

STROUD RESOURCES LTD.

FORM 51-102FI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED
JUNE 30, 2024

August 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") FOR THE SIX MONTHS ENDED JUNE 30, 2024

The following discussion of the results of operations of Stroud Resources Ltd. ("the Company" or "Stroud"), dated August 30, 2024, for the six months ended June 30, 2024, should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2023 and six months ended June 30, 2024.

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 the 18th of March 1983 and is in the exploration and 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 several 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 using 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 was to be developed and mined. Forward-looking statements are not historical facts and are subject to several 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 based on 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.

Drilling Programs

Stroud Resources performed two drilling campaigns during 2021 and 2022 on its Santo Domingo Silver-Gold Project in Mexico.

In the Phase 1 diamond drilling program (2021), the Company completed 7,707.75 metres with HQ and NQ size core, in 21 completed diamond drill holes and 383.15 metres in 5 abandoned holes with lengths varying from 55.5 m to 552 metres.

In the Phase 2 diamond drilling program (2022), the Company completed 1,708.15 metres with HQ and NQ size core, in 5 completed diamond drill holes and 136.6 metres and 1 abandoned hole with lengths varying from 128 m to 503 metres.

The drilling programs aimed to verify and confirm the geological and mineral resource modelling of the Property. Interpretations from geological modelling had identified additional mineralized zones running parallel to the Guadalupe Vein and the La Raya Vein, on which there is a current National Instrument 43-101 (“NI 43-101”) Mineral Resource Estimate (McBride, 2017). The drilling programs identified a new mineralized zone “Zopilote Vein”, shown in yellow in the Figure 1.

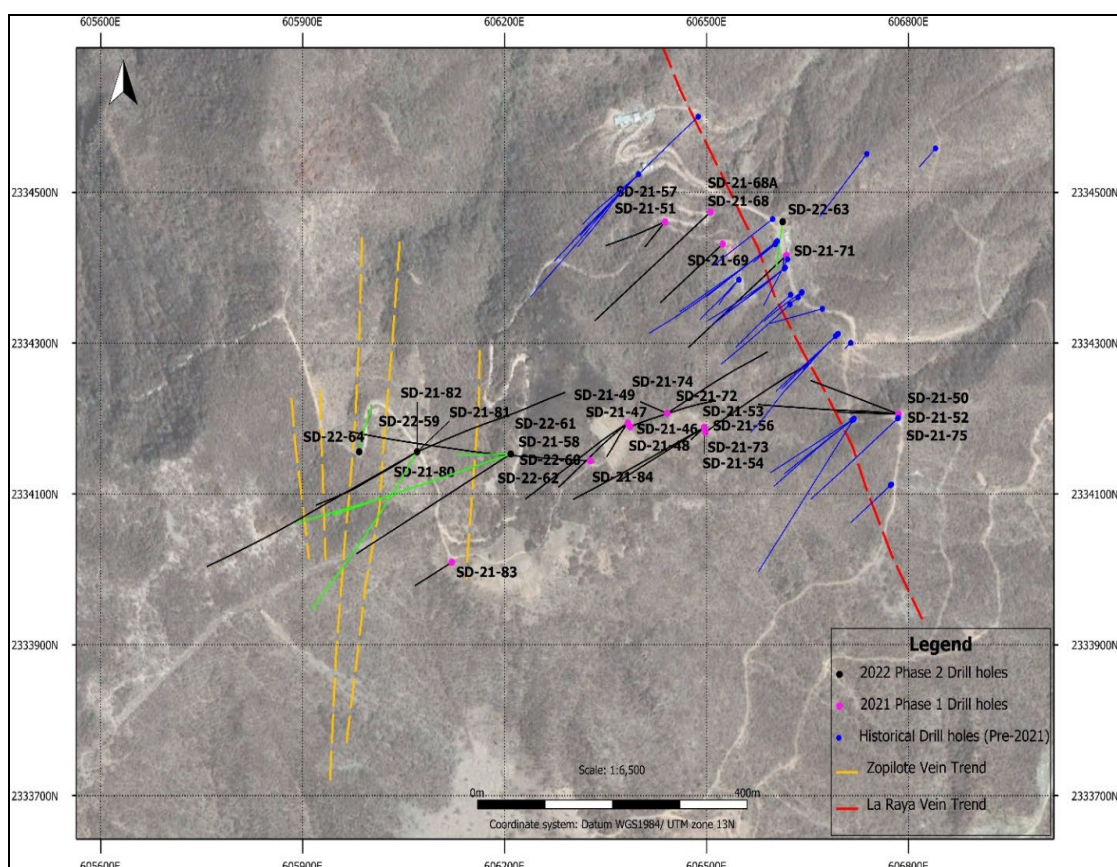


Figure 1. Location of drill hole collars and traces from the Phase 1 and Phase 2 drilling program, overlain on the satellite photo of the property concession, Santo Domingo Project (source: Stroud Resources, 2021).

To date, the Santo Domingo Silver Project has approximately 85 drill holes totalling about 18,184 metres.

Operations

The Company incurred a net loss of \$143,751 [2023 – \$120,699] and a net comprehensive loss of \$143,751 [2023 – \$120,699] for the six months ended June 30, 2024. Oil and gas revenues decreased by 32% in 2024 from 2023 levels, to \$13,953 [2023 – \$20,619], reflecting lower prices and lower production volumes. Oil and gas operating expenses decreased by 5% in 2024 from 2023 levels to \$12,835 [2023–\$13,475]. Operating expenses were higher in June 2024 due to property taxes previously unrecorded were picked up in that month. The Company incurred \$7,413 [2023 – \$2,500] in exploration related costs on its mineral properties. In 2024, administrative expenses, increased to \$142,712 from \$125,343 incurred in 2023. Higher professional fees in the first six months of 2024 are the cause of the increase. The Company earned interest income of \$6,526 [2023 – \$nil] during the period.

The Company had working capital of \$109,136 at June 30, 2024 compared to working capital of \$252,887 at December 31, 2023. The Company will need further financing to fund its ongoing general and administrative expenses beyond 2024 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 period:

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.

3. Mineral Properties and Oil and Gas Interests

Santo Domingo Silver-Gold Project, Mexico

Stroud holds its interest in its Santo Domingo Ag-Au Property through its wholly owned subsidiary, Compañía Minera San Diego y La Espanola S.A. de C.V. ("Compañía Minera"), which holds prospecting and exploration permits for the property. Compañía 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 several 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. Compañía Minera has leased surface rights from Ejido of Santo Domingo de Guzman to cover the mining concessions and the surrounding area.

Drilling Programs

In its Phase 1 diamond drilling program of 2021, the Company completed 7,707.75 metres with HQ and NQ size core, in 21 completed diamond drill holes and 383.15 metres in 5 abandoned holes with lengths varying from 55.5 m to 552 metres. This campaign aimed to verify and confirm the geological and mineral resource modelling of the Property. Interpretations from geological modelling of Santo Domingo had identified additional mineralized zones running parallel to the previously announced Mineral Resource Estimate (Table 10-2).

Table 10-2. Summary of 2021 Phase 1 diamond drilling on the Santo Domingo Silver Project, Mexico.

Drill Hole	East (mE)	North (mN)	Elev (m)	Depth (m)	Collar Az	Collar Dip	Started (mm/dd/yyyy)	Completed (mm/dd/yyyy)	Target
SD-21-46	606383.073	2334194.03	1150.576	308.5	230	-50	4/15/2021	4/23/2021	Guadalupe
SD-21-47	606383.073	2334194.03	1150.576	350	230	-65	4/24/2021	5/2/2021	Guadalupe
SD-21-48	606383.073	2334194.03	1150.576	375	230	-80	5/4/2021	5/15/2021	Guadalupe
SD-21-53	606496.373	2334188.22	1143.327	384	230	-55	5/18/2021	5/31/2021	Guadalupe
SD-21-54	606496.373	2334188.22	1143.327	324	230	-65	6/1/2021	6/8/2021	Guadalupe
SD-21-56	606496.373	2334188.22	1143.327	292.5	230	-85	6/9/2021	6/15/2021	Guadalupe
SD-21-80	606070.172	2334155.96	1159.487	534	230	-50	6/18/2021	7/8/2021	Zopilote
*SD-21-68	606505.877	2334473.86	1025.024	55.5	230	-50	6/26/2021	6/30/2021	Guadalupe
SD-21-68A	606505.877	2334473.86	1025.024	405	230	-55	7/4/2021	7/28/2021	Guadalupe
SD-21-81	606070.172	2334155.96	1159.487	540	230	-70	7/10/2021	7/27/2021	Zopilote
SD-21-82	606070.172	2334155.96	1159.487	537	50	-65	7/29/2021	8/15/2021	Zopilote
SD-21-69	606523.85	2334431.34	1044.534	187.95	230	-50	8/5/2021	8/20/2021	Guadalupe
*SD-21-83	606121.646	2334009.35	1152	100.95	230	-50	8/18/2021	8/23/2021	Zopilote
*SD-21-70	606523.85	2334431.34	1044.534	69	230	-50	8/22/2021	8/26/2021	Guadalupe
SD-21-84	606327.135	2334143.84	1165.917	552	230	-55	8/25/2021	9/12/2021	Zopilote
SD-21-71	606618.463	2334416.3	991.201	296.5	230	-50	9/2/2021	10/2/2021	La Raya
*SD-21-72	606441.384	2334206.86	1146	99	230	-65	9/16/2021	9/20/2021	Guadalupe
SD-21-73	606498.41	2334181.92	1143.641	423	50	-65	9/21/2021	10/4/2021	La Raya FW
SD-21-74	606441.384	2334206.86	1146	403	50	-65	10/5/2021	10/17/2021	La Raya FW
SD-21-75	606785.157	2334205.8	984.536	330	285	-50	10/12/2021	11/1/2021	La Raya
SD-21-49	606386.229	2334189.21	1151.256	333	50	-65	10/18/2021	11/3/2021	La Raya FW
SD-21-50	606785.157	2334205.8	984.536	237	298	-52	11/4/2021	11/16/2021	La Raya
*SD-21-51	606438.243	2334460.73	1036.036	58.7	222	-40	11/8/2021	11/19/2021	Guadalupe
SD-21-52	606785.157	2334205.8	984.536	225	279	-64	11/17/2021	12/4/2021	La Raya
SD-21-57	606438.243	2334460.73	1036.036	317.3	230	-72	11/20/2021	12/6/2021	Guadalupe
SD-21-58	606209.138	2334152.99	1128.458	353	240	-40	12/8/2021	12/19/2021	Zopilote

Note: coordinates are in WGS 1984/UTM Zone 13N; *Abandoned hole.

The Phase 2 diamond drilling program in 2022 started in mid-February 2022 and finished in June 2022, with the plan to drill 3,500 metres, targeting the newly discovered Zopilote Vein (previously “New Vein”), the Guadalupe Vein and the La Raya Vein, on which there is a current National Instrument 43-101 (“NI 43-101”) Mineral Resource Estimate (McBride, 2017).

In its Phase 2 diamond drilling program conducted in 2022, the Company completed 1,708.15 metres with HQ and NQ size core, in 5 completed diamond drill holes and 136.6 metres and 1 abandoned hole with lengths varying from 128 m to 503 metres (Table 10-3; Figure 10-1).

Table 10-3. Summary of 2022 Phase 2 diamond drilling on the Santo Domingo Silver Project, Mexico.

Drill Hole	East (mE)	North (mN)	Elev (m)	Depth (m)	Collar Az	Collar Dip	Started (mm/dd/yyyy)	Completed (mm/dd/yyyy)	Target
SD-22-59	606070.172	2334155.96	1159.487	327	216	-37	2/16/2022	2/26/2022	Zopilote
SD-22-60	606209.138	2334152.99	1128.458	128	269	-51	3/7/2022	3/16/2022	Zopilote
SD-22-61	606209.138	2334152.99	1128.458	503	251	-48	3/25/2022	4/13/2022	Zopilote
SD-22-62	606209.138	2334152.99	1128.458	336	248	-38	4/28/2022	5/11/2022	Zopilote
*SD-22-63	606613	2334461	990	136.6	189	-62	5/12/2022	5/26/2022	La Raya
SD-22-64	605984	2334156	1163	414.15	23	-83	6/4/2022	6/29/2022	Zopilote

Note: coordinates are in WGS 1984/UTM Zone 13N; *Abandoned hole.

On November 20, 2017, the Company issued an updated NI 43-101 Technical Report and Mineral Resource Estimate on the Santo Domingo Silver Property (the “Report”). 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 (AgEq) ounces from 15.05M AgEq ounces.
- Inferred mineral resources increased to 13.39M AgEq ounces from 10.68M AgEq ounces.
- 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 Table 1.

Table 1. Summary of Mineral Resources Estimate for the Santo Domingo Property.

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 completed its most recent drilling program on the Property in 2022 and has identified a new mineralized vein system referred to as the Zopilote Vein System.

An additional amount of USD \$1,160,00 (approximately CAD \$1,156,000) is to be paid in quarterly installments to a prior owner, if and when revenue is generated from minerals extracted by Compañía 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 Compañía 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 US \$7,400 and increase 10% annually. The Company extended the agreement with Surface Holders to November 2033.

Hislop Gold Project

The Company holds a net smelter return 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 the royalty. The Company holds 750,000 common shares of Temagami. As at December 31, 2023, 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 incurred a net loss of \$143,751 [2023 – \$120,699] and a net comprehensive loss of \$143,751 [2023 – \$120,699] for the six months ended June 30, 2024. Oil and gas revenues decreased by 32% in 2024 from 2023 levels, to \$13,953 [2023 – \$20,619], reflecting lower prices and lower production volumes. Oil and gas operating expenses decreased by 5% in 2024 from 2023 levels to \$12,835 [2023- \$13,475]. Operating expenses were higher due to property taxes previously unrecorded were picked up in this period. The Company incurred \$7,413 [2023 – \$2,500] in exploration related costs on its mineral properties. In 2024, administrative expenses, increased to \$142,712 from \$125,343 incurred in 2023. Higher professional fees in the first six months of 2024 are the cause of the increase. The Company earned interest income of \$6,526 [2023 – \$nil] during the period.

The Company incurred a net loss of \$80,932 [2023 – \$72,511] for the three months ended June 30, 2024. Oil and gas revenues decreased to \$6,637 from \$8,837 generated in 2023, reflecting lower prices and lower production volumes. Oil and gas operating expenses increased in the three months ended June 2024 to \$7,668 from \$5,847 in the same period of 2023. Operating expenses were higher in June 2024 due to property taxes previously unrecorded were picked up in that month. In the three months ended June 30, 2024, administrative expenses, increased to \$78,141 from \$73,001 incurred in 2023. Higher professional fees in the first six months of 2024 are the cause of the increase.

5. Liquidity and Capital Resources

The Company had working capital of \$109,136 at June 30, 2024 compared to working capital of \$252,887 at December 31, 2023.

The Company 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. If additional funds are not raised, the Company will consider possible 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 six months ended June 30, 2024, and 2023 was as follows:

	2024		2023	
Administrative and professional fees	\$	30,000	\$	30,000
Director fees		22,500		22,500
		52,500	\$	52,500

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, 2023, and six months ended June 30, 2024.

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, 2023, and six months ended June 30, 2024.

11. Disclosure of Outstanding Share Data as at August 30, 2024

	Number or Principal Amount Outstanding	Maximum Number of Common Shares Issuable
Common Shares outstanding	57,623,199	N/A
Warrants outstanding	6,000,000	6,000,000
Stock Options outstanding	150,000	150,000
Maximum common shares issuable		63,773,199

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
September 30, 2022	16,273	(193,132)	(0.003)	(0.003)
December 31, 2022	13,481	(214,240)	(0.004)	(0.004)
March 31, 2023	11,782	(48,188)	(0.009)	(0.009)
June 30, 2023	8,837	(72,511)	(0.011)	(0.0011)
September 30, 2023	5,567	(68,336)	(0.011)	(0.011)
December 31, 2023	9,718	(90,185)	(0.002)	(0.002)
March 31, 2024	7,316	(62,819)	(0.009)	(0.009)
June 30, 2024	6,637	(80,932)	(0.011)	(0.011)

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. The Company has made, and expects to make in the future, expenditures to comply with such 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.

Legal Claim

The Company has been named a defendant in a legal claim. The plaintiff has accused that the Company has signed a guarantee of a loan amount entered into by a party based out of Morocco as part of the potential acquisition of certain mining claims. The amount claimed against the Company is \$400,000 in United States Dollars. No provision has been made in these financial statements as a result of this claim as management believes that it is not probable that an outflow of resources would be required and because a reliable estimate of any potential payment cannot be made at this time. The plaintiff has offered to settle the claim for a lower amount, but management has rejected that settlement offer and intends to defend the claim.