

# **STROUD RESOURCES LTD.**

FORM 51-102FI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED  
June 30, 2025

August 29, 2025

## MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") FOR THE SIX MONTHS ENDED JUNE 30, 2025

The following discussion of the results of operations of Stroud Resources Ltd. ("the Company" or "Stroud"), dated August 29, 2025, for the six months ended June 30, 2025, should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2024 and consolidated financial statements for the six months ended June 30, 2025.

All amounts are presented in Canadian dollars, unless otherwise noted. Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### 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 18<sup>th</sup> 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.

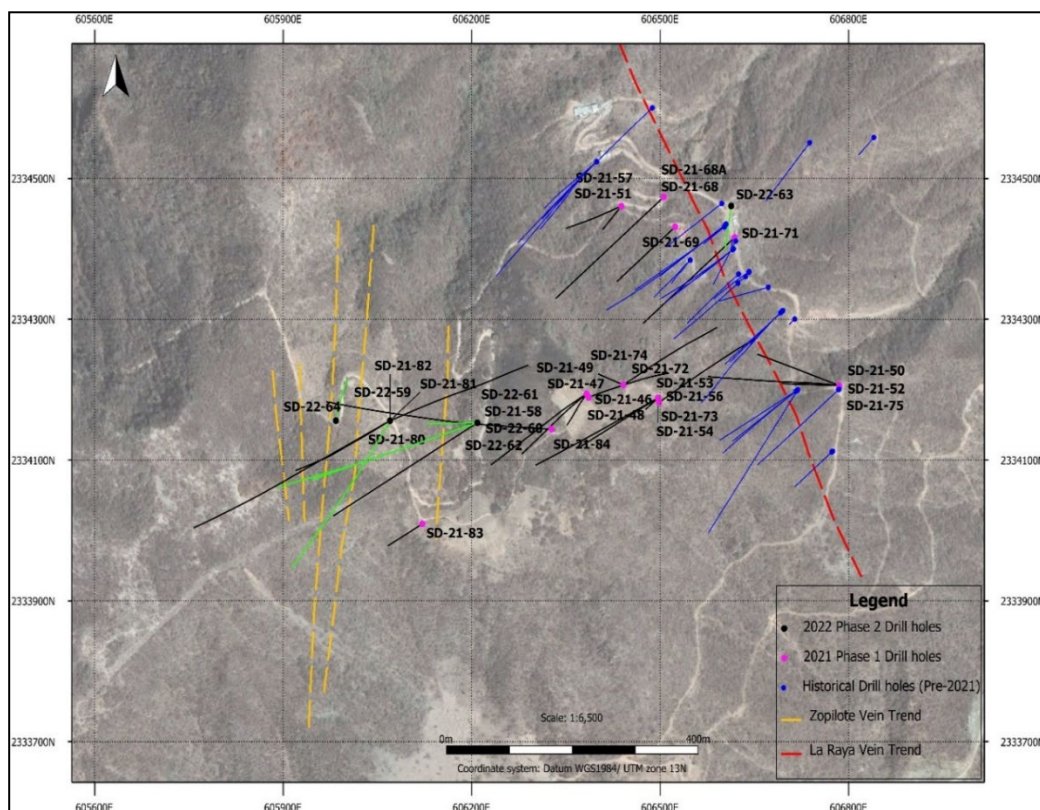
## Drilling Programs

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-Gold Project has approximately 85 drill holes totalling about 18,184 metres.

## **Operations**

The Company incurred a net loss of \$122,168 [2024 – \$143,751] and a net comprehensive loss of \$122,168 [2024 – \$143,751] for the six months ended June 30, 2025. Oil and gas revenues increased by 4% in 2025 from 2024 levels, to \$14,538 [2024 – \$13,953], reflecting higher prices. Oil and gas operating expenses decreased by 4% in 2025 from 2024 levels to \$12,235 [2024- \$12,835]. The Company incurred \$6,500 [2024 – \$7,413] in exploration related costs on its mineral properties. In 2025, administrative expenses decreased to \$124,471 from \$150,125 incurred in 2024, largely reflecting a decrease in professional fees. The Company earned interest income of \$nil [2024 – \$5,526] during the period.

The Company had a working capital deficiency of \$185,018 at June 30, 2025 compared to a working capital deficiency of \$62,850 at December 31, 2024. The Company will need further financing to fund its ongoing general and administrative expenses beyond 2025 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**

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

## **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.

On November 20, 2017, the Company issued an updated NI 43-101 Technical Report and Mineral Resource Estimate on the Santo Domingo Silver-Gold 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 supports the Measured, Indicated, and Inferred Mineral Resources as set out in Table 1.

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

| <b>Classification</b>  | <b>Tonnes</b> | <b>Gold g/t</b> | <b>Silver g/t</b> | <b>Silver Eq. g/t</b> | <b>Ounces Gold</b> | <b>Ounces Silver</b> | <b>Ounces Ag Eq.</b> |
|------------------------|---------------|-----------------|-------------------|-----------------------|--------------------|----------------------|----------------------|
| 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 (AgEq) 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 most recent drilling program on the Property in April 2021 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 2033 and provide potential for renewal of the access rights. Concession payments due under this agreement total approximately US \$8,955 for 2035 and increases 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 NSR for the Hislop Project may be purchased for \$1,000,000.

### **Leckie Gold Project**

The Company holds a 1% NSR on the Leckie Project. Temagami Gold Inc. ("Temagami"). The NSR for the Leckie Project may be purchased 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 it holds in Temagami.

### **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 \$122,168 [2024 – \$143,751] and a net comprehensive loss of \$122,168 [2024 – \$143,751] for the six months ended June 30, 2025. Oil and gas revenues increased by 4% in 2025 from 2024 levels, to \$14,538 [2024 – \$13,953], reflecting higher prices. Oil and gas operating expenses decreased by 4% in 2025 from 2024 levels to \$12,235 [2024- \$12,835]. The Company incurred \$6,500 [2024 – \$7,413] in exploration related costs on its mineral properties. In 2025, administrative expenses decreased to \$124,471 from \$150,125 incurred in 2024, largely reflecting a decrease in professional fees. The Company earned interest income of \$nil [2024 – \$5,526] during the period.

#### **5. Liquidity and Capital Resources**

The Company had a working capital deficiency of \$185,018 at June 30, 2025 compared to a working capital deficiency of \$62,850 at December 31, 2024.

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 were as follows:

|                                      | 2025 |         | 2024 |        |
|--------------------------------------|------|---------|------|--------|
| Administrative and professional fees | \$   | 30,000  | \$   | 30,000 |
| Director fees                        |      | 22,500  |      | 22,500 |
| Promissory note and accrued interest |      | 77,539  |      | —      |
|                                      | \$   | 130,039 | \$   | 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, 2024 and the six months ended June 30, 2025.

## 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, 2024 and the six months ended June 30, 2025.

## 11. Disclosure of Outstanding Share Data as at August 29, 2025

|                                   | Number or<br>Principal Amount<br>Outstanding | Maximum Number of<br>Common Shares<br>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<br>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<br>(Loss) | Basic Net<br>Income (Loss)<br>per Share | Diluted Net<br>Income (Loss)<br>per Share |
|--------------------|----------|----------------------|-----------------------------------------|-------------------------------------------|
| 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)             | (0.001)                                 | (0.001)                                   |
| September 30, 2024 | 6,680    | (86,995)             | (0.001)                                 | (0.001)                                   |
| December 31, 2024  | 5,237    | (84,991)             | (0.001)                                 | (0.001)                                   |
| March 31, 2025     | 7,446    | (56,617)             | (0.001)                                 | (0.001)                                   |
| June 30, 2025      | 7,092    | (65,551)             | (0.001)                                 | (0.001)                                   |

Additional information relating to the Company, including its annual and quarterly financial statements, is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), and on the Company's website at [www.stroudsilver.com](http://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.