

TEMAS RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

FORM 51-102F1

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Temas Resources Corp. (hereinafter "Temas" or the "Company") for the nine months ended September 30, 2020 and the notes thereto. The MD&A should be read in conjunction with the audited financial statements for year ended December 31, 2019. The MD&A has been prepared effective November 30, 2020.

SCOPE OF ANALYSIS

The following is a discussion and analysis of Temas Resources Corp. The Company reports its financial results in Canadian dollars and in accordance with IAS 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board. All reported interim financial information includes the financial results of Temas.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guaranteeing of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

TRENDS

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

GENERAL BUSINESS AND DEVELOPMENT

Temas Resources Corp. (formerly Clean Earth Chemical Corp. - the “Company”) was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on June 25, 2018 under the name “Clean Earth Chemical Corp.” On August 12, 2019, the Company changed its name to Temas Resources Corp. The Company is in the exploration stage with respect to its mineral property interest and has not yet achieved commercial production. The Company commenced trading on the Canadian Stock Exchange (CSE) on May 19, 2020 under the ticker TMAS and on OTCQB under the ticker TMAF on August 5, 2020.

The Company’s head office is located at 890-1140 West Pender Street, Vancouver, British Columbia, V6E 4G1, and its registered and records office address is at Suite 1050 – 400 Burrard Street, Vancouver, British Columbia, Canada V6C 3A6.

The Company is a reporting issuer in the Province of British Columbia. All public filings for the Company can be found on the SEDAR website www.sedar.com.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020, the Company has a cash balance of \$18,461 compared to a cash balance of \$137,101 at December 31, 2019. The Company had working capital deficit of \$2,958 as at September 30, 2020 (December 31, 2019 - \$126,042).

The continuation of the Company as a going concern is dependent on its ability to raise additional capital or debt financing, including on reasonable terms, in order to meet business objectives towards achieving profitable business operations.

During the nine-month period of September 30, 2020, the Company issued 1,500,000 shares through the exercise of warrants at \$0.10 for gross proceeds of \$150,000. The Company also issued 165,000 shares through the exercise of options at \$0.10 for gross proceeds of \$16,500.

On February 25, 2020 and February 28, 2020, the Company issued 295,000 and 268,520 special warrants respectively at an issue price of \$0.10 per special warrant which included 200,000 special warrants as compensation in connection with the offering (total of 763,520 special warrants) for gross proceeds of \$56,352. The special warrants were converted to common shares on May 19, 2020 in conjunction with the Company’s shares listing on the Canadian Stock Exchange (CSE).

EXPLORATION AND PROPERTY

La Blache Property, Quebec, Canada

On September 23, 2020, the Company purchased a 100% interest in the La Blache property in Core-Nord, Quebec from Cloudbreak Discovery Corp. and Cronin Services Ltd. (collectively known as “Vendors”) for an aggregate of 20,000,000 shares in the Company, \$60,000 in cash payments and deliver of an NSR royalty of 2%, subject to the right of the Company to repurchase one-half of the NSR royalty (1%) for \$2,500,000 at any time. The 20,000,000 shares issued are subject to pooling restrictions as follows: 25% will be released from the pool six months after the closing of the transaction (March 23, 2021) and the balance will be released 12 months thereafter (September 23, 2021).

DAB Property, Quebec, Canada

On January 15, 2020, the Company entered into an option agreement with Contigo Resources Ltd. (“Contigo”) to acquire a 100% interest in the 124 claims comprising the DAB property. Under the terms of the option agreement, the Company needs to undertake the following to exercise its option:

- make cash payments of \$25,000 (paid) on January 15, 2020 and \$50,000 on January 15, 2021; and
- issue 10,000,000 common shares of the Company to Contigo on January 15, 2020 (issued).

Per the terms of the option agreement, Contigo retains a 2% net smelter royalty (“NSR”) on the DAB property. The Company can purchase 50% of the NSR at any time for a cash payment of \$1,500,000.

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Common Shares

Authorized – Unlimited Common shares without par value; and

Issued and Outstanding as at September 30, 2020: 57,978,521 (December 31, 2019: 25,550,001).

On September 30, 2020, the Company issued 20,000,000 common shares to Cloudbreak Discovery Corp. and Cronin Services Ltd. in equal parts in relation to the acquisition of La Blache property in Quebec.

On September 14, 2020, the Company issued 500,000 common shares for gross proceeds of \$50,000 through the exercise of share purchase warrants.

On August 28, 2020, the Company issued 165,000 common shares for gross proceeds of \$16,500 through the exercise of options.

On August 6, 2020, the Company issued 1,000,000 common shares for gross proceeds of \$100,000 through exercise of share purchase warrants.

On May 19, 2020, the Company issued 763,520 common shares in relation to the issuance of special warrants on February 25, 2020 and February 28, 2020.

On January 15, 2020, the Company issued 10,000,000 common shares to Contigo in relation to the Option Agreement to acquire 100% interest in the DAB property. These shares are subject to a 12-month escrow commencing May 19, 2020.

Special Warrants

As at September 30, 2020, total outstanding and issued special warrants: Nil (December 31, 2019: Nil). The 763,520 special warrants previously outstanding were converted to common shares May 19, 2020 upon listing of the Company’s shares on the Canadian Stock Exchange (CSE).

On February 28, 2020, the Company issued 268,520 special warrants at a price of \$0.10 per special warrant, for gross proceeds of \$26,852. Upon exercise, each special warrant will entitle the holder to one common share of the Company, without payment of additional consideration. Each special warrant, if not exercised earlier, will be deemed exercised on the date that is the earlier of:

- (i) the fifth business day following approval by the applicable securities commissions for listing as a publicly traded entity; or
- (ii) June 29, 2020.

In addition, the Company issued 200,000 special warrants as compensation in connection with the offering. These warrants have the same terms as those issued on February 28, 2020 and have been recorded as issuance costs.

On February 25, 2020, the Company issued 295,000 special warrants at a price of \$0.10 per special warrant, for gross proceeds of \$29,500. Upon exercise, each special warrant will entitle the holder to one common share of the Company, without payment of additional consideration. Each special warrant, if not exercised earlier, will be deemed exercised on the date that is the earlier of:

- (i) the fifth business day following approval by the applicable securities commissions for listing as a publicly traded entity; or
- (ii) June 26, 2020.

Share Purchase Warrants:

Details of common share purchase warrants outstanding at September 30, 2020 are as follows:

Number of Warrants	Exercise Price	Remaining Life (In Years)	Expiry Date
2,750,000	\$ 0.10	2.17	August 30, 2022
8,525,000	\$ 0.10	2.42	November 30, 2022
11,275,000			

As at September 30, 2020, the Company exercised 1,500,000 warrants at \$0.10 for gross proceeds of \$150,000.

Options

As at September 30, 2020, total outstanding options: 2,935,000 (December 31, 2019: Nil) summarized as follows:

Number of Options	Exercise Price	Remaining Life (In Years)	Expiry Date
2,735,000	\$ 0.10	2.48	March 26, 2023
200,000	\$ 0.105	1.21	December 15, 2021
2,935,000			

On August 28, 2020, a total of 165,000 options were exercised for gross proceeds of \$16,500.

On June 3, 2020, the company entered into an agreement with CorpComm Limited to provide investor relations services to the Company for a period of 12 months commencing June 15, 2020. Compensation for the agreement consists of a \$10,000 per month fee plus issuing options to acquire 600,000 shares of

the Company at a price of \$0.105 per share vested evenly over 12 months with expiration date on December 15, 2021.

On September 30, 2020, a total of 200,000 of the 600,000 options have vested in relation to the Corpcomm agreement. Share based payments of \$56,715 have been recorded in connection with the issuance of these options. The options were fair valued using Black Scholes Option Pricing Model with the following assumptions: market price at vesting date; exercise price of \$0.105; average risk-free rate - 0.26% to 0.30%; expected life – 1.25 years to 1.5 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

On March 26, 2020, the Company issued 2,900,000 stock options to directors, officers, employees, and consultants of the Company. Each option is exercisable at \$0.10 per share and has a three-year term. All of the options vested immediately. Share-based payments of \$178,930 have been recorded in connection with the issuance of these options. The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions average risk-free interest rate - 0.68%; expected life - 3 years; expected volatility - 100.00%; forfeiture rate - Nil and expected dividends - Nil.

RESULTS OF OPERATIONS

SELECT ANNUAL INFORMATION

During the nine months ended September 30, 2020, the Company incurred a net loss of \$625,131 (2019 – \$133,897 net loss). Included in the period ended September 30, 2020 losses were \$10,175 (2019 - \$131,443) exploration expenses incurred on the La Blache property, share-based payments of \$235,645 (2019 - \$Nil) for the issuance of options to management and consultants, \$142,700 (2019 – Nil) for consulting fees which increased as the Company became more active during the period, and professional fees of \$89,557 (2019 – \$2,032) which had increased due to the Company listing on the Canadian Stock Exchange and OTCQB.

SUMMARY OF FINANCIAL RESULTS FOR MOST RECENTLY COMPLETED PERIODS

The following table summarizes the financial results of operations for the nine-month ended September 30, 2020 and 2019:

	September 30, 2020 \$	September 30, 2019 \$
Expenses	(625,131)	(133,897)
Net loss	(625,131)	(133,897)
Loss per share - basic & diluted	(0.02)	(0.14)

RELATED PARTY TRANSACTIONS

Key management personnel at the Company are the directors and officers of the Company. Other than the share-based payments of \$235,645 granted to key management and consultants during the nine months ended September 30, 2020, there was no other compensation paid directly to directors or officers of the Company.

As at Sept 30, 2020, loans receivable includes:

- \$32,663 (2019 – \$60,000) due from a company owned by a director of the Company

As at September 30, 2020, loan payable includes:

- \$Nil (2019 – \$61,000) due to a company with common director; and

All loans are non-interest bearing and due on demand.

For the nine months ended September 30, 2020, the Company incurred consulting fees of \$125,000 (2019 - \$Nil) to a company owned by a director of the Company and incurred mineral property acquisition costs of \$4,060,000 (2019 - \$Nil) to companies with a common director (Note 5).

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

SUBSEQUENT EVENTS

On November 4, 2020, the Company issued 2,250,000 stock options at an exercise price of \$0.71, expiring November 3, 2023.

On November 27, 2020, the Company entered into a definitive agreement for an equity investment facility of CAD \$5 million with Crescita Capital LLC. The Company will have 3 years to utilize the CAD \$5 million equity investment facility. As part of the agreement, the Company issued to Crescita Capital LLC 610,000 common shares and 4,638,281 share purchase warrants at a price of \$0.25, expiring November 26, 2023.

CRITICAL JUDGMENTS AND ACCOUNTING ESTIMATES

Basis of Measurement

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified in accordance with measurement standards under IFRS. All dollar amounts presented are in Canadian dollars unless otherwise specified. These condensed interim financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets and liabilities on a net basis.

Deferred tax assets and liabilities are offset when there is a legally right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

Significant Accounting Judgments and Estimates

The preparation of condensed interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events, or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include valuation of share-based payments and recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company's financial instruments that are carried in the condensed interim financial statements and how the fair value of financial instruments is measured.

Financial and Capital Risk Management

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 described below.

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business.

The Company has no financial instruments carried at fair value. The Company's cash, accounts receivable, accounts payable and accrued liabilities and loan payable are recorded at fair value and subsequently measured at amortized cost.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Credit risk

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise the required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this report. The September 30, 2020 condensed interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") applicable to the presentation of interim statements including IAS 34, Interim Financial Reporting and include amounts based on management's informed judgments and estimates.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk and uncertainties that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this discussion, including information as to future activities, events and financial or operating performance of the Company and its projects, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties that could cause actual events or results to, differ materially from estimated or anticipated activities, events or results implied or expressed in such forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Many factors could cause actual activities and events and the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. These include metal prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions.

These forward-looking statements are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

OTHER INFORMATION

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