 2020 - \$1,096,219) which consisted mainly of cash received from the closing of the various private placements during the year ended December 31, 2020. The decrease in cash during the quarter ended March 31, 2021 was \$163,370 which was primarily the result of the Company funding its exploration activities and general operating expenses.

The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds through the issuance of shares. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of the Company's assets may be materially less than amounts on the statement of financial position.

#### **COMMITMENTS AND CONTINGENCIES**

The Company has no material or significant commitments or contingencies, not disclosed elsewhere, as at March 31, 2021 or the date of this report.

#### **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.

In April 2021, the Company entered into a Financial Advisory Services Agreement with Wawel Capital Corp., a Company whereby Daniel Cruz, the CFO of the Company, is a principal owner to provide financial advisory services to the Company in consideration of \$240,000 per annum, payable quarterly with up to 50% of the quarterly payment eligible to be paid in common shares of the Company at a price per share equal to the discounted market price at the time of payment. As settlement of the first quarterly payment, on April 21, 2021, the Company paid \$30,000 and on May 28, 2021, the Company issued 150,000 common shares of the Company.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

During the quarter ended March 31, 2021, the Company entered into the following transactions with related parties:

- a) Incurred management fees of \$10,000 (March 31, 2020 - \$nil) to Mathew Coltura., the former President and CEO, and a director of the Company.
- b) Incurred professional fees of \$34,629 (March 31, 2020 - \$9,850) to Lotz CPA Inc., a company controlled by Mark Lotz, the former CFO, and a director of the Company. As at March 31, 2021, \$43,803 (December 31, 2020 - \$9,174) was included in accounts payable and accrued liabilities as owing to Lotz CPA Inc.

**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

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The Company incurred the following key management personnel cost from related parties:

	For the three months ended	
	2021	March 31, 2020
	\$	\$
Management fees	10,000	-
Professional fees	34,629	9,850
	44,629	9,850

### **OFF BALANCE SHEET TRANSACTIONS**

The Company has no off-balance-sheet transactions as at March 31, 2021 or the date of this report.

### **RISKS AND UNCERTAINTIES**

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks are associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is engaged in the acquisition, exploration and development of mineral properties. Given the nature of the resource business, the limited extent of the Company's assets, and the present stage of exploration, the following risks factors, among others, should be considered.

#### **Global Pandemics**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

#### **Exploration, Development and Operating Risks**

The Company is in the process of exploration and development of its projects and has not yet generated any revenues from production. The recovery of expenditures on mineral properties and the related exploration and evaluation expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its projects, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Resource exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's efforts will be successful and will result in commercial production or profitability.

### **Fluctuating Resource Prices**

The economics of resource exploration and development are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the quantity and quality of resources and fluctuations in the market price of those resources. Depending on the price of resources, the Company may determine that it is impractical to continue a resource exploration operation or to develop one. Resource prices are prone to fluctuations and the marketability of resources are affected by government regulation relating to price, royalties, allowable production and the importing and exporting of resources, the effect of which cannot be accurately predicted.

### **Financing Risks and Dilution to Shareholders**

The Company has limited financial resources and no revenues. The Company will require additional funds to continue with its current business. Additionally, if the Company's programs on its projects are successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

### **Title to Properties**

Acquisition of title to mineral properties can be a very detailed and time-consuming process. Title to, and the area of, properties could be disputed. The Company cannot give a certain assurance that title to its properties will not be challenged or impugned. A successful claim that the Company does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any resources or minerals on its properties without compensation for its prior expenditures relating to its projects.

### **Regulatory, Permit and License Requirements**

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of resource companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

### **Competition**

The resource exploration and development industry is highly competitive. The Company will have to compete with other companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

### **Reliance on Management and Dependence on Key Personnel**

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

### **Environmental Risks**

The Company's exploration and development programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the resource business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

### **Local Resident Concerns**

Apart from ordinary environmental issues, the exploration and development the Company's projects could be subject to resistance from local residents that could either prevent or delay exploration and development of its properties.

### **Conflicts of Interest**

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA and applicable internal corporate governance or board policies where and when applicable.

### **Political Risks**

The Company's operations may be adversely affected by changes in governmental policies or other economic developments which are not within the control of the Company including a change in taxation policies, economic sanctions, and currency control. The Company is subject to various laws governing exploration, development, production, export of products, taxes, labour standards and occupational health, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could increase the cost of operations.

### **Uninsurable Risks**

Exploration, development and production operations on resource properties involve numerous risks, including unexpected or unusual geological and/or operating conditions, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of, producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

### **Litigation**

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### ***Significant accounting estimates***

- a) the measurement of deferred income tax assets and liabilities; and
- b) the inputs used in accounting for share-based payments.

***Significant accounting judgments***

- a) the determination of the effects of the COVID-19 pandemic
- b) the determination of categories of financial assets and financial liabilities;
- c) the evaluation of the Company's ability to continue as a going concern; and
- d) the assessment of indications of impairment of the exploration and evaluation assets and related determination of the net realizable value and write-down of the exploration and evaluation assets where applicable.

**ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED**

There are currently no new standards or amendments to standards that would have an effect on the Company's financial statements.

**FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

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.

The Company's financial instruments consist of cash, amounts receivable, and accounts payable. The fair value of amounts receivable and accounts payables approximates their carrying values. Cash is measured at fair value using level 1 inputs.

The Company is exposed to risks of varying degrees of significance from its use of financial instruments which could affect its ability to achieve its strategic objectives for growth and stakeholder returns. The principal risks to which the Company is exposed, and the actions taken to manage them, are described below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The risks associated with the Company's financial instruments and the policies on how to mitigate these risks are set out below.

**a) Currency risk**

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.



**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

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**b) Interest rate risk**

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

**c) Credit risk**

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high quality financial institution.

**d) Liquidity risk**

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at March 31, 2021, the Company had a cash balance of 932,849 to settle current liabilities of \$126,275.

**DISCLOSURE OF DATA FOR OUTSTANDING COMMON SHARES, OPTIONS AND WARRANTS**

**Common Shares**

The Company has one class of common shares. Below is a summary of the common shares, share options, and warrants issued and outstanding as at March 31, 2021 and the date of this report.

	<b>As at March 31, 2021</b>	<b>As at the date of this report</b>
Common shares	24,839,748	32,853,915
Share options	1,400,000	1,400,000
Warrants	14,288,372	16,112,406

**STRAIGHTUP RESOURCES INC.**  
**Management Discussion and Analysis**  
**For the three months ended March 31, 2021**

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### Share Options

The Company has issued incentive options to certain directors, officers, and consultants of the Company. As of the date of this report, the following share options were outstanding.

<b>Number of Share Options</b>	<b>Exercise Price</b>	<b>Expiry date</b>
	\$	
100,000	0.10	May 17, 2024
700,000	0.245	August 4, 2025
100,000	0.20	November 16, 2025
500,000	0.20	May 13, 2026
<b>1,400,000</b>		

### Warrants

As of the date of this report, the following warrants were outstanding.

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry date</b>
	\$	
7,650,000	0.05	August 31, 2023
1,070,000	0.05	September 21, 2023
393,400	0.10	March 11, 2022
2,256,512	0.25	July 15, 2021
1,468,460	0.30	November 5, 2021
3,074,034	0.20	April 28, 2022
100,000	0.26	November 26, 2023
100,000	0.26	May 17, 2024
<b>16,112,406</b>		

### OTHER DISCLOSURES

#### Internal Controls Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the period from December 31, 2020 to March 31, 2021 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

#### Additional Information

Additional information relating to the Company may be found on or in:

- SEDAR at [www.sedar.com](http://www.sedar.com);
- the Company's unaudited condensed interim financial statements for the three months ended March 31, 2021; and
- the Company's audited consolidated financial statements for the year ended December 31, 2020.

This MD&A was approved by the Board of Directors of Straightup Resources Inc. effective May 31, 2021.