TERRA CLEAN ENERGY CORP.

(Formerly Tisdale Clean Energy Corp.)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended March 31, 2025

The following Management's Discussion and Analysis ("MD&A") for Terra Clean Energy Corp. ("Terra" or the "Company"), prepared as of May 16, 2025, for the three months ended March 31, 2025 should be read in conjunction with the audited consolidated financial statements and related notes of the Company for the three months ended March 31, 2025. The financial statements have been prepared using accounting principles consistent with IFRS Accounting 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.sedarplus.ca**. 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

Terra 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 February 1, 2024, the Company closed the second tranche of its non-brokered private placement by issuing 1,590,554 (before 4:1 consolidation - 6,362,216) units at a price of $0.72 (before 4:1 consolidation - $0.18) per unit for gross proceeds of $1,145,198. Each unit consists of one common share and one share purchase warrant exercisable at a price of $1.20 (before 4:1 consolidation - $0.30) for a period of 24 months. In connection with completion of the private placement, the Company paid $17,600 and issued 24,306 (before 4:1 consolidation - 97,222) share purchase warrants to certain arm's-length brokerage firms who assisted in introducing subscribers to the offering. Each finder's warrant is exercisable at a price of $1.20 (before 4:1 consolidation - $0.30). The fair value of finder's warrant was $6,009 which was estimated using the Black Scholes Option Pricing model with assumptions: risk-free interest rate of 4.11%; expected dividend yield of 0%; annualized share price volatility of 86.22% based on comparable public companies' volatilities; 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 the third tranche of its non-brokered private placement by issuing 544,875 (before 4:1 consolidation - 2,179,500) units at a price of $0.72 (before 4:1 consolidation - $0.18) per unit for gross proceeds of $392,310. Each unit issued consists of one common share and one share purchase warrant exercisable at a price of $1.20 (before 4:1 consolidation - $0.30) for a period of 24 months. Fair value of $98,078 was allocated to the share purchase warrants. In connection with completion of the private placement, the Company paid $20,721 and issued 28,779 (before 4:1 consolidation - 115,115) finder's warrants. Each finder's warrant is exercisable at a price of $1.20 (before 4:1 consolidation - $0.30). The fair value of finder's warrant was $4,163 which was estimated using the Black Scholes Option Pricing model with assumptions: risk-free interest rate of 4.28%; expected dividend yield of 0%; annuazlied share price volatility of 85.34% based on comparable public companies' volatilities; 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 437,500 (before 4:1 consolidation - 1,750,000) incentive stock options to its certain directors, officers and consultants, to purchase up to an aggregate of 437,500 (before 4:1 consolidation - 1,750,000) common shares, exercisable at $0.48 (before 4:1 consolidation - $0.12) per share until July 23, 2029. The fair value of incentive stock option was $120,777 which was estimated using the Black Scholes Option Pricing model with assumptions: risk-free interest rate of 3.20%; expected dividend yield of 0%; annualized share price volatility of 100% based on average volatility of comparable companies; and expected life of 5 years.

On July 31, 2024, the Company closed its non-brokered private placement and has issued 1,413,666 (before 4:1 consolidation - 5,654,666) units at a price of $0.30 (before 4:1 consolidation - $0.075) per unit for gross proceeds of $424,100. Each unit consists of one common share and one share purchase warrant, exercisable at a price of $0.60 (before 4:1 consolidation - $0.15) until July 31, 2027. In connection with completion of the private placement, the Company paid $20,621 and issued 53,750 (before 4:1 consolidation - 215,000) finder's warrants. The fair value of finder's warrant was $6,489 which was estimated using the Black Scholes Option Pricing model with assumptions: risk-free interest rate of 3.35%; expected dividend yield of 0%; annualized share price volatility of 100% based on comparable public companies' volatilities; and expected life of 3 years. The finder's warrants have the same term as for the purchase warrants issued in the private placement.

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

On December 4, 2024, the Company finalized a share consolidation on the basis of four existing common shares into one common share (4:1).

On December 17, 2024, the Company closed its non-brokered private placement issuing a total of 14,680,000 non-flow-through units at a price of $0.125 per unit for gross proceeds of $1,835,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable at a price of $0.20 for a period of 36 months following the closing of the private placement. The Company also issued 11,132,035 flow-through shares ("FT shares") at a price of $0.135 per FT share for gross proceeds of $1,502,824. In connection with the closing of the private placement, the Company paid finders an aggregate of: (i) cash fees of $135,306 and issued: (ii) 227,200 finders' warrants to those finders who assisted with the sale of units; and (iii) 732,934 finders' warrants to those finders who assisted with the sale of FT shares. Each unit finder's warrant entitles the holder to purchase one common share of the company at a price of $0.125 for a period of 24 months from the date of issuance. Each FT finder's warrant entitles the holder to purchase one common share at a price of $0.135 for a period of 24 months. The fair value of finder's warrant was $68,089 which was estimated using the Black Scholes Option Pricing model with assumptions: risk-free interest rate of 2.99%, expected dividend yield of 0%; annualized share price volatility of 100% based on comparable public companies' volatilities; and expected life of 2 years.

On January 1, 2025, the Company appointed Greg Cameron as President, Chief Executive Officer, and Director; Tony Wonnacott as Director; and C. Trevor Perkins as Vice-President, Exploration.

On January 1, 2025, the Company granted 2,075,000 restricted share units ("RSUs") pursuant to its Omnibus Incentive Plan to directors, officers and consultants. The RSUs are subject to a one-year vesting period from the date of grant.

On January 7, 2025, the Company issued 600,000 common shares to settled $120,000 of debt, pursuant to a settlement agreement with an arm's length creditor. Pursuant to the agreement, the Company also needs to complete a drill program with this creditor as general contractor by June 30, 2025, of no less than $1 million. In the event that the Company has not completed the drill program by June 30, 2025, it shall issue the creditor that number of common shares of the Company equal in value of $120,000.

On February 26, 2025, Gunnar Minerals Corp. was dissolved by way of voluntary dissolution.

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 2024 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, 2024	December 31, 2023	December 31, 2022
	$	$	$
Current assets	3,243,854	1,299,241	1,335,145
Total assets	4,896,085	2,240,463	1,436,956
Current liabilities	513,338	271,309	23,283
Total non-current financial liabilities	-	-	900,362
Total revenue	Nil	Nil	Nil
Net loss	(2,851,048)	(1,078,060)	(879,595)
Net loss per share, basic and diluted	(0.30)	(0.26)	(0.28)
Weighted average number of common shares outstanding	9,525,550	4,070,458	3,101,751

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 IFRS.

	3 months ended March 31, 2025	3 months ended Dec 31, 2024	3 months ended Sep 30, 2024	3 months ended Jun 30, 2024
	$	$	$	$
Total revenue	Nil	Nil	Nil	Nil
Net loss	384,192	505,540	629,106	660,006
Net loss per share, basic and diluted	0.01	0.04	0.08	0.08
Total assets	4,675,225	4,896,085	2,541,858	2,573,214
Total liabilities	556,670	513,338	762,102	796,004
Total shareholders' equity	4,118,555	4,382,747	1,779,756	1,777,210

	3 months ended Mar 31, 2024	3 months ended Dec 31, 2023	3 months ended Sep 30, 2023	3 months ended Jun 30, 2023
	$	$	$	$
Total revenue	Nil	Nil	Nil	Nil
Net loss	1,056,396	438,494	178,835	243,156
Net loss per share, basic and diluted	0.04	0.07	0.04	0.04
Total assets	3,142,937	2,240,463	1,902,858	2,644,592
Total liabilities	720,821	271,309	590,700	1,090,817
Total shareholders' equity	2,422,116	1,969,154	1,312,158	1,553,775

Results of Operations

Three months ended March 31, 2025

During the three months ended March 31, 2025, the Company recorded a net and comprehensive loss of $384,192 ($0.01 per share) compared with a loss of $1,056,396 ($0.15 per share) in the same period of 2023.

Significant items in the three months ended March 31, 2025 include:

- Consulting fees of $106,474 (2024 –$549,846)
- Corporate communications of $137,417 (2024 - $237,400);
- Exploration and evaluation expenses of $Nil (2024 - $150,000);
- Filing and transfer agent fees of $13,243 (2024 - $11,550);
- Geological consulting of $45,500 (2024 - $1,200);
- Management fees paid to directors and officers $68,500 (2024 - $23,700);
- Office expense of $5,283 (2024 – $18,667);
- Professional fees related to ongoing operations and financing activities of $6,600 (2024 - $53,891);
- Share based compensation of $Nil (2024 - $10,172)
- Other expense of $5,000 (2024 - $Nil)
- Interest income of $3,825 (2024 - $Nil)

Liquidity and Capital Resources

As of March 31, 2025, the Company had current assets of $1,012,295 (December 31, 2024 - $13,243,854) , including cash of $3,086,625 (December 31, 2024 - $3,086,625), and had current liabilities of $556,670 (December 31, 2024 - $513,338) resulting in working capital of $1,777,780 (December 31, 2024 - $2,730,516).

During the three months ended March 31, 2025, operating activities used cash of $1,385,786 (2024 - $1,263,689).

During the three months ended March 31, 2025, the Company spent $688,544 (2023 - $653,265) cash on investing activities.

During the three months ended March 31, 2025, the Company raised $Nil (2023 - $1,499,186) cash on financing activities.

The Company is an exploration 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:

	Outstanding
Voting or equity securities issued and outstanding	36,334,471 common shares
Securities convertible or exercisable into voting or equity securities:	
- warrants exercisable at $1.20	3,273,653 warrants
- warrants exercisable at $3.00	328,663 warrants
- warrants exercisable at $0.72	1,555,795 warrants
- warrants exercisable at $0.60	1,467,416 warrants
- warrants exercisable at $0.125	227,200 warrants
- warrants exercisable at $0.135	732,934 warrants
- warrants exercisable at $0.20	14,680,000 warrants
Securities convertible or exercisable into voting or equity securities:	
- stock options exercisable at $0.80	125,000 options
- stock options exercisable at $0.48	262,500 options
Restricted share unit:	
- RSUs exercisable at $0.22	2,075,000 RSUs

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 three months ended March 31, 2025 and 2024, the following remunerations were paid to key management personnel:

	2025	2024
	$	$
Management fees	68,500	23,700
Geological fees	1,302	-
Total	**69,802**	**23,700**

During the three months ended March 31, 2025, the Company incurred $37,500 (2024 - $22,500) in management fees to a Company controlled by the former CEO and Director of the Company.

During the three months ended March 31, 2025, the Company incurred $31,000 (2024 - $1,200) in management fees to Directors of the Company.

During the year ended December 31, 2024, the Company incurred $31,500 (2024 - $Nil) in consulting fees to a Company with a common CFO of the Company.

There were no due to or from related parties as of March 31, 2025.

Financial Instruments

As at March 31, 2025, the Company's financial instruments consist of cash 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 March 31, 2025, cash is assessed to be a Level 1 instrument.

In management's opinion, the Company's carrying value of trade and other payables approximates its fair values due to the immediate or short-term maturity of the instrument.

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 March 31, 2025, 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 and short-term investments maintained at Canadian financial institutions and lawyers' trust accounts. During the three months ended March 31, 2025, the Company purchased a 30-day $900,000 in GIC generating 2.60% interest.

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 three months ended March 31, 2025.

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.

There are no material accounting estimates during the three months ended March 31, 2025.

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.

Internal Controls over Financial Reporting

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the period ended March 31, 2025 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR+ at www.sedarplus.ca.

Commitment

On January 7, 2025, the Company issued 600,000 common shares to settled $120,000 of debt, pursuant to a settlement agreement with an arm's length creditor. Pursuant to the agreement, the Company also needs to complete a drill program with this creditor as general contractor by June 30, 2025, of no less than $1 million. In the event that the Company has not completed the drill program by June 30, 2025, it shall issue the creditor that number of common shares of the Company equal in value of $120,000 (subsequently fulfilled in April 2025).

Approval

The Board of Directors of Terra Clean Energy Corp. has approved the disclosure contained in this MD&A as of May 16, 2025.