

TERRA CLEAN ENERGY CORP.

(Formerly Tisdale Clean Energy Corp.)

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months ended September 30, 2024

The following Management's Discussion and Analysis ("MD&A") for Tisdale Clean Energy Corp. ("Tisdale" or the "Company"), prepared as of November 22, 2024, for the nine months ended September 30, 2024 should be read in conjunction with the unaudited consolidated interim financial statements and related notes of the Company for the nine months ended September 30, 2024 and the audited consolidated financial statements and related notes of the Company for the year ended December 31, 2023. The financial statements have been prepared using accounting principles consistent with International Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB"). All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars unless otherwise stated. Additional information on the Company can be found on SEDAR at www.sedar.com. The reader should be aware that historical results are not necessarily indicative of future performance. The consolidated financial statements together with the following MD&A are intended to provide readers with a reasonable basis for assessing the financial performance of the Company.

Forward-Looking Information

Information set forth in this MD&A may involve forward-looking information under applicable securities laws. Forward-looking information is information that relates to future, not past, events. In this context, forward looking information often addresses expected future business and financial performance, and often contains words such as "anticipate", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the future expenditures and capital needs of the Company and the future exploration on, and the development of, the Company's projects are forward-looking information. By its nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors and promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of the Company's common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A, and other reports and filings with applicable Canadian securities regulations.

Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of commodities; that the Company can access financing, appropriate equipment and sufficient labor and that the political environment will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Forward-looking information is made based on management's beliefs, estimates and opinions on the date that information is given and the Company does not intend to update forward-looking statements or information, except as may be required by applicable law.

Description of Business and Overview

Tisdale is a corporation continued under the laws of the Province of British Columbia with its principal, registered and records office is located at 2200 – 885 West Georgia Street, Vancouver, BC V6C 3E8.

On October 2, 2024, the Company changed its name to Terra Clean Energy Corp.

On January 3, 2023, the TSXV gave conditional acceptance for an option agreement entered into on October 19, 2022 in which the Company was granted the right to acquire up to a 75% interest in the South Falcon East uranium property (“the Property”). Initially, the Company can acquire a 51% interest in the Property by completing a series of payments and incurring exploration expenditures over a period of three years. On January 23, 2023, the Company made a cash payment of \$350,000 and issued 1,111,111 common shares.

On March 16, 2023, the Company completed a private placement of 2,507,500 equity units at \$0.40 per unit for gross proceeds of \$1,003,000. Each unit consists of one common share and one half of one share purchase warrant. Each whole share purchase warrant will be exercisable at a price of \$0.75 until March 13, 2026, subject to accelerated expiry in the event the closing price of the common shares of the Company exceeds \$1.25 for five consecutive trading days. In connection with the offering, the Company paid finders fees of \$24,360 and issued 60,900 finders warrants.

On September 28, 2023, the Company sold its investment in Keefe Lake to an arm’s length third party. As consideration for the sale, the Company received a cash payment of \$20,000 and recorded a loss on sale of \$86,490 during the year ended December 31, 2023.

On September 29, 2023, the Company entered into debt settlement agreements with certain holders of the convertible debentures, settling an aggregate principal amount of \$450,000, plus accrued interest of \$89,764, for an aggregate cash payment of \$485,328. The Company recorded a gain on settlement of debt of \$54,436 during the year ended December 31, 2023.

On February 1, 2024, the Company closed a second tranche of its non-brokered private placement and has issued 6,362,216 units at a price of \$0.18 per unit for gross proceeds of \$1,145,199. Each unit issued in the second tranche of the offering consists of one common share of the company and one share purchase warrant exercisable at a price of \$0.30 within a 24 months period. In connection with completion of the offering, the Company paid \$17,500 and issued 97,222 share purchase warrants to certain arm's-length brokerage firms who assisted in introducing subscribers to the offering. Each broker warrant is exercisable at a price of \$0.30. The fair value of broker warrant was \$6,009 which was estimated using the Black Schoes Pricing Option model with assumptions: risk-free interest rate of 4.11%; expected dividend yield of 0%; share price volatility of 86.22%; and expected life of 2 years. The finder’s warrants have the same term as for the purchase warrants issued in the private placement.

On February 29, 2024, the Company closed a third tranche of its non-brokered private placement and has issued a further 2,179,500 units at a price of \$0.18 per unit for gross proceeds of \$392,310. Each unit issued in the offering consists of one common share of the company and one share purchase warrant exercisable at a price of \$0.30 within a 24 months period. In connection with completion of the offering, the company paid \$20,720 and issued 115,115 share purchase warrants to certain arm's-length brokerage firms that assisted in introducing subscribers to the offering. Each broker's warrant is exercisable at a price of \$0.30. The fair value of broker warrant was \$4,163 which was estimated using the Black Schoes Pricing Option model with assumptions: risk-free interest rate of 4.28%; expected dividend yield of 0%; share price volatility of 85.34%; and expected life of 2 years. The finder’s warrants have the same term as for the purchase warrants issued in the private placement.

On July 23, 2024, the Company granted 1,750,000 incentive stock options to its certain directors, officers and consultants, to purchase up to an aggregate of 1,750,000 common shares, exercisable at \$0.12 per share until July 23, 2029. The fair value of incentive stock option was \$86,783 which was estimated using the Black Schoes Pricing Option model with assumptions: risk-free interest rate of 3.20%; expected dividend yield of 0%; share price volatility of 100%; and expected life of 5 years.

On July 31, 2024, the Company closed its non-brokered private placement and has issued 5,654,666 units at a price of \$0.075 per unit for gross proceeds of \$424,100. Each unit consists of one common share of the Company and one share purchase warrant, exercisable at a price of \$0.15 until July 31, 2027. In connection with completion of the offering, the Company paid \$17,625 and issued 175,000 warrants to certain arm's-length brokerage firms that assisted in introducing subscribers to the offering. The fair value of broker warrant was \$6,489.00 which was estimated using the Black Scholes Pricing Option model with assumptions: risk-free interest rate of 3.35%; expected dividend yield of 0%; share price volatility of 100%; and expected life of 3 years. The finder's warrants have the same term as for the purchase warrants issued in the private placement.

Exploration and Evaluation Projects

Ownership of mineral property interests may involve certain risks due to difficulties in determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyancing history characteristic of some mineral properties. The Company has investigated ownership of the mineral properties in which it has an interest and, to the best of its knowledge, all properties are in good standing.

South Falcon East Projects, Northern Saskatchewan

The South Falcon East Project is a uranium exploration project that consists of a series of mineral claims totaling 12,770 hectares, located 18 kilometers outside the Athabasca Basin in Northern Saskatchewan.

The Company intends to use proceeds from the financing completed in 2023 to commence exploration at South Falcon East.

Selected Annual Information

The following financial data are selected information for the Company for the three most recently completed financial years:

	December 31, 2023	December 31, 2022	December 31, 2021
	\$	\$	\$
Current assets	1,299,241	1,335,145	739,108
Total assets	2,240,463	1,436,956	839,219
Current liabilities	271,309	23,283	39,760
Total non-current financial liabilities	-	900,362	Nil
Total revenue	Nil	Nil	Nil
Net loss	(1,078,060)	(879,595)	(146,568)
Net loss per share, basic and diluted	(0.07)	(0.07)	(0.02)
Weighted average number of common shares outstanding	16,281,830	12,407,003	8,055,607

Summary of Quarterly Results

The following selected financial data is derived from the financial statements of the Company prepared within acceptable limits of materiality and is in accordance with International Financial Reporting Standards.

	3 months ended Sep 30, 2024	3 months ended Jun 30, 2024	3 months ended Mar 31, 2024	3 months ended Dec 31, 2023
	\$	\$	\$	\$
Total revenue	Nil	Nil	Nil	Nil
Net loss	629,106	660,006	1,056,396	438,493
Net loss per share, basic and diluted	0.02	0.02	0.04	0.06
Total assets	2,541,858	2,573,214	3,142,937	2,240,463

Total liabilities	762,102	796,004	720,821	271,309
Total shareholders' equity	1,779,756	1,777,210	2,422,116	1,969,154

	3 months ended Sep 30, 2023	3 months ended Jun 30, 2023	3 months ended Mar 31, 2023	3 months ended Dec 31, 2022
	\$	\$	\$	\$
Total revenue	Nil	Nil	Nil	Nil
Net loss	178,835	243,156	217,575	41,492
Net loss per share, basic and diluted	0.01	0.02	0.02	0.00
Total assets	1,902,858	2,644,592	2,786,564	1,436,956
Total liabilities	590,700	1,090,817	989,632	923,645
Total shareholders' equity	1,312,158	1,553,775	1,796,932	513,311

Results of Operations

Three months ended September 30, 2024

During the three months ended September 30, 2024, the Company recorded a net and comprehensive loss of \$629,106 (\$0.02 per share) compared with a loss of \$178,835 (\$0.01 per share) in the same period of 2023.

Significant items in the three months ended September 30, 2024 include:

- Consulting fees of \$390,262 (2023 - \$Nil)
- Corporate communication fees of \$110,261 (2023 - \$55,000);
- Filing and transfer agent fees of \$12,159 (2023 - \$9,524);
- Geological consulting of \$1,200 (2023 - \$1,200);
- Interest and accretion on the convertible debentures of \$Nil (2023 - \$62,166);
- Management fees paid to directors and officers \$23,700 (2023 - \$19,200);
- Office expense of \$5,188 (2023 - \$413);
- Professional fees related to ongoing operations and financing activities of \$43,064 (2023 - \$14,223);
- Share based compensation of \$93,272 (2023 - \$Nil)
- Gain on settlement of debt of \$Nil (2023 - \$54,436)
- Government grant of \$50,000 (2023 - \$Nil)
- Interest income \$Nil (2023 - \$14,466)
- Loss on sale of exploration and evaluation asset of \$Nil (2023 - 86,490).

Nine months ended September 30, 2024

During the nine months ended September 30, 2024, the Company recorded a net and comprehensive loss of \$2,345,508 (\$0.07 per share) compared with a loss of \$639,567 (\$0.04 per share) in the same period of 2023.

Significant items in the nine months ended September 30, 2024 include:

- Consulting fees of \$1,410,533 (2023 - \$50,000)
- Corporate communication fees of \$452,899 (2023 - \$200,962);
- Exploration and evaluation expenses of \$150,000 (2023 - \$Nil)
- Filing and transfer agent fees of \$43,074 (2023 - \$85,447);
- Geological consulting of \$3,600 (2023 - \$3,600);
- Interest and accretion on the convertible debentures of \$Nil (2023 - \$159,598);
- Management fees paid to directors and officers \$71,100 (2023 - \$57,600);
- Office expense of \$24,709 (2023 - \$1,253);

- Professional fees related to ongoing operations and financing activities of \$136,179 (2023 - \$78,464);
- Share-based compensation expense of \$103,444 (2023 - \$Nil);
- Gain on settlement of debt of \$Nil (2023 - \$54,436)
- Government grant of \$50,000 (2023 - \$Nil)
- Interest income \$30 (2023 - \$29,411)
- Loss on sale of exploration and evaluation asset of \$Nil (2023 - 86,490).

Liquidity and Capital Resources

As of September 30, 2024, the Company had current assets of \$778,596, including cash of \$156,272, and had current liabilities of \$762,102 resulting in working capital of \$16,494.

During the nine months ended September 30, 2024, operating activities used cash of \$1,767,919 (2023 - \$472,888).

During the nine months ended September 30, 2024, the Company spent \$672,040 (2023 - \$1,322,053) cash on investing activities.

The Company raised \$1,902,665 on financing activities during the nine months ended September 30, 2024 which included \$1,961,607 in cash through private placement and \$58,942 paid for finder's fee.

The Company is a development stage company with no revenue producing properties and, consequently, does not generate operating income or cash flow. The Company has incurred losses since its inception. The Company has relied upon the issuance of equity capital to provide working capital to fund the Company's operations.

Off Balance Sheet Transactions

The Company has no off-balance sheet transactions.

Share Capital and Other Securities

The Company's issued and outstanding share capital and securities as at the date of this report is as follows:

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited common shares	39,689,744 common shares
Securities convertible or exercisable into voting or equity securities:		
- warrants exercisable at \$0.15	5,869,666 warrants	5,869,666 warrants
- warrants exercisable at \$0.18	6,223,181 warrants	6,223,181 warrants
- warrants exercisable at \$0.30	13,094,609 warrants	13,094,609 warrants
- warrants exercisable at \$0.75	1,314,650 warrants	1,314,650 warrants
Securities convertible or exercisable into voting or equity securities:		
- stock options exercisable at \$0.20	1,000,000 options	1,000,000 options
- stock options exercisable at \$0.34	200,000 options	200,000 options
- stock options exercisable at \$0.12	1,750,000 options	1,750,000 options

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel comprise the Company's Board of Directors and executive officers.

During the nine months ended September 30, 2024 and 2023, no remuneration was paid to key management personnel other than as noted below:

	2024	2023
	\$	\$
Management fees	71,100	57,600
Geological consulting fees	-	3,600
Shaer-based compensation	24,795	-
Total	95,895	61,200

Financial Instruments

As at September 30, 2024, the Company's financial instruments consist of cash, short term investment, convertible debentures and trade and other payables.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at September 30, 2024, cash is assessed to be a Level 1 instrument.

In management's opinion, the Company's carrying values of cash, short term investment and trade and other payables approximate their fair values due to the immediate or short-term maturity of these instruments. The convertible debentures are classified as other financial liabilities, which are measured at amortized cost.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Currently the Company does not have any material exposure to credit risk. As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet trade and other payables

requirements. The ability to do this relies on the Company maintaining sufficient cash on hand through debt or equity financing. Liquidity risk is assessed as low.

Price Risk

The Company is not exposed to price risk.

Currency Risk

As at September 30, 2024, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

Interest Rate Risk

The Company is exposed to interest rate risk arising from the cash maintained at Canadian financial institutions and lawyers' trust accounts. The interest rate risk on cash is not considered significant due to its short-term nature and maturity.

Capital Management

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its capital to be the accounts within shareholders' deficiency. The Company's policy is to maintain sufficient cash balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There have been no changes in the Company's approach to capital management during the nine months ended September 30, 2024.

Critical Accounting Estimates

The preparation of audited consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the consolidated financial statements. The Company constantly evaluates these estimates and assumptions.

The Company bases its estimates and assumptions on past experience and other factors that are deemed reasonable under the circumstances. This involves varying degrees of judgment and uncertainty, thus the amounts currently reported in the consolidated interim financial statements could prove to be inaccurate in the future.

Risk Factors

The exploration of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not overcome. Certain of the more immediate factors are discussed as follows:

Exploration, evaluation and development

Mineral exploration, evaluation and development involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and evaluation activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that presently identified mineralization can be mined at a profit. Discovery of mineral

deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved.

The commercial viability of mineral deposits is also dependent upon a number of factors, some of which are beyond the Company's control such as commodity prices, exchange rates, government policies and regulations and environmental protection.

Financing

The Company does not currently have any operations generating cash to fund projected levels of exploration and evaluation activity and associated overhead costs. The Company is therefore dependent upon debt and equity financing to carry out its exploration and evaluation plans. There can be no assurance that such financing will be available to the Company. In the future, the Company will require additional funding to maintain its mineral properties in good standing. The lack of additional financing could result in delay or indefinite postponement of further exploration and possible partial or total loss of the Company's interest in its exploration and evaluation assets.

Commodity price volatility

The market prices for commodities are volatile. The Company does not have any control over such prices or volatility. There is no assurance that if commercial quantities of mineralization are discovered, a profitable market will exist for a production decision to be made or for the ultimate sale of production at a profit. As the Company is currently not in production, no sensitivity analysis for price changes has been provided.

Changes in Internal Controls over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the nine months ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Subsequent Event

There were no significant subsequent events.

Approval

The Board of Directors of Tisdale Resources Corp. has approved the disclosure contained in this MD&A as of November 22, 2024.