



STRATEGEM CAPITAL

Strength Through Strategy

STRATEGEM CAPITAL CORPORATION

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025

Suite 210 – 240 11 Ave. SW, Calgary, Alberta T2R 0C3

TSX-V: SGE

NOTICE OF NO AUDITOR'S REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Strategem Capital Corporation (the "Company") have been prepared by the management and approved by the Company's Audit & Corporate Governance Committee and by the Company's Board of Directors.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements.

STRATEGEM CAPITAL CORPORATION
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	Notes	March 31, December 31,	
		2025	2024
ASSETS			
Current assets			
Cash and cash equivalents		\$ 579	\$ 695
Short-term investments	6	9,183	9,726
Total current assets		9,762	10,421
TOTAL ASSETS		\$ 9,762	\$ 10,421
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 33	\$ 30
Due to related parties	9	4	1
Total current liabilities		37	31
TOTAL LIABILITIES		\$ 37	\$ 31
EQUITY			
Share capital	7	11,471	11,471
Deficit		(1,746)	(1,081)
Total equity		9,725	10,390
TOTAL EQUITY AND LIABILITIES		\$ 9,762	\$ 10,421

These financial statements were authorized for issue by the Board of Directors on April 29, 2025.

These financial statements are signed on the Company's behalf by:

(signed) "Hon. Stockwell Day"
Director

(signed) "Desmond Balakrishnan"
Director

STRATEGEM CAPITAL CORPORATION
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE DATA)
(UNAUDITED)

		Three months ended	
		March 31,	
	Notes	2025	2024
Revenues			
Interest, dividends and other income		\$ 59	\$ 108
Net gain on sale of investments		28	94
Net unrealized gain (loss) on investments		(677)	1,234
Total revenue (losses)		(590)	1,436
Expenses			
Management fees	9	58	58
Director and committee fees	9	-	5
Professional fees	9	8	10
Office and general		3	10
Interest expense		-	8
Shareholder information and filing fees		2	-
Commission expense		4	13
Total expenses		75	104
Other items			
Foreign exchange gain		-	10
Net income (loss) and comprehensive income			
(loss) for the period		\$ (665)	\$ 1,342
Earnings (loss) per share - basic and diluted	8	\$ (0.07)	\$ 0.15

STRATEGEM CAPITAL CORPORATION
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
(UNAUDITED)

	Class A Number of Shares	Class A Share Capital	Class B Number of Shares	Class B Share Capital	Retained Earnings (Deficit)	Total Equity
Issued and outstanding						
Balance as at January 1, 2024	9,201,028	\$ 11,507	220	\$ 1	\$ (1,725)	\$ 9,783
Net income for the period	-	-	-	-	1,342	1,342
Normal course issuer bid	(9,500)	(5)	-	-	-	(5)
Balance as at March 31, 2024	9,191,528	11,502	220	1	(383)	11,120
Net loss for the period	-	-	-	-	(698)	(698)
Normal course issuer bid	(77,500)	(32)	-	-	-	(32)
Balance as at December 31, 2024	9,114,028	\$ 11,470	220	\$ 1	\$ (1,081)	\$ 10,390
Net loss for the period	-	-	-	-	(665)	(665)
Balance as at March 31, 2025	9,114,028	\$ 11,470	220	\$ 1	\$ (1,746)	\$ 9,725

STRATEGEM CAPITAL CORPORATION
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
 (EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)
 (UNAUDITED)

	For the Three Months Ended	
	March 31,	
	2025	2024
Cash flow from operating activities		
Net income (loss)	\$ (665)	\$ 1,342
Adjustments to reconcile to net cash flows from operating		
Gain on sale of investments	(28)	(94)
Unrealized (gain) loss on investments	677	(1,234)
Interest income	-	(39)
Foreign exchange gain	-	(10)
	(16)	(35)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	3	(6)
Due to related parties	3	3
	6	(3)
Changes in other items:		
Proceeds from sale of investments	465	1,544
Purchase of investments	(571)	(2,176)
	(106)	(632)
Net cash used in operating activities	(116)	(670)
Cash flow from financing activities		
Normal course issuer bid	-	(5)
Net cash used in financing activities	-	(5)
Net change in cash and cash equivalents	(116)	(675)
Cash and cash equivalents, beginning of the period	695	231
Cash, end of the period	\$ 579	\$ (444)
Supplemental cash flow information		
Dividends received	\$ 55	\$ 68
Interest received	\$ 4	\$ 25

1. Nature of operations and continuance of operations

Strategem Capital Corporation (the “Company” or “Strategem”) invests in resource exploration and development opportunities, mining, energy production and agricultural protein products and is listed on the TSX Venture Exchange (the “TSX-V” or the “Exchange”). The Company’s objective since inception in December 1994 is to own and manage operating businesses. The Company’s head office is: Suite 210, 240 11 Avenue SW, Calgary, Alberta, Canada, T2R 0C3. The Company’s Class A shares trade under the symbol “SGE” on the TSX Venture Exchange.

These financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. During the three months ended March 31, 2025, the Company reported a net loss of \$665 (three months ended March 31, 2024 – net income of \$1,342). As at March 31, 2025, the Company had cash and cash equivalents of \$579 (December 31, 2024 – cash and cash equivalents of \$695) and working capital of \$9,725 (December 31, 2024 - \$10,390).

2. Basis of preparation

These condensed interim financial statements are prepared in accordance with IFRS, including International Accounting Standard (“IAS”) 34 Interim Financial Reporting, as issued by the IASB. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS and include information necessary or useful to understanding the Company’s business and financial statement presentation.

These financial statements have been prepared on a historical cost basis (other than investments which are valued using fair value basis). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

These financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

3. Material accounting policies

The accounting policies applied in these condensed interim financial statements are consistent with those applied in the preparation of the Company’s annual financial statements. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2024. Areas of judgement that have the most significant effect on the amounts recognized in the interim financial statements are disclosed in Note 3(a) of the Company’s financial statements for the year ended December 31, 2024. There have been no significant changes to the areas of estimation and judgement during the three months ended March 31, 2025.

In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

4. Management of capital

The Company manages its common shares, stock options and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue suitable equity investments and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company does not have any externally imposed capital requirements.

5. Financial risk factors

In the normal course of business, the Company's activities expose it to a variety of financial risks that may affect its operating performance. These risks are credit risk and market risk (including interest rate risk, currency risk and other price risk). The level of risk to which the Company is exposed depends on the type of investments the Company holds. The value of investments can fluctuate daily as a result of changes in prevailing interest rates, economic and market conditions and company specific news.

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements. These statements should be read in conjunction with the annual financial statements as at December 31, 2024. There have been no changes in the risk management or any risk management policies since year end.

6. Short-term Investments

The Company held the following short-term investments as at March 31, 2025:

	Cost	Fair Market Value
Public company securities	\$ 19,779	\$ 8,657
Term deposits	36	36
Private company	302	490
Total Investments	\$ 20,117	\$ 9,183

The Company held the following short-term investments as at December 31, 2024:

	Cost	Fair Market Value
Public company securities	\$ 19,652	\$ 9,200
Term deposits	36	36
Private company	302	490
Total Investments	\$ 19,990	\$ 9,726

Short-term investments in public company securities are held for trading and are classified as Level 1 Financial Instruments. Short-term investments in term deposits are held for a minimum of 90 days and are classified as Level 1 Financial Instruments. Short-term investments in private companies are classified as Level 3 Financial Instruments.

7. Share capital

(a) Authorized:

- Unlimited Class A voting common shares without par value;
- Unlimited Class B voting common shares without par value; and
- Unlimited Class A non-voting preference shares without par value.

(b) Issued and outstanding

Class A Shares	Number of Shares	Value
Balance, March 31, 2025 and December 31, 2024	9,114,028	\$ 11,470

Class B Shares	Number of Shares	Value
Balance, March 31, 2025 and December 31, 2024	220	\$ 1

As at March 31, 2025, the Company had 9,114,028 Class A common shares and 220 Class B common shares issued and outstanding. Each Class B common share can be exchanged for one Class A common share. Upon exchange, the Class B voting common shares will be cancelled by the Company.

(c) Normal Course Issuer Bid

On October 15, 2024, the Company obtained an approval from the Exchange to undertake a Normal Course Issuer Bid to allow the Company to purchase up to 457,826 of its Class A common shares, representing approximately 5% of its issued and outstanding shares. Purchases may be made on the open market through the facilities of the Exchange by the designated broker until October 14, 2025.

During the three months ended March 31, 2025, no Class A common shares (three months ended March 31, 2024 – 9,500 Class A common shares for \$5) were purchased under the Company’s Normal Course Issuer Bid. The 9,500 common shares were returned to treasury and cancelled.

(d) Stock options

There were no options outstanding as of March 31, 2025 and December 31, 2024.

8. Earnings (loss) per share

	Three months ended	
	March 31,	
	2025	2024
Income (loss) attributable to common shareholders	\$ (665)	\$ 1,342
Weighted average shares outstanding - basic and diluted	9,114,248	9,207,424
Earnings (loss) per share - basic and diluted	\$ (0.07)	\$ 0.15

9. Key management compensation and related party expenses

	Three months ended	
	March 31,	
	2025	2024
Management fees	\$ 58	\$ 58
Director fee & committee fees	-	5
Legal fees	4	5
	\$ 62	\$ 68

At March 31, 2025, key management personnel includes five directors and three members of the management executive team (December 31, 2024 - five directors and four members of the management executive team). For the three months ended March 31, 2025, one of the three members of the management executive team waived their compensation. For the three months ended March 31, 2025, four of the five directors waived their director fees. One director is a partner of McMillan LLP, a firm which provides legal services to the Company. For the three months ended March 31, 2025, legal fees paid to this related party were \$4 (three months ended March 31, 2024 – \$5). One director is the Head of Private Client Group, Canada for Canaccord Genuity Wealth Management. No amounts were paid to this party for the three months ended March 31, 2025 and 2024.

At March 31, 2025, \$4 payable to McMillan LLP was included in due to related parties (December 31, 2024 - \$1 payable to McMillan LLP).



STRATEGEM CAPITAL

Strength Through Strategy

Board of Directors

Honourable Stockwell Day, Chairman
Desmond Balakrishnan
Matthew Cicci, CFA
Gordon Flatt
Dickson Gould

Executive Officers

Jo-Anne O'Connor, President & Chief Executive Officer
Carol Fozo, CPA, CMA, Chief Financial Officer and Secretary
Gordon Flatt, Managing Partner & Chief Investment Strategist

Legal

McMillan LLP

Auditor

DeVisser Gray LLP, Chartered Professional Accountants
Vancouver, British Columbia, Canada

Committees

Audit & Corporate Governance Committee
Desmond Balakrishnan, Chairman
Matthew Cicci
Honourable Stockwell Day

Office of the President

Gordon Flatt, Chairman
Jo-Anne O'Connor

Science and Technology Advisory Committee (STAC)

Graydon Flatt, Chairman
Dr. John Waterer, PhD
Gordon Flatt