



## **STAMPER OIL & GAS CORP.**

### **Management Discussion & Analysis**

**June 30, 2022**

(Expressed in Canadian dollars)

## Date of Report: August 12, 2022

This management discussion and analysis (“**MD&A**”) of Stamper Oil & Gas Corp. (the “**Company**” or “**Stamper**”) is for the period ended June 30, 2022, and is performed by management using information available as of August 12, 2022. This MD&A has been prepared with reference to National Instrument 51-102 – Continuous *Disclosure Obligations* of the Canadian Securities Administrators. This MD&A should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2022, and the related notes thereto (“**Annual Financial Statements**”). The Company’s annual financial statements are prepared in accordance with International Financial Reporting Standards (“**IFRS**”). All amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains certain “forward-looking statements” and certain “forward-looking information” as defined under applicable Canadian securities laws that may not be based on historical fact, including, without limitation, statements containing the words “believe”, “may”, “plan”, “will”, “estimate”, “continue”, “anticipate”, “intend”, “expect” and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as the factors we believe are appropriate. Forward-looking statements in this MD&A include but are not limited to statements relating to:

- our ability to obtain funding for our operations, including funding for mineral exploration and development activities;
- the initiation, timing, cost, progress and success of our mineral exploration and development activities;
- our business model and strategic plans;
- our ability to advance mineral exploration properties;
- our ability to deliver any mineral production achieved commercially;
- our ability to achieve profitability;
- the implementation of our business model and strategic plans;
- our ability to ensure that the environmental risks are minimized;
- our expectations regarding market risk, including interest rate changes and foreign currency fluctuations;
- our ability to engage and retain the employees required to grow our business;
- the compensation that is expected to be paid to employees and consultants of the Company;
- our future financial performance and projected expenditures; and
- estimates of our expenses, capital requirements and our needs for additional financing.

Such statements reflect our current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Stamper, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including, but not limited to: (i) obtaining positive results of form exploratory drilling; (ii) obtaining regulatory approvals; (iii) general business and economic conditions; (iv) the availability of financing on reasonable terms; (v) the Company’s ability to attract and retain skilled staff; (vi) market competition; and (vii) the products and technology offered by the Company’s competitors

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined below under the heading “Financial Instruments and Risks”. Should one or more of these risks or uncertainties, or a risk that is not currently known to us materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this MD&A and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements

are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

The above referred financial statements and the Company's other public filings can be found on SEDAR at ([www.sedar.com](http://www.sedar.com)).

### **Nature of Business and Overall Performance**

Stamper Oil & Gas Corp. is a Vancouver based Canadian Public Company trading at TSX Venture Exchange under the symbol "STMP". The Company's primary focus is on international oil and gas; late stage exploration and development/production projects and secondarily on mineral resources.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the Annual Financial Statements and MD&A, is complete and reliable. Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that they are operating effectively.

### **Forward Looking Statements**

Information contained in this report is forward looking except for those statements of fact relating to the Company's information. Forward looking statements are based on opinions, plans and estimates of management and are subject to a variety of risk, uncertainties and other factors that could cause the actual results to differ materially from those projected by such statements. The primary risk factors affecting the Company are discussed in the heading "RISK FACTORS" below.

These factors are not intended to represent a complete list of the general or specific factors that could affect the Company. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates, plans or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

### **Background**

On August 31, 2021 (amended October 1, 2021), the Company entered into a mineral property option agreement with Homegold Resources Ltd. In trust with Johan Thom Shearer (collectively referred to as the "Optionor"), to acquire 100% of the Optionor's interest in 9 mining claim units covering approximately 2,725 hectares located northeast of the Campbell River, in the Vancouver Mining Division of British Columbia (the "Property").

Under the terms of the Option Agreement, the Company has the exclusive right and option to acquire 100% of the Optionor's interest in the Property, subject to the net smelter return royalty ("NSR Royalty") in favour of the Optionor.

The Company must make payments totalling \$480,000, issue 166,667 common shares of the Company (issued on October 27, 2021) to the Optionor, and complete \$375,000 in exploration expenditures on the Property by August 31, 2026 in accordance with the following schedule:

- a) Total cash payments of \$480,000:
  - (i) \$20,000 on second anniversary 2023;
  - (ii) \$30,000 on third anniversary 2024;
  - (iii) \$30,000 on fourth anniversary 2025; and
  - (iv) \$400,000 on fifth anniversary 2026;
  
- b) Incurring minimum work expenditures of \$375,000 on the property:
  - (i) \$100,000 on first anniversary 2022;
  - (ii) \$75,000 on second anniversary 2023;
  - (iii) \$100,000 on third anniversary 2024; and
  - (iv) \$100,000 on fifth anniversary 2025;

The Optionor will retain a 3% NSR Royalty, and the Company may at any time buy 50% of the NSR Royalty (1.5% of NSR) for the sum of \$1,500,000.

## Highlights

On July 21, 2021, the Company issued 7,195 units in the capital of the Company as per an agreement entered into with a third-party creditor to settle \$10,792 of debt. Each unit consists of one common share and one transferrable share purchase warrant. Each warrant entitles the creditor to purchase one additional common share of the Company at an exercise price of \$2.40, with an expiry date of July 21, 2024. The Company issued 7,195 shares at a fair value of \$8,634. The estimated \$8,539 fair value of 7,195 warrants was measured using the Black-Scholes Pricing Model with the following assumptions: share price \$1.20; exercise price - \$2.40; expected life – 3 years; volatility – 306.69%; dividend yield - \$0; and risk-free-rate – 0.61%.

On August 31, 2021 (amended October 1, 2021), the Company entered into a mineral property option agreement with Homegold Resources Ltd. in trust with Johan Thom Shearer (collectively referred to as the "Optionor"), to acquire 100% of the Optionor's interest in 9 mining claim units covering approximately 2,725 hectares located northeast of the Campbell River, in the Vancouver Mining Division of British Columbia. On October 21, 2021, the Company received TSX Venture Exchange acceptance of the agreement. On October 27, 2021, the Company issued 166,667 shares to the Optionor pursuant to the agreement.

On November 4, 2021, the Company issued 116,667 flow-through common shares in the capital of the Company at a price of \$0.90 for proceeds of \$105,000. No flow-through premium was recognized for this flow-through financing as an issued share price and a market closing share price were same.

On December 31, 2021, the Company consolidated its outstanding common shares on a 30:1 basis. All share amounts in this MD&A and accompanying Audited Financial Statements for the year ended June 30, 2022 have been retroactively restated for all periods presented.

On March 25, 2022, the Company filed an updated Technical Report on its Redonda Property. The updated report includes a recommendation of a Phase 2 exploration program, following the completion of the Phase 1 exploration program in December 2021.

On April 19, 2022, the Company issued 2,161,716 units of capital of the Company at a price of \$0.28 per unit for proceeds of \$605,280. Each unit consists of one common share of the Company and one transferrable share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.37 with an expiry date of April 19, 2025.

## Results of Operations

	Year ended June 30, 2022 \$	Year ended June 30, 2021 \$
Expenses		
Auditing and legal	36,427	43,022
Management & consulting fees	219,000	62,000
Office and other	1,211	(4,765)
Regulatory costs	55,381	28,066
Share-based payments	–	172,052
Travel	641	–
<b>Total expenses</b>	<b>312,660</b>	<b>300,375</b>

The Company does not have revenues from operations and relies on debt or equity funding for its continuing financial liquidity. Current market conditions are not favorable to raising capital. The Company has a loss before other items of \$312,660 for the year ended June 30, 2022 compared to a loss before other items of \$300,375 in the year ended June 30, 2021, an increase of \$12,285. Management and consulting fees increased by \$157,000 over the prior year due to increased activity and expertise required as the Company added its Redonda project and continues to seek additional assets. Regulatory costs increased by \$27,315, due to special meetings and share consolidation costs. Share-based payments decreased by \$172,052 as no share-based incentives were issued in the current year.

## Summary of Quarterly Results

	Quarter ended Jun 30, 2022 \$	Quarter ended Mar 31, 2022 \$	Quarter ended Dec 31, 2021 \$	Quarter ended Sep 30, 2021 \$
Total revenue	–	–	–	–
Net income (loss)	(94,132)	(31,295)	(29,507)	(164,106)
Basic and diluted gain (loss) per share	(0.03)	(0.01)	(0.01)	(0.06)
	Quarter ended Jun 30, 2021 \$	Quarter ended Mar 31, 2021 \$	Quarter ended Dec 31, 2020 \$	Quarter ended Sep 30, 2020 \$
Total revenue	–	–	–	–
Net income (loss)	(36,389)	(219,109)	(2,034)	(36,611)
Basic and diluted gain (loss) per share	(0.01)	(0.11)	(0.00)	(0.02)

## Risk Factors

The Company has no identifiable assets and is in the process of trying to acquire such. There is no certainty that the Company will be successful in finding a suitable investment for the Company. Should the Company find an identifiable asset, the Company will be required to raise further funds for working capital purposes and for capital requirements. There was no certainty that the Company would be able to raise the requisite financing. Even if the results of further exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to further develop the discovery on the property and may not realize a return on its investment. Failure to obtain such additional capital could have a material adverse effect on the project.

The price of the commodities being explored is also a significant risk factor, as substantial decline in their price could result in a decision to abandon a specific project.

Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changed in legislation outside the Company's control that could also add a risk factor to a project.

Finally, operating in a specific country has legal, political and currency risk that must be carefully considered to ensure their level is commensurate to the Company's assessment of the project.

## Loan Payable

The following table summarized the Company's outstanding debt obligations. The loans are unsecured, due on demand, and with parties who transact with the Company on a non-arm's-length basis. Transactions between the related parties are approved by the Board of Directors.

	June 30, 2022	June 30, 2021
	\$	\$
Related party loan (non-interest bearing)	-	5,176
Other short-term loans (non-interest bearing)	250	258,183
	250	263,359

## Related Party Transactions

During the period ended June 30, 2022, significant related party transactions and balances not disclosed elsewhere are as follows:

- (a) The following fees were incurred by key management personnel (directors, officers and former directors and officers of the Company as well as other management personnel having a significant role in the decision-making process): \$60,000 (2021 - \$60,000) for management fees paid to a company controlled by the CFO of the Company, Denkota Capital Inc., and \$28,000 (2021 - \$nil) for management fees paid to a director of the Company, Sam Eskandari, included in operating costs. All related party transactions are in the normal course of operations and have been measured at the agreed to amount, which is the amount of consideration established and agreed to by the related parties.
- (b) Included in accounts payable at June 30, 2022 is \$Nil (June 30, 2021 - \$142,472) due to companies with a common director and/or key management personnel, Denkota Capital Inc. and Bryson Goodwin.

## Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

## Financial Risk Factors

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of receivables, accounts payable, loans payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Cash is carried at fair value using a level 1 fair value measurement.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

### *Credit risk*

Credit risk is the risk of potential loss to the Company if the counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2022, the Company had a cash balance of \$513,317 (June 30, 2021 - \$684,719) to settle current liabilities of \$161,942 (June 30, 2021 - \$621,720). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The risk to the going concern assumption is presented in Note 1 of the accompanying financial statements for the period ended June 30, 2022.

### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

#### a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at June 30, 2022, the Company did not have any investments in investment-grade short-term deposit certificates.

The Company currently has no financial liabilities exposed to interest rate risk. The Company does not use derivative instruments to reduce its exposure to interest rate risk.

#### b) Foreign currency risk

The Company's foreign exchange risk arises from transactions denominated in other currencies; however, the Company currently has virtually no foreign currency denominated liabilities or assets. Fluctuations in the foreign currencies will, consequently, have little impact upon the Company's profitability and the value of the Company's liabilities. As at June 30, 2022, the impact of a 10% change in rate of exchange on the US Dollar compared to the Canadian dollar would result in virtually no change on the Company's loss for the year. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**Disclosure of Outstanding Share Data**

i) Authorized:

Unlimited common shares without par value.

ii) Common Shares Issued:

As at August 12, 2022 – 5,102,207 common shares were issued and outstanding.

iii) Share Purchase Warrants Outstanding:

Balance as of August 12, 2022 – 2,848,911.

<u>Number of warrants outstanding</u>	<u>Exercise price \$</u>	<u>Expiry date</u>
680,000	1.50	June 7, 2024
7,195	2.40	July 21, 2024
<u>2,161,716</u>	0.37	April 19, 2025
<u>2,848,911</u>		