STRATEGEM
CAPITAL

Strength Through Strategy

STRATEGEM CAPITAL CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

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

TSX-v: SGE

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 three and nine months ended September 30, 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standard ("IAS") 34, Interim Financial Reporting. This discussion should be read in conjunction with the financial statements and the notes thereto for the same period as noted above (collectively, the "Financial Statements"). 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.sedar.com 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 November 15, 2022.

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 2022.

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.

QUARTERLY HIGHLIGHTS

On September 23, 2022, the Company obtained an approval from the Exchange to undertake a Normal Course Issuer Bid to allow the Company to purchase up to 467, 576 of its Class A common shares, representing approximately 5% of its issued and outstanding shares. Purchases may be made on the open market through the facilities of the Exchange by the designated broker until September 22, 2023. During the nine months ended September 30, 2022, 85,400 Class A common shares were purchased for $187 under the previously approved Normal Course Issuer Bid. These common shares were returned to Treasury and cancelled.

During the three and nine months ended September 30, 2022, the Company invested in short term securities and has recognized unrealized losses of $3,944 and $20,473, respectively. 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.

SELECTED FINANCIAL INFORMATION

The following financial information is derived from the Company's financial statements for the three and nine months ended September 30, 2022 and September 30, 2021 which have been prepared in accordance with IFRS.

	Three months ended September 30		Nine months ended September 30	
(expressed in $ thousands, except per share amounts)	**2022**	**2021**	**2022**	**2021**
Total Revenues	99	515	354	6,903
Net income (loss) for the period	(2,743)	602	(17,828)	6,500
Earnings (loss) per share – basic and diluted[1]	(0.29)	0.06	(1.90)	0.95
Total assets	11,467	28,198	11,467	28,198
Current Liabilties	25	523	25	523
Working capital	11,442	27,675	11,442	27,675

[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.

SUMMARY OF QUARTERLY RESULTS

(expressed in $ thousands, except per share amounts)	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Interest, dividends and other income	99	85	170	137	95	87	28	11
Gain on sale of investments	-	-	108	147	14	355	5	8
Unrealized gain (loss) on investments, net	(3,944)	(10,857)	(5,672)	4,799	406	(1,802)	7,715	(138)
Total revenues	(3,845)	(10,772)	(5,394)	5,083	515	(1,360)	7,748	(119)
Total expenses	115	210	242	574	392	147	344	1,578
Foreign exchange gain (loss)	20	9	(4)	(1)	8	4	(3)	(59)
Income (loss) for the period	(2,743)	(10,973)	(4,112)	1,783	602	(1,503)	7,401	(1,753)
Earnings (loss) per share – basic and diluted[1]	(0.29)	(1.17)	(0.44)	0.19	0.06	(0.22)	1.74	(0.39)
Total assets	11,467	15,448	26,442	33,118	28,198	27,367	17,100	9,434
Working capital	11,442	15,420	26,397	32,182	27,675	27,073	16,750	9,349

[1] For the comparative periods prior to Q2 2021, there were no outstanding warrants. Subsequent to Q2 2021, 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.

Three months ended September 30, 2022 compared to Three months ended September 30, 2021

During the three months ended September 30, 2022, the Company recorded total revenue of negative $3,845, consisting of interest, dividends and other income of $99, and unrealized loss on investment of $3,944.

During the three months ended September 30, 2021, the Company recorded total revenue of $515, consisting of interest, dividends and other income of $95, gain on sale of investments of $14 and unrealized gain on investment of $406.

For the three months ended September 30, 2022, expenses were $115 compared to $392 for the three months ended September 30, 2021. The decrease is due to recognition of management fees payable in the prior year comparable period. The variances in other administrative expenses over the periods was not material.

The net loss for the three months ended September 30, 2022 was $2,743 or loss per share of $0.29, compared to net income of $602 or earnings per share of $0.06 for the three months ended September 30, 2021.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2022, the Company had total assets of $11,467 and working capital of $11,442 as compared with total assets of $33,118 and working capital of $32,182 at December 31, 2021. The Company's cash position (cash and cash equivalents) at September 30, 2022 was $2,869 compared to $2,122 as at December 31, 2021.

The Company has adequate working capital to fund its expected operating costs through 2022.

FINANCIAL INSTRUMENTS AND RISK MANANGEMENT

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.

This MD&A does not include all financial risk management information and disclosures required in the annual financial statements. These statements should be read in conjunction with the annual financial statements as at December 31, 2021. There have been no changes in the risk management or any risk management policies since year end.

SIGNIFICANT ACCOUNTING POLICES

Significant accounting policies are detailed in the Company's financial statements for the year ended December 31, 2021.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The use of significant accounting judgements and estimates are detailed in the Company's financial statements for the year ended December 31, 2021.

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.

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 September 30, 2022, the Company had 9,351,528 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 November 15, 2022	
Authorized	Unlimited
Issued and outstanding shares	9,350,548
Warrants	5,191,229
Fully diluted	14,541,777

ADDITIONAL INFORMATION

Additional information is available on SEDAR at www.sedar.com.