STAGE CAPITAL CORP.

(formerly Stage Holdco Ltd.)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021

The following management discussion and analysis for *Stage Capital Corp.*("the Company") is prepared as of **April 7, 2022** should be read together with the audited financial statements and related notes for the year ended December 31, 2021, which were prepared in accordance with the International Financial Reporting Standards ("IFRS").

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information related to the Company is available for view on SEDAR under the Company's profile at www.sedar.com.

Description of Business

The Company was incorporated under the Business Corporations Act (Alberta) on December 24, 2018. Effective July 7, 2021, the Company changed its name from Stage Holdco Ltd to Stage Capital Corp. and was continued into British Columbia from Alberta under the Business Corporation Act (British Columbia). The Company had a 10% equity interest in Stage Completions Inc. ("SC"), a private Canadian technology and services company in the oil and gas industry. The ownership in SC resulted as part of the arrangement between Blackbird Energy Inc. and Pipestone Oil Corp. completed on January 4, 2019 to form Pipestone Energy Corp. As part of the arrangement, Blackbird distributed its 10% interest in SC to the Company in exchange for 8,585,850 common shares of the Company that were distributed to the former shareholders of Blackbird. The 10% interest was distributed at a fair value of $6,550,000. Pursuant to the arrangement, 175,188,092 Listed Warrants were also issued.

Given its ownership position and other relationships with SC, the Company considered if equity accounting was required. The Company's security holdings in SC are for investment purposes only. The Company does not intend to participate in policy making. The Company did not receive any contractual entitlement to have a nominee appointed to the board of directors of SC as a result of the investment. The Company and SC do however have a common director from previous appointments. To ensure that the Company will not act jointly or in concert with any common directors/officers in connection with the holding or voting of its securities in SC, the individual has declared their conflict and has abstained from past voting when applicable and will continue to abstain from voting as a board member on any matters related to SC and the Company which may arise. Given these factors, the Company has concluded that equity accounting is not applicable.

During the year ended December 31, 2020, SC completed a multi-step financing and internal reorganization transaction, upon completion of which the Company held, directly and indirectly, a 6.43% continuing equity interest in Stage Completions LP, as the parent entity of the SC group. The transaction terms included a sale by the Company and other existing SC investors, on a proportionate basis, of a portion of their SC equity holdings as well as an issue of new equity by Stage Completions LP to raise additional capital.

The net proceeds for the SC equity sold by the Company were US$210,139 ($278,434) resulting in a gain of $73,009 recorded during the year ended December 31, 2020. The Company received $125,258 (US $96,839) as its initial share of the proceeds. The remaining US$113,300 ($142,628) (December 31, 2020 - $143,236) will be received in fiscal 2022 and is currently held in a third party escrow account. The sale of SC equity and subsequent equity raised by Stage Completions LP imputes a value of $2,734,466 (US$2,147,696) to the Company's 6.43% interest in Stage Completions LP resulting in a fair value adjustment of $1,289,871.

During the year ended December 31, 2021, the Company recognized a fair value adjustment of $11,597. The Company received $19,558 (US$15,500) as a distribution from Stage Completions LP.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Financial Statements.

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Total assets	$ 2,888,323	$ 2,919,094	$ 1,650,001
Working capital deficiency	(107,667)	(158,953)	(206,132)
Shareholders' equity	2,615,182	2,718,729	1,443,868
Net income (loss) and comprehensive income (loss)	(103,556)	1,274,861	(5,106,133)
Basic and diluted income (loss) per common share	(0.01)	0.15	(0.60)

During the year ended December 31, 2019, the Company issued 8,585,850 common shares pursuant to an Arrangement between Blackbird and Pipestone Oil as described above.

During the year ended December 31, 2020, the Company completed a 100 for 1 share consolidation. All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation. The Company also sold a partial interest in its investment in SC for gross proceeds of US$210,139 ($278,434) resulting in a gain of $73,009. A fair value adjustment of $1,289,871 was made to the investment in SC.

During the year ended December 31, 2021, the Company recognized a fair value adjustment of $11,597. The Company received $19,558 (US$15,500) as a distribution from Stage Completions LP.

Overall Performance

As at December 31, 2021, the Company had $21,832 (2020 - $37,525) in cash and working capital deficiency was $107,667 (2020 – $158,953). The Company had a net loss and comprehensive loss of $103,556 during the year ended December 31, 2021 (2020 – gain of $1,274,861).

Subsequent Events

Subsequent to the year, the Company's continuing interest in Stage Completions LP decreased to 5.93% as a result of dilution from an equity financing completed by Stage Completions LP in which the Company did not participate.

Summary of Quarterly Results

	Quarter Ended December 31, 2021	Quarter Ended September 30, 2021	Quarter Ended June 30, 2021	Quarter Ended March 31, 2021
Total assets	$ 2,888,323	$ 2,888,693	$ 2,809,808	$ 2,846,224
Working capital deficiency	(107,667)	(230,046)	(214,976)	(203,798)
Shareholders’ equity	2,615,182	2,649,670	2,586,312	2,638,399
Net income (loss) and comprehensive income (loss)	(34,488)	63,349	(52,087)	(80,330)
Income (loss) per common share	(0.00)	0.01	(0.01)	(0.01)

	Quarter Ended December 31, 2020	Quarter Ended September 30, 2020	Quarter Ended June 30, 2020	Quarter Ended March 31, 2020
Total assets	$ 2,919,094	$ 1,673,371	$ 1,656,401	$ 1,654,898
Working capital deficiency	(158,953)	(181,262)	(241,048)	(216,135)
Shareholders’ equity	2,718,729	1,468,738	1,408,952	1,433,865
Net income (loss) and comprehensive income (loss)	1,249,991	59,786	(24,913)	(10,003)
Income (loss) per common share	0.15	0.01	(0.00)	(0.00)

During the quarter ended December 31, 2021, the Company received $19,558 (US$15,500) as a distribution from Stage Completions LP. An additional $756 was accrued as interest due on a promissory note payable.

During the quarter ended September 30, 2021, the Company recorded a fair value adjustment on investment of $74,525 on its investment is SC and a foreign exchange adjustment of $3,903 on the long-term receivable. The Company also received the subscription proceeds from the issuance of the 25 common shares completed during the quarter ended June 30, 2021. An additional $756 was accrued as interest due on a promissory note payable.

During the quarter ended June 30, 2021, the Company recorded a fair value adjustment on investment of $38,873 on its investment is SC. The Company received $25,000 from a company controlled by a director of the Company by issuing a promissory note payable at an interest rate of 12% per annum. Interest of $74 was accrued on the promissory note payable. The Company also issued 25 common shares for proceeds of $9 pursuant to the exercise of 2,500 Listed Warrants. The Company was required to issue the common shares pursuant to the arrangement it had with Pipestone Energy on the exercise of Listed Warrants.

During the quarter ended March 31, 2021, the Company recorded a fair value adjustment on investment of $33,719 on its investment is SC.

During the quarter ended December 31, 2020, the Company received net proceeds of $47,885 (USD $37,470) from a partial disposal of its investment in SC.

During the quarter ended September 30, 2020, the Company issued a promissory note for $10,000 with an interest rate of 12% per annum. The Company also repaid all outstanding promissory notes by paying $61,889, which included $60,000 in promissory notes and $1,889 in accrued interest. The Company also received net proceeds of $77,374 (USD $59,369) from a partial disposal of its investment in SC.

During the quarter ended June 30, 2020, the Company issued two promissory notes for a total of $50,000 with an interest rate of 12% per annum.

Results of Operations

Year Ended December 31, 2021:

During the year ended December 31, 2021, the Company had a net loss and comprehensive loss of $103,556 (2020 – income of $1,274,861). The net loss and comprehensive loss is comprised of the following items:

- Consulting fees of $12,000 (2020 - $12,000) consist of fees paid or accrued to a company controlled by the CEO of the Company
- Directors fees of $12,000 (2020 - $12,000) consist of fees paid or accrued to an independent director of the Company
- Interest on promissory notes of $1,586 (2020 - $1,884)
- Office costs of $292 (2020 – $255) for bank charges and office related costs
- Professional fees of $50,911 (2020 - $22,182) consisted of $8,465 (2020 - $Nil) for legal and $42,133 (2020 - $22,182) for audit, accounting, administration and office related services
- Registration and filing fees of $6,385 (2020 – $3,398)
- Shareholder costs of $23,868 (2020 - $11,496) were higher during the current period because of costs related to Annual General Meetings that have now been brought up to date.
- Transfer agent fees of $3,868 (2020 – $14,864) were higher in the comparative period due to the share consolidation completed in the prior fiscal year.
- Fair value loss on investment of $11,597 (2020 – gain $1,289,871)
- Foreign exchange loss of $607 (2020 - $9,940)
- Gain on sale of investment of $Nil (2020 - $73,009)
- Earned investment income of $19,558 (2020 - $Nil)

Three Month Period Ended December 31, 2021:

During the three month period ended December 31, 2021, the Company had net loss and comprehensive loss of $34,488 (2020 – income $1,249,991). The net loss and comprehensive loss is comprised of the following items:

- Consulting fees of $3,000 (2020 - $3,000) consist of fees paid or accrued to a company controlled by the CEO of the Company
- Directors fees of $3,000 (2020 - $3,000) consist of fees paid or accrued to an independent director of the Company
- Interest on promissory notes of $756 (2020 - $Nil)
- Office costs of $27 (2020 – $23) for bank charges and office related costs
- Professional fees of $30,419 (2020 - $12,999) consisted of $2,468 (2020 - $Nil) in legal fees and $27,950 (2020 - $Nil) for audit, accounting, administration and office related services
- Registration and filing fees of $1,621 (2020 – $Nil)
- Shareholder costs of $Nil (2020 - $50)
- Transfer agent fees of $985 (2020 – $6,503)

- Fair value loss on investment of $13,530 (2020 – gain $1,289,871)
- Investment income of $19,558 (2020 - $Nil)
- Gain on sale of investment of $Nil (2020 - $73,009)

Related Party Transactions

Key management personnel include these persons having the authority and responsibility for planning, directing and controlling activities of the Company as a whole. Key management includes members of the Board, the Chief Executive Officer and the Chief Financial Officer. The Company entered into the following transactions with related parties during the year ended December 31, 2021:

i) Paid or accrued $12,000 (2020 - $12,000) in consulting fees a company controlled by the Chief Executive Officer / director of the Company.

ii) Paid or accrued $12,000 (2020 - $12,000) in directors fees to a director of the Company.

iii) Paid or accrued $12,376 (2020 - $12,000) in professional fees consisting of $12,000 (2020 - $12,000) for accounting and administration fees and $376 (2020 - $Nil) for legal fees to companies controlled by the directors of the Company.

Included in accounts payable and accrued liabilities $216,463 (2020 - $179,200) due to a director and companies controlled by directors. The amounts are non-interest bearing and unsecured.

During the year ended December 31, 2020, the Company received $60,000 from a company controlled by a director of the Company by issuing three promissory notes payable at an interest rate of 12% per annum. The promissory notes of $60,000 plus accrued interest of $1,884 were repaid during the year ended December 31, 2020.

During the year ended December 31, 2021, the Company received $25,000 from a company controlled by a director of the Company by issuing a promissory notes payable at an interest rate of 12% per annum. As at December 31, 2021, interest of $1,586 (2020 - $Nil) was accrued on the promissory notes payable.

Liquidity and Capital Resources

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

		December 31, 2021		December 31, 2020
Working capital deficiency	$	(107,667)	$	(158,953)
Deficit		(3,934,828)		(3,831,272)

Net cash used in operating activities for the period was $60,260 (2020 - $90,258). This amount consists of net income (loss) of ($103,556) (2020 – $1,274,861); items not affecting cash of $608 (2020 - $9,940) as foreign exchange, gain on sale of investment of $Nil (2020 - $73,009), fair value adjustment on investment of $11,597 (2020 - ($1,289,871)) and promissory note interest of $1,586 (2020 - $Nil). Changes in non-cash working capital items consist of $2,873 (2020 - ($811)) as a change in receivables and $46,190 (2020 - ($11,368)) as a change in accounts payable and accrued liabilities.

Financing activities provided cash of $25,009 (2020 - $Nil) consisting of $25,000 (2020 - $60,000) from the issuance of promissory notes, repayment of promissory notes of $Nil (2020 - $60,000) and $9 (2020 - $Nil) from the issuance of common shares.

Investing activities provided net cash of $19,558 (2020 - $125,258) which comprised of net proceeds of $Nil (2020 - $125,258) on the sale of investment and investment income of $19,558 (2020 - $Nil).

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Financial Instruments

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments and contractual cash flow characteristics of the financial asset.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI"), or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

The Company has classified its cash and investment in securities at FVTPL and its receivables at amortized cost.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Other financial liabilities: This category includes accounts payable and accrued liabilities and promissory note payable which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of operations and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure. The Company monitors the level of risk incurred in its expenditures relative to its capital structure.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at December 31, 2021.

Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this Management Discussion and Analysis:

	Number of shares issued or issuable
Common shares	8,585,876

Critical Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

<u>Critical accounting estimates:</u>

The most significant accounts that require estimates as the basis for determining the stated amounts is the valuation of investment in securities.

Investment in securities

The Company used its judgement to conclude that it does not have significant influence over SC and therefore equity accounting is not required. The Company also applies significant estimates and judgements in determining the fair value of its investment in SC.

Risks and Uncertainties

The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Company was only recently incorporated and does not operate any ongoing business. The Company has a minority equity interest in a private company and has no other assets other than cash and receivables. The directors and the officers of the Company will only be devoting a portion of their time to the affairs of the Company. Potential conflicts of interest may result from the ordinary course of business of the Company and of the directors and the officers of the Company.

COVID-19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Global Economic Conditions

Global economic conditions could have a negative effect on the Company's business and results of operations. Economic activity throughout much of the world has been volatile. Market disruptions have included extreme volatility in securities prices, as well as severely diminished liquidity and credit availability. An economic crisis may adversely affect the Company in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude the Company from raising funds required to commence profitable operations. It may be more difficult for the Company to complete strategic transactions with third parties. Such developments could decrease the Company's ability to obtain financing.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful at identifying and acquiring new business opportunities or assets. No assurances can be given that the Company will be able to identify any assets or businesses to acquire or have the financial resources necessary to complete an acquisition. Nor can there be any assurance that the Company will be able to raise additional capital that it may require for future developments. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Dependence on Management Team

The Company's success depends to a certain degree upon key members of its senior management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management team or certain key employees could have a material adverse effect on the Company.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of additional Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Outlook

The Company's current objective is review business opportunities in the technology industry.

Corporate Governance

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee of the Company fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three directors, all of whom are independent, meets with management of the Company on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters as required.

Forward-Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company’s future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of gold, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of gold as well as petroleum products;
- the availability of financing for the Company’s development of the Project on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, gold prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.**