STROUD RESOURCES LTD.

FORM 51-102FI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED
December 31, 2021

May 2, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") FOR THE YEAR ENDED DECEMBER 31, 2021

The following discussion of the results of operations of Stroud Resources Ltd. ("the Company" or "Stroud"), dated May 2, 2022, for the year ended December 31, 2021 should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2021.

All amounts are presented in Canadian dollars, unless otherwise noted. Additional information relating to the Company is available on SEDAR at *www.sedar.com*.

1. Overview

Stroud Resources Ltd. (the "Company" or "Stroud") is a junior resource company involved in the acquisition, exploration and development of mineral properties. The Company is listed on the TSX Venture Exchange as a Tier 2 company and trades under the stock symbol "SDR". Stroud is exploring properties hosting silver and gold mineralization in Jalisco, Mexico; and has interests in natural gas producing wells in Alberta, Canada.

Management's strategy for building Stroud and maximizing shareholder value is to acquire and explore properties with the potential to host significant economic deposits within prolific mining districts in Mexico, with the objective of enhancing the value of these properties either by direct exploration or through joint ventures with third parties.

The Company was incorporated on March 18, 1983 and is in the development stage. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the carrying values of these interests is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financings to complete the development thereof, and the future profitable production therefrom or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. Future quarterly results, in terms of both corporate and exploration expenditures, may be constrained by difficult market conditions and lack of financing available to junior mining companies.

Mining Industry

The exploration for and development of mineral deposits involves significant risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size; grade and proximity to infrastructure; metal prices; and government regulations, including regulations relating to prices; taxes; royalties; land tenure; land use; permitting; importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of these factors may result in the Company not receiving an adequate return on investment.

Forward-Looking Statements

This management's discussion and analysis may contain statements that are "Forward-looking Statements". These include statements about the Company's expectations, beliefs, plans, objectives and assumptions about future events or performance. These statements are often, but not always, made through the use of words or phrases such as "will likely result", "are expected to", "will continue", "anticipate", "believes", "estimate", "intend", "plan", "would", and "outlook" or statements to the effect that actions, events or results "will", "may", "should" or "would" be taken, occur or be achieved. Statements and estimates concerning mineral resources may also be deemed to be forward-looking statements in that they involve estimates, based on certain assumptions, regarding the mineralization that would be encountered if and when a mineral deposit were to be developed and mined. Forward-looking statements are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Accordingly, the Company's actual results could differ materially from those suggested by these forward-looking statements for various reasons discussed throughout this analysis. Forward-looking statements are made on the basis of the beliefs, opinions and estimates of the Company's management on the date the statements are made, and the Company does not undertake any obligation to update forward-looking statements if the circumstances or management's beliefs, opinions or estimates should change. Readers should not place undue reliance on forward-looking statements.

COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The economic effects within the organization's environment and in the global markets, disruption in supply chains, and measures introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have material impact on the organization's future operations and financial results.

The Company's operations have been significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. During 2020, the Company's drilling permits were delayed over 5 months with respect to shutdowns due to COVID-19. The Company cannot accurately predict the impact COVID-19 will have on future operations and the ability of others to meet their obligations with the Company, 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 economies and financial markets of many countries resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

The Company cannot estimate the length and gravity of the COVID-19 pandemic. However, the Company is continually monitoring and assessing new information and recommendations from health and government authorities as it becomes available and will continue to respond accordingly.

Operations

During 2021 the Company completed 7,702.55 metres of diamond drilling in 21 completed drill holes and 383 metres in 5 abandoned drill holes. (Table 1). The 2021 drilling program was successful in exploring the extent of known vein system-hosted silver mineralization on the Property and identified additional silver mineralized zones and vein systems such as Zopilote, which appear to strike parallel to the existing La Raya and Guadalupe silver vein systems.

The Company's current Drilling Permit covers 13 drill pads (drill setups) located across the Property. A second drilling permit will be submitted seeking additional drill pad locations to facilitate further delineation of the three known mineralized vein systems and other exploration targets.

Table 1. Summary of 2021 Phase 1 diamond drilling on the Santo Domingo Silver Project, Mexico.

Drill Hole	UTM_mE	UTM_mN	Elevation (m)	Az	Dip	Length (m)	Hole Type	Vein System	Status
SD-21-46	606383.07	2334194.03	1150.58	-50	230	308.50	Exploration	Guadalupe	Completed
SD-21-47	606383.07	2334194.03	1150.58	-65	230	350.00	Exploration	Guadalupe	Completed
SD-21-48	606383.07	2334194.03	1150.58	-80	230	375.00	Exploration	Guadalupe	Completed
SD-21-49	606386.23	2334189.21	1151.26	-65	50	333.00	Exploration	La Raya FW	Completed
SD-21-50	606785.16	2334205.80	984.54	-52	298	237.00	Delineation	La Raya	Completed
SD-21-51	606438.24	2334460.73	1036.04	-40	222	58.30	Exploration	Guadalupe	Abandoned
SD-21-52	606785.16	2334205.80	984.54	-64	279	225.00	Delineation	La Raya	Completed
SD-21-53	606496.37	2334188.22	1143.33	-55	230	384.00	Exploration	Guadalupe	Completed
SD-21-54	606496.37	2334188.22	1143.33	-65	230	324.00	Exploration	Guadalupe	Completed
SD-21-56	606496.37	2334188.22	1143.33	-85	230	292.50	Exploration	Guadalupe	Completed
SD-21-57	606438.24	2334460.73	1036.04	-72	230	317.30	Exploration	Guadalupe	Completed
SD-21-58	606209.14	2334152.99	1128.46	-40	240	353.00	Exploration	Zopilote	Completed
SD-21-68	606505.88	2334473.86	1025.02	-50	230	55.50	Exploration	Guadalupe	Abandoned
SD-21-68A	606505.88	2334473.86	1025.02	-55	230	405.00	Exploration	Guadalupe	Completed
SD-21-69	606523.85	2334431.34	1044.53	-50	230	183.00	Exploration	Guadalupe	Completed
SD-21-70	606523.85	2334431.34	1044.53	-50	230	69.00	Exploration	Guadalupe	Abandoned
SD-21-71	606618.46	2334416.30	991.20	-50	230	296.50	Delineation	La Raya	Completed
SD-21-72	606441.38	2334206.86	1146.00	-65	230	99.00	Exploration	Guadalupe	Abandoned
SD-21-73	606498.41	2334181.92	1143.64	-65	50	423.00	Exploration	La Raya FW	Completed
SD-21-74	606441.38	2334206.86	1146.00	-65	50	403.00	Exploration	La Raya FW	Completed
SD-21-75	606785.16	2334205.80	984.54	-50	285	330.00	Delineation	La Raya	Completed
SD-21-80	606070.17	2334155.96	1159.49	-50	230	534.00	Exploration	Zopilote	Completed
SD-21-81	606070.17	2334155.96	1159.49	-70	230	540.00	Exploration	Zopilote	Completed
SD-21-82	606070.17	2334155.96	1159.49	-65	50	537.00	Exploration	Zopilote	Completed
SD-21-83	606121.65	2334009.35	1152.00	-50	230	100.95	Exploration	Zopilote	Abandoned
SD-21-84	606327.13	2334143.84	1165.92	-55	230	552.00	Exploration	Zopilote	Completed

The Company incurred a net loss of $3,450,186 [2020 – net loss of $448,278] and a net comprehensive loss of $3,450,186 [2020 – net loss of $448,278] for the year ended December 31, 2021. Oil and gas revenues increased by 109% in 2021 from 2020 levels, to $44,681 [2020 – $21,367], reflecting both higher prices and increased production volumes. Oil and gas operating expenses decreased by 5.4% in 2021 from 2020 levels to $24,347 (2020- $25,724). The Company incurred $3,058,085 [2020 – $213,768] in exploration related costs on its mineral properties. In 2021, administrative expenses excluding stock based compensation, increased to $350,503 from $244,327 in 2020. The change relates to higher travel and business development expenses, and increased management fees. This was offset in part by lower professional fees. Stock-based compensation of $75,000 was recognized in 2021, while no amounts were recognized in 2020. The Company earned interest income of $13,068 (2020 – $14,714).

The Company had positive working capital of $1,060,724 at December 31, 2021 compared to working capital of $4,317,909 at December 31, 2020. The Company has sufficient funds to conduct a drill program but will need further financing to fund its ongoing general and administrative expenses and to complete further exploration programs. The Company's future performance will be dependent upon its ability to raise additional funds.

2. New accounting standards and interpretations

The Corporation adopted the following accounting standards during the year:

IAS 1 – Presentation of Financial Statements
On January 23, 2020, the IASB issued an amendment to IAS 1 *Presentation of Financial Statements* providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023 (for the Corporation's annual period ended December 31, 2024) and are to be applied retrospectively, with early adoption permitted. The Corporation is currently assessing the financial impact of the amendments and expects to apply the amendments at the effective date.

IAS 16 – Property, Plant and Equipment
On May 14, 2020, the IASB issued an amendment to IAS 16 *Property, Plant and Equipment* to prohibit deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling such items, and the cost of producing those items are to be recognized in profit and loss. The amendments are effective for annual periods beginning on or after January 1, 2022 (for the Corporation's annual period ended December 31, 2023) with early adoption permitted. The amendment is to be applied retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the earliest period presented in the financial statements in the year in which the amendments are first applied. The Corporation is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

IFRS 9 – Financial Instruments
On May 14, 2020, the IASB issued an amendment to IFRS 9 *Financial Instruments* clarifying which fees to include in the test in assessing whether to derecognize a financial liability. Only those fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included. The amendment is effective for annual periods beginning on or after January 1, 2022 (for the Corporation's annual period ended December 31, 2023)

with early adoption permitted. The Corporation is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

3. Mineral Properties and Oil and Gas Interests

Santo Domingo Silver-Gold Project

Stroud holds its interest in its Santo Domingo property through its wholly owned subsidiary, Compañia Minera San Diego y La Espanola S.A. de C.V. ("Compañia Minera"), which holds prospecting and exploration permits for the property. Compañia Minera holds rights to the Santo Domingo II and Nombre de Dios mining concessions, located approximately 80 km northwest of Guadalajara, the capital city of the State of Jalisco, Mexico. The concessions occur in the Hostotipaquillo Mining District, which includes a number of established silver-gold epithermal mineral occurrences, including the well- known Monte del Favor, La Cabrera and Cinco Mines.

The Mexican Mining Law was amended by a Congress Decree dated February 22, 2005, published at the Office Daily of the Federation on April 28, 2005. Under this amendment, exploitation mining concessions are now valid for 50 years and all existing exploration and mining concessions were automatically converted into exploitation mining concessions from January 1, 2006. Compania Minera has leased surface rights from Ejido of Santo Domingo de Guzman to cover the mining concessions and the surrounding area.

On November 20, 2017, the Company issued an updated NI 43-101 Technical Report on the Santo Domingo Property. The report is available online at SEDAR and on the Company's website.

Highlights from the report include:

- Measured and indicated mineral resources increased to 25.74M silver equivalent ounces from 15.05M.
- Inferred mineral resources increased to 13.39M silver equivalent ounces from 10.68M.
- La Rayas vein indicates a mineralized zone, 35 metres wide by 300 metres deep and over 700 metres along strike.
- Guadalupe vein is typically 15 to 30 metres wide.
- Five additional veins have been identified for future exploration, deeper into the hillside.

The Report confirms Measured and Indicated, and Inferred Mineral Resources as set out in the table below:

Classification	Tonnes	Gold g/t	Silver g/t	Silver Eq. g/t	Ounces Gold	Ounces Silver	Ounces Ag Eq.
Measured	3,148,834	0.51	107.40	144.21	51,370	10,136,145	13,952,515
Indicated	2,932,967	0.43	94.07	124.93	40,242	8,874,620	11,785,663
Measured and Indicated	6,081,801	0.47	100.97	134.91	91,612	19,010,765	25,738,178
Inferred	3,482,160	0.39		119.56	43,228	10,083,932	13,387,222

Cut-off grade was 45 grams per tonne silver equivalent over a three metre true width and a gold-silver ratio of 72:1 Continuity of mineralization was established by drilling on 50 metre centres, and using a specific gravity of 2.65

The Company initiated its drill program on the property in April 2021 and has identified another mineralized vein.

An additional amount of USD $1,160,00 (approximately $1,156,000 Canadian) is to be paid in quarterly installments to a prior owner, if and when revenue is generated from minerals extracted by Compañia Minera, commencing three months after the start of commercial production. Each quarterly installment will be equal to 0.5% of the net smelter return [defined as revenue actually received by Compañia Minera from the sale of smelter minerals.

In order to maintain the Company's mineral concessions and titles in good standing, the Company is required to maintain a prescribed minimum of annual exploration expenditure and pay fees semi-annually to the Secretaria de Economia in Mexico. Failure to make the annual concession payments or incur the minimum annual exploration expenditures, to the satisfaction of the Mexican authorities, or a determination that the expenditures incurred are not qualifying expenditures, may result in the cancellation or forfeiture of the mineral concessions. Management believes that all payments made are appropriate and current.

In November 2017, the Company signed an agreement with the owners of the surface rights on the Santo Domingo property to give access to the property until 2023 and provide potential for renewal of the access rights. Concession payments due under this agreement total approximately $8,600 due in November 2022.

Hislop Gold Project
The Company holds a net smelter royalty ("NSR") of 0.5% on properties located in Hislop Township, Ontario. The property owner of the Hislop Project may purchase the royalty for $1,000,000.

Leckie Gold Project
The Company holds a 1% NSR on the Leckie Project. Temagami Gold Inc. ("Temagami"), the property owner of the Leckie Project can purchase the NSR for $500,000 for each 0.5% of royalty. The Company holds 750,000 common shares of Temagami. As at December 31, 2021, Temagami is a privately held corporation and a market price for its shares could not be established. The Company attributed a value of $nil to the shares of Temagami which it holds.

Oil and Gas Interests
The Company generates cash flow through a 3.75% interest in six natural gas wells in central Alberta. The properties are operated by Gain Energy Inc. The Company's proportionate share of the revenue from these properties, net of operating expenses, is received from the operator on a monthly basis.

4. Results of Operations

The Company's selected annual financial information as at and for the three most recently completed financial years ended December 31 are summarized as follows:

	2021	2020	2019
Revenue	$44,681	$21,367	$27,392
Net Income (loss) from operations	($3,450,186)	($448,278)	$161,972
Income (loss) per share - basic	($0.07)	($0.01)	$0.01
Income (loss) per share - diluted	($0.07)	$(0.01)	$0.01
Total assets	$1,203,966	$4,385,657	$1,387,357
Total liabilities	$143,242	$67,748	$378,645

The Company incurred a net loss of $3,450,186 [2020 – net loss of $448,278] and a net comprehensive loss of $3,450,186 [2020 – net loss of $448,278] for the year ended December 31, 2021. Oil and gas revenues increased by 109% in 2021 from 2020 levels, to $44,681 [2020 – $21,367], reflecting both higher prices and increased production volumes. Oil and gas operating expenses decreased by 5.4% in 2021 from 2020 levels to $24,347 (2020- $25,724). The Company incurred $3,058,085 [2020 – $213,768] in exploration related costs on its mineral properties. In 2021, administrative expenses excluding stock based compensation, increased to $350,503 from $244,327 in 2020. The change relates to higher travel and business development expenses, and increased management fees. This was offset in part by lower professional fees. Stock-based compensation of $75,000 was recognized in 2021, while no amounts were recognized in 2020. The Company earned interest income of $13,068 (2020 – $14,714).

In the fourth quarter of 2021, oil and gas revenues were $14,664 (2020 - $6,067) compared to revenues of $13,552 (2020 - $5,992) recognized in the previous quarter. This was due to increased production and greater volumes than in 2020. Oil and gas expenditures during the fourth quarter of 2021 were $7,644 (2020 - $7,199) compared to $5,523 (2020 - $5,767) incurred in the previous quarter.

5. Liquidity and Capital Resources

The Company had positive working capital of $1,060,724 at December 31, 2021 compared to working capital of $4,317,909 at December 31, 2020.

The Company continued drilling in Q1 2022. To continue its operations for the balance of 2022, the Company will require additional financing which, if not raised, would result in the curtailment of activities or the sale, option or joint venturing of assets, to the extent appropriate counterparties can be found. The Company's ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon its ability to obtain further funds. There can be no assurances that the Company will be able to raise sufficient financing or on terms acceptable to management. The outcome of these matters cannot be predicted at this time and, accordingly, these matters create a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. If the going concern assumption is not appropriate, adjustments will be necessary to carrying amounts and classification of assets, liabilities and expenses in the consolidated financial statements. Such adjustments could be material.

6. Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect upon its results of operations or financial condition, including, and without limitation, such considerations as liquidity and capital resources.

7. Transactions with Related Parties

In accordance with IAS 24, key management personnel are those 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. The remuneration of directors and key management of the Company for the years ended December 31, 2021 and 2020 was as follows:

	2021	2020
Administrative and professional fees	$ 60,000	$ 41,250
Director fees	60,000	45,000
Stock-based compensation	75,000	—
	$ 195,000	$ 86,250

During the 2021 fiscal year, shareholders advanced $nil (2020 - $4,411) to the Company. As at December 31, 2021, $nil (2020 - $4,411)] was included in accounts payable and accrued liabilities.

8. Proposed transactions

The Company has not entered into any significant transactions, nor is it currently reviewing any such transaction, which requires board approval, shareholder approval or regulatory approval.

9. Critical Accounting Estimates

The Company's significant accounting policies are presented in Note 3 of the consolidated financial statements for the year ended December 31, 2021.

10. Financial Instruments

A discussion of the Company's financial instruments can be found in Notes 3 and 4 of the consolidated financial statements for the year ended December 31, 2021.

11. Disclosure of Outstanding Share Data as at May 2, 2022

	Number or Principal Amount Outstanding	Maximum Number of Common Shares Issuable
Common Shares outstanding	50,104,449	N/A
Warrants outstanding	525,000	525,000
Stock Options outstanding	555,000	555,000
Maximum common shares issuable		51,184,449

12. Other MD&A Disclosure

The following table sets forth, for the quarter indicated, information relating to the Company's revenue, net loss and loss per common share for the eight most recently completed fiscal quarters.

	Revenues	Net Income (Loss)	Basic Net Income (Loss) per Share	Diluted Net Income (Loss) per Share
March 31, 2020	5,270	(123,032)	(0.006)	(0.006)
June 30, 2020	4,038	(114,009)	(0.003)	(0.003)
September 30, 2020	5,992	(111,117)	(0.003)	(0.003)
December 31, 2020	6,067	(100,120)	(0.002)	(0.002)
March 31, 2021	7,732	(334,164)	(0.007)	(0.007)
June 30, 2021	8,733	(638,474)	(0.013)	(0.013)
September 30, 2021	13,552	(988,188)	(0.02)	(0.02)
December 31, 2021	14,664	(1,489,360)	(0.03)	(0.03)

Additional information relating to the Company, including its annual and quarterly financial statements, is available on SEDAR at www.sedar.com, and on the Company's website at www.stroudsilver.com.

13. CONTINGENCIES

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations.

Legal Matters

From time to time, the Company may be named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its operations. While the outcome of any such matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differ from these estimates, the difference will be accounted for as a charge to net income (loss) in that period.