STAGE CAPITAL CORP.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023

The following management discussion and analysis ("MD&A") for *Stage Capital Corp.* ("the Company") is prepared as **April 25, 2024** and should be read together with the audited financial statements and related notes for the years ended December 31, 2023 and 2022 which were prepared in accordance with IFRS Accounting 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.sedarplus.ca.

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. During the year ended December 31, 2021, 2,500 Listed Warrants were exercised for gross proceeds of $9 with the remaining balance expiring unexercised.

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.

As at December 31, 2023, the Company has a 5.05% (2022 – 5.05%) continuing interest in SC which has been valued at $1,500,000 (US$1,134,130) (2022 - $2,174,567 (US$1,608,407)) resulting in a fair value adjustment of $678,427 (2022 - $544,422) during the year ended December 31, 2023. The fair value assessment was performed by an independent 3rd party consultant contracted by the Company.

Fair value of the investment was measured using unobservable market inputs with the best information available at the time. Various valuation techniques were utilized, depending on a number of factors including, key inputs and assumptions which are specific to the investee. The investment has been valued under the Market Approach using a combination of comparable public company data and other companies with similar business interests. The estimates used by the Company are subject to uncertainty due to SC's short operating history with operating losses. The fair value of the investment may not be reflective of market value in the future.

Other Events and Transactions

On July 27, 2023, the Company held its Annual General Meeting in Vancouver, BC. All proposed resolutions were passed.

Overall Performance

As at December 31, 2023, the Company had $51,638 (2022 - $108,581) in cash and the working capital deficiency was $265,647 (2022 – $155,329). The Company had a net loss and comprehensive loss of $788,745 during the year ended December 31, 2023 (2022 – $592,084).

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, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Total assets	$ 1,553,022	$ 2,288,072	$ 2,888,323
Working capital deficiency	(265,647)	(155,329)	(107,667)
Shareholders' equity	1,234,353	2,023,098	2,615,182
Net income (loss) and comprehensive income (loss)	(788,745)	(592,084)	(103,556)
Basic and diluted income (loss) per common share	(0.09)	(0.07)	(0.01)

During the year ended December 31, 2023, the Company recognized a fair value adjustment on the investment of $678,427.

During the year ended December 31, 2022, the Company recognized a fair value adjustment on the investment of $544,422. The Company received $53,133 (US$40,900) as a distribution from Stage Completions LP. The Company also received the remaining balance of the funds held in escrow of US$153,176 (US$113,000) less transaction costs.

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.

Summary of Quarterly Results

	Quarter Ended December 31, 2023	Quarter Ended September 30, 2023	Quarter Ended June 30, 2023	Quarter Ended March 31, 2023
Total assets	$ 1,553,022	$ 2,234,733	$ 2,201,351	$ 2,282,873
Working capital deficiency	(265,647)	(220,891)	(202,127)	(167,778)
Shareholders' equity	1,234,353	1,953,676	1,927,404	2,008,880
Net income (loss) and comprehensive income (loss)	(719,323)	26,272	(81,476)	(14,218)
Income (loss) per common share	(0.08)	0.00	(0.01)	(0.00)
	Quarter Ended December 31, 2022	**Quarter Ended September 30, 2022**	**Quarter Ended June 30, 2022**	**Quarter Ended March 31, 2022**
Total assets	$ 2,288,072	$ 2,304,105	$ 2,224,950	$ 2,157,532
Working capital deficiency	(155,329)	(135,867)	(152,183)	(123,871)
Shareholders' equity	2,023,098	2,068,777	1,920,411	1,885,995
Net income (loss) and comprehensive income (loss)	(45,679)	148,366	34,416	(729,187)
Income (loss) per common share	(0.01)	0.01	0.01	(0.08)

During the quarter ended December 31, 2023, the Company recorded a fair value loss of $674,567 on its 5.05% continuing interest in Stage Completion LP.

During the quarter ended September 30, 2023, the Company recorded a fair value gain of $45,036 to its 5.05% continuing interest in Stage Completion LP, the fair value adjustments in the interim periods represent changes in the USD to CDN exchange rate.

During the quarter ended June 30, 2023, the Company recorded a fair value adjustment of $47,127 to its 5.05% continuing interest in Stage Completion LP.

During the quarter ended March 31, 2023, the Company's continuing interest in Stage Completion LP remained unchanged at 5.05%. The Company recorded a fair value adjustment of $1,769 on the investment.

During the quarter ended December 31, 2022, the Company received US$31,590 ($42,301), as its share of the remaining balance from an equity sale in SC that occurred during fiscal 2020. The Company also received US$10,900 ($14,787) as a dividend distribution from SC.

During the quarter ended September 30, 2022, the Company received US$75,000 ($96,116), as its share of the funds released balance from an equity sale in SC that occurred during fiscal 2020. The Company also received US$30,000 ($38,346) as a dividend distribution from SC. The Company also recorded a fair value adjustment of $132,050 on its investment due to foreign exchange changes. The Company repaid $50,000 and interest of $4,389 due on the two promissory notes.

During the quarter ended June 30, 2022, the Company's continuing interest in Stage Completion LP further decreased to 5.05% as a result of dilution from an equity financing completed by Stage Completions LP in which the Company did not participate. As a result, the Company recorded a fair value adjustment of $62,728 on its investment. 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. The Company accrued $2,030 as interest due on the promissory notes payable.

During the quarter ended March 31, 2022, the Company's continuing interest in Stage Completion 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. As a result, the Company recorded a fair value adjustment of $712,983 on its investment. The Company accrued $740 as interest due on a promissory note payable.

Results of Operations

Year Ended December 31, 2023:

During the year ended December 31, 2023, the Company incurred a net and comprehensive loss of $788,745 (2022 – $592,084). The net loss and comprehensive loss is comprised of the following items:

- Consulting fees of $28,752 (2022 - $13,716) consist of fees paid or accrued to a company controlled by the CEO of the Company and independent consultants. Current period fees increased due to the services of 3rd party consultant engaged to provide an updated valuation report on the investment in securities.

- Directors fees of $12,000 (2022 - $12,000) consist of fees paid or accrued to an independent director of the Company.

- Interest on promissory notes of $Nil (2022 - $2,803) was lower in the current period due to the repayment of promissory notes and accrued interest in the comparative period.

- Office costs of $677 (2022 – $454) for bank charges and office related costs.

- Professional fees of $38,464 (2022 - $41,331) consisted of $Nil (2022 - $3,198) in legal fees and $38,464 (2022 - $38,133) for audit, accounting and administration related services. Current period fees are lower as the Company did not incur legal fees during the year.

- Registration and filing fees of $3,409 (2022 – $22,391) consist of fees paid to regulatory authorities.

- Shareholder costs of $22,730 (2022 - $Nil) consist of fees related to annual general meeting costs.

- Transfer agent fees of $4,286 (2022 – $4,297) were paid to a 3rd party service provider.

- Investment income of $Nil (2022 - $53,133) consisting of a dividend distribution from SC.

- Fair value adjustment on investment of $678,427 (2022 – $544,422) relates to the adjustment on the Company's Investment in SC. During the current year the Company had an independent valuation conducted on its Investment in SC which resulted in the fair value adjustment.

- Foreign exchange loss of $Nil (2022 – $3,803) relates to the conversion of various US Dollar balances to Canadian Dollars.

Three month period ended December 31, 2023:

During the three month period ended December 31, 2023, the Company had a net and comprehensive loss of $719,323 (2022 – $45,679). This is comprised of the following items:

- Consulting fees of $18,098 (2022 - $3,136) consist of fees paid or accrued to a company controlled by the CEO of the Company and independent consultants. Current period fees increased due to the services of 3rd party consultant engaged to provide an updated valuation report on the investment in securities.

- Directors fees of $3,000 (2022 - $3,000) consist of fees paid or accrued to an independent director of the Company.

- Office costs of $159 (2022 – $185) for bank charges and office related costs.

- Professional fees of $23,100 (2022 - $26,398) consist of $Nil (2022 - $Nil) in legal fees and $23,100 (2022 - $26,398) for audit, accounting, administration and office related services audit, accounting, administration and office related services.

- Registration and filing fees of $Nil (2022 – $45) are consistent with the comparative period.

- Transfer agent fees of $1,061 (2022 – $939) are consistent with the comparative period.

- Fair value loss on investment of $674,567 (2022 – $26,217) relates to the adjustment on the Company's investment in securities. The significant difference from the current to comparative period is attributed an updated independent fair valuation completed and adjustment recorded.

- Foreign exchange gain of $Nil (2022 – $592) relates to the conversion of various US Dollar balances to Canadian Dollars.

Related Party Transactions

Key management personnel include those 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 period ended December 31, 2023:

i) Paid or accrued $12,000 (2022 - $12,000) in consulting fees a company controlled by the Chief Executive Officer and director of the Company.

ii) Paid or accrued $12,000 (2022 - $12,000) in directors fees to a director of the Company.

iii) Paid or accrued $14,720 (2022 - $17,398) in professional fees consisting of $14,200 (2022 - $14,200) for accounting and administration fees and $Nil (2022 - $3,198) for legal fees to companies controlled by directors of the Company.

Included in accounts payable and accrued liabilities $281,104 (December 31, 2022 - $244,370) due to directors and companies controlled by directors. The amounts are non-interest bearing and unsecured and without terms of repayment.

During the year ended December 31, 2022, the Company received an additional $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. During the year ended December 31, 2022, Company repaid $50,000 and interest of $4,389 due on all outstanding promissory notes.

Liquidity and Capital Resources

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to 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.

		2023		2022
Working capital deficiency	$	(265,647)	$	(155,329)
Deficit		(5,315,657)		(4,526,912)

Net cash used in operating activities for the period was $56,943 (2022 – $115,365). This amount consists of a net loss of $788,745 (2022 – $592,084); items not affecting cash of $Nil (2022 - $3,803) as foreign exchange, fair value adjustment on investment of $678,427 (2022 - $544,422) and promissory note interest accrued of $Nil (2022 - $2,030). Changes in non-cash working capital items consist of $320 (2022 - $50) as a change in receivables, a change in short-term receivable of $Nil (2022 - $138,825) and $53,695 (2022 - $18,419) as a change in accounts payable and accrued liabilities.

Financing activities used cash of $Nil (2022 - $28,616) which consisted of $Nil (2022 - $25,000) received in proceeds from the issuance of a promissory note and $Nil (2022 - $53,616) in repayment of promissory notes and accrued interest.

There were no investing activities during the current and comparative periods.

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 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

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

Financial assets

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.

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. 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. 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 SC at FVTPL.

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.

Financial liabilities at amortized cost: 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, 2023.

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 Judgements 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.

Critical accounting estimates:

Estimate

Valuation of investment

The far value of the investment cannot be derived from an active market, and was determined using valuation models. The inputs to these models were derived from observable market data where available, but where observable market data is not available estimates are required to establish fair value.

Judgement

Investment

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 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.

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 reviewing 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, meet 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 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 ability to attract and retain skilled staff;

These forward-looking statements involve risks and uncertainties. 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.**