



STRATEGEM

CAPITAL

Strength Through Strategy

STRATEGEM CAPITAL CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

TSX-v: SGE

STRATEGEM CAPITAL CORPORATION

Management Discussion and Analysis

For the year ended December 31, 2025

(Expressed in thousands of Canadian dollars, unless otherwise noted)



INTRODUCTION

The following is Management's Discussion and Analysis ("MD&A") of the financial results of operations of Strategem Capital Corporation ("Strategem" or the "Company") for the year ended December 31, 2025, which have been prepared in accordance with IFRS Accounting Standards ("IFRS"). Additional Company information, including the Company's most recent Financial Statements, can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedarplus.ca and the Company's website at www.strategemcapital.com.

All financial measures are expressed in thousands of Canadian dollars unless otherwise indicated.

This information is current as of February 25, 2026.

CAUTIONARY STATEMENTS

Certain information regarding the Company as set forth in the MD&A, including management's assessment of the Company's future plans and operations, contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuation, imprecision of reserve estimates, environmental risks, taxation policies, competition from other producers, the lack of qualified personnel or management, stock market volatility and the ability to access sufficient capital from external or internal sources. The actual results, performance or achievement could materially differ from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them does, what benefits the Company will derive there from.

Forward-looking statements included or incorporated by reference in this document include statements with respect to:

- The amount of the changes to net income and investments as a result of changes in prevailing interest rates, economic and market conditions and company specific news;
- Conversion of 220 Class B shares into Class A common shares;
- The Company's earnings and loss fluctuation and the ability to identify and acquire investments that will appreciate in value; and
- The Company's adequate working capital to fund its expected operating costs through 2026.

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DESCRIPTION OF THE BUSINESS

Strategem is a publicly - listed company with an objective for continued growth through investments in resource exploration and development, mining, and energy production and agricultural protein products. The Company's Class A shares trade under the symbol "SGE" on the TSX Venture Exchange (the "TSX-v" or the "Exchange").

The Company is classified as a "venture issuer" for the purpose of National Instrument 51-102. Unless otherwise cited, references to dollar amounts are expressed in Canadian dollars. Throughout this report we refer from time to time to "Strategem", the "Company", "we", "us", "our", or "its". All these terms are used in respect of Strategem Capital Corporation, which is the reporting issuer in this document.

OVERVIEW

During the year ended December 31, 2025, the Company invested in short term securities and recognized net unrealized gains of \$766 (2024 – \$466). The Company continues to look for investments with the potential for growth and where it could be actively involved in management or have a position of control.

On October 28, 2025, the Company announced it has received a notification from the TSX Venture Exchange regarding a deficiency in its Continued Listing Requirements. The deficiency relates to the public distribution; the Company has less than 150 public shareholders, holding at least one Board Lot (500 shares) each, free of Resale Restrictions. The Company had 90 days, beginning on the date of the notice, to meet the requirements. Trading of shares of the Company may be halted without further notice due to non-compliance with Exchange requirements.

On January 14, 2026, the Exchange granted an extension to the Company to meet the minimum board lot requirement by June 30, 2026.

SELECTED FINANCIAL INFORMATION

The following financial information is derived from the Company's financial statements for the year ended December 31, 2025, and December 31, 2024, and December 31, 2023 which have been prepared in accordance with IFRS.

(expressed in \$ thousands, except per share amounts)	Years Ended December 31		
	2025	2024	2023
Total revenues (losses)	942	982	(1,031)
Net income (loss) for the period	472	644	(1,729)
Earnings (loss) per share – basic and diluted ⁽¹⁾	0.05	0.07	(0.19)
Total assets	10,916	10,421	9,814
Current liabilities	54	31	31
Working capital	10,862	10,390	9,783

⁽¹⁾ Fully diluted weighted average common shares outstanding, used in the calculation of fully dilutive earnings per share, are not reflective of the outstanding warrants as their exercise would be anti-dilutive in the earnings per share calculation.

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SUMMARY OF QUARTERLY RESULTS

(expressed in \$ thousands, except per share amounts)	2025 Q4	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1
Interest, dividends and other income	58	56	56	59	67	107	53	108
Gain (loss) on sale of investments	42	(11)	(112)	28	14	13	60	94
Unrealized gain (loss) on investments, net	(255)	586	1,112	(677)	(40)	(61)	(667)	1,234
Total revenues (losses)	(155)	631	1,056	(590)	41	59	(554)	1,436
Total expenses	110	77	185	75	68	78	126	104
Foreign exchange gain (loss)	(7)	9	(25)	-	30	(6)	4	10
Income (loss) for the period	(272)	563	846	(665)	3	(25)	(676)	1,342
Earnings (loss) per share – basic and diluted ⁽¹⁾	(0.03)	0.06	0.09	(0.07)	-	-	(0.07)	0.15
Total assets	10,916	11,176	10,603	9,762	10,421	10,925	11,081	11,592
Working capital	10,862	11,134	10,571	9,725	10,390	10,403	10,444	11,120

⁽¹⁾ Fully diluted weighted average common shares outstanding, used in the calculation of fully dilutive earnings per share, are not reflective of the outstanding warrants as their exercise would be anti-dilutive in the earnings per share calculation.

DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

The Company's earnings and losses are expected to fluctuate significantly and will depend on its ability to identify and acquire investments that will appreciate in value (see "Description of the Business", above), and the exchange rate fluctuations.

Year ended December 31, 2025 compared to year ended December 31, 2024

During the year ended December 31, 2025, the Company recorded total revenues of \$942 consisting of interest, dividends and other income of \$229 and unrealized gain on investment of \$766, offset by net loss on sale of investments of \$53.

During the year ended December 31, 2024, the Company recorded total revenues of \$982 consisting of interest, dividends and other income of \$335, net gain on sale of investments of \$181 and unrealized gain on investment of \$466.

For the year ended December 31, 2025, expenses were \$447 compared to \$376 for the year ended December 31, 2024. The variances in expenses over the periods were not material. Effective January 1, 2025, one member of the executive management team and one director waived their respective compensation (2024 – one member of the management team waived their compensation and two directors decreased their annual fees).

The net income for the year ended December 31, 2025 was \$472 or earnings per share of \$0.05, compared to net income of \$644 or earnings per share of \$0.07 for the year ended December 31, 2024.

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Three months ended December 31, 2025 compared to Three months ended December 31, 2024

During the three months ended December 31, 2025, the Company recorded total losses of \$155, consisting of interest, dividends and other income of \$58 and a gain on sale of investments of \$42 offset by net unrealized loss on investment of \$255.

During the three months ended December 31, 2024, the Company recorded total revenue of \$41 consisting of an interest, dividends and other income of \$67 and a net gain on sale of investments of \$14, offset by a net unrealized loss on investment of \$40.

For the three months ended December 31, 2025, expenses were \$110 compared to \$68 for the three months ended December 31, 2024. The variances in expenses over the periods were not material.

The net loss for the three months ended December 31, 2025 was \$272 or loss per share of \$0.03, compared to net income of \$3 or earnings per share of \$nil for the three months ended December 31, 2024.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2025, the Company had total assets of \$10,916 and working capital of \$10,862 as compared with total assets of \$10,421 and working capital of \$10,390 at December 31, 2024. The Company's cash position (cash and cash equivalents) at December 31, 2025 was \$918 compared to cash and cash equivalents of \$695 as at December 31, 2024.

The Company has adequate working capital to fund its expected operating costs through 2026.

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FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

(a) Credit risk

Credit risk is the risk that a security issuer or counterparty to a financial instrument will fail to meet its financial obligations. The Company is not exposed to significant credit risk on its cash and cash equivalents since they are placed with major financial institutions and brokers. The credit risk exposure of the Company's investments is represented by their fair values disclosed.

(b) Market risk

Market risk is the risk that changes in market factors, such as commodity prices, interest rates or foreign exchange rates, will affect the value of the Company's financial statements. The Company's investment policy states that investments will be made on the basis of investing for purposes of control or for the purpose of being actively involved in management and restricts passive investments. Changes in the future pricing and demand of certain commodities may have a material impact on the market value of the Company's resource, energy, and other investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further development and to determine the commercial viability of its resource properties. The value of each investment is also influenced by the outlook of the issuer and by general economic and political conditions. Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value.

A 1% change in future pricing and trading value of its investments as at December 31, 2025 would change the Company's market value of its investments annually by approximately \$100.

(c) Interest rate risk

Interest rate risk is the risk that the fair value of interest-bearing investments will fluctuate due to changes in prevailing levels of market interest rates. The Company's exposure is limited to its investments in income trusts and other interest-earning instruments which will be affected by changes in applicable interest rates.

A 1% change in the interest rate would change the Company's annual net income (loss) by approximately \$9.

(d) Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than the functional currency of the Company. As a result, the Company may be exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates.

A 1% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's annual net income (loss) by approximately \$3.

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(e) Classification of financial instruments

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- i) Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- ii) Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- iii) Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The fair value hierarchy of financial instruments measured at amortized cost and fair value as of December 31, 2025 is as follows:

As at December 31, 2025	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	918	-	-	918
Investments	9,531	-	467	9,998
	10,449	-	467	10,916

The fair value hierarchy of financial instruments measured at amortized cost and fair value as of December 31, 2024 is as follows:

As at December 31, 2024	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	695	-	-	695
Investments	9,236	-	490	9,726
	9,931	-	490	10,421

MATERIAL ACCOUNTING POLICES

The accounting policies are detailed in the Company's financial statements for the year ended December 31, 2025.

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SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these financial statements requires management to make judgments, estimates 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 judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and 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 the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position 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:

Estimates

- The carrying value of the investments, the estimated unrealized gains or losses recorded from the fair value fluctuations, and the recoverability of the carrying value which are included in the statements of financial position.
- The amount of the changes to comprehensive income (loss) and investments as a result of changes in prevailing interest rates, foreign exchange, economic and market conditions and company specific news.

Fair value of investments in private companies

The fair value of unquoted investments is established using valuation techniques. These may include the use of recent arm's length transactions, a Black-Scholes option pricing model, discounted cash flow analysis, a probability-weighted expected return model, or a current value method. Where a fair value cannot be estimated reliably, the investment is reported at the carrying value at the previous reporting date.

The Company assesses at each reporting period whether there is any objective evidence that the unquoted investments are impaired. The unquoted investments are deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future fair value of the investments that can be reliably measured.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control Over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

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DISCLOSURE CONTROLS AND PROCEDURES

The Company's certifying officers are responsible for establishing and maintaining the Company's disclosure controls and procedures. Management, including the certifying officers, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at December 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.

As at February 25, 2026

Authorized	Unlimited
Issued and outstanding shares	9,114,248
Fully diluted	9,114,248

ADDITIONAL INFORMATION

Additional information is available on SEDAR at www.sedarplus.ca.