TRANSFORMA RESOURCES CORPORATION

Management's Discussion and Analysis
For the Six Months Ended June 30, 2023

The following Management's Discussion and Analysis ("MD&A") of the operations, results and financial position of Transforma Resources Corporation (the "Company" or "Transforma") should be read in conjunction with the Company's interim consolidated financial statements for the six months ended June 30, 2023 (unaudited), which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and the notes thereto.

The Company's interim consolidated financial statements for the six months ended June 30, 2023 (unaudited) and this MD&A have been prepared by management and approved by the Company's Board of Directors. All financial information is expressed in Canadian dollars, unless otherwise stated.

This MD&A is dated August 21, 2023 and discloses specified information up to that date. The Company is classified as a "venture issuer" for the purposes of National Instrument 51-102.

We recommend that readers consult the "Cautionary Statement" on the last page of this report.

Additional information relating to the Company can be obtained on SEDAR at www.sedar.com.

Overview

Transforma was incorporated under the laws of the Province of British Columbia, Canada on July 23, 2001 as Cresval Capital Corp. On October 21, 2021, the Company changed its name to Transforma Resources Corporation.

Transforma's principal business comprises the acquisition and exploration of mineral resource properties. The Company is in the exploration stage. The Company is classified as a Mineral Exploration company.

In May 2023, the Company closed the option agreement dated December 23, 2022 (the "MAC Option Agreement") with 802213 Alberta Ltd. (the "Optionor") and Kelly Funk for the exclusive option to acquire (the "MAC Option") the MAC Property, which consists of fifteen (15) mineral claims comprising 19,095 hectares, and located approximately 2 kilometres southeast of the summit of Mount Sidney Williams, 90 kilometres northwest of Fort St. James, British Columbia (the "MAC Property"). For further information regarding the MAC Option Agreement, please refer to the section "*Mineral Property Interests*" below.

In connection with the MAC Option Agreement, and in order to provide the Company with general working capital, the Company raised $175,000 by the issuance of 5,833,333 units (the "Units") at an offering price of $0.03 per Unit (the "Offering"). Each unit consists of one (1) common share of the Company, and one non-transferable share purchase warrant to acquire one additional common share (a "Warrant"). Each Warrant is exercisable to purchase one (1) common share of the Company at an exercise price of $0.05 until December 31, 2026. The expiry date of the Warrants may be accelerated in the event that the common shares of the Company trade at a closing price greater than $0.20 per share for a period of 10 consecutive trading days, then the Company may issue a press release to give notice to the Warrant holders that they must exercise their Warrants within the next 30 days, or the Warrants will expire. The subscribers of the units were related parties.

Mr. Kelly Funk joined the Company's board of directors in January 2023.

In the past, the Company has devoted efforts toward a base and precious metal property, Thunder Copper, located in the Province of British Columbia, Canada. Certain of the Thunder Copper claims were recently relinquished and others were re-staked. The Thunder Copper claims currently comprise four (4) mineral claims with an area of approximately 2,791 hectares.

The financial statements to which this MD&A relates have been prepared on a going concern basis, which presumes the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company had a working capital deficiency of $454,499 at June 30, 2023 and has accumulated losses of $3,628,570 since inception. The Company's ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in the future.

Strategy, Performance and Outlook

Mineral Property Interests

MAC Property – Option Agreement

In May 2023, the Company closed the MAC Option Agreement dated December 23, 2022. The MAC Property consists of fifteen (15) mineral claims comprising 19,095 hectares, and located approximately 2 kilometres southeast of the summit of Mount Sidney Williams, 90 kilometres northwest of Fort St. James, British Columbia.

Previous exploration programs at the MAC Property have focused on porphyry molybdenum and copper mineralization. Prospecting work during 2012 for ultramafic rock hosted nickel, returned elevated nickel content within the magnetic fraction. Later in 2021, several anomalous nickel and chromium zones were located. Rock samples returned values up to 0.37% Nickel, 0.32% chromium, and 150 ppm Cobalt with 138 of the 177 samples returning over 0.1% Nickel and 123 of the 177 samples returning over 0.1% chromium.

High nickel and chromium values have been observed spanning across a northwest-trending magnetic feature indicating semi-continuous or continuous nickel-chromium bearing ultramafic rocks, and possible nickel alloy mineralization (awaruite) over a strike length of over 16 kilometres. The neighboring Decar Project to the east of the Property hosts significant awaruite mineralization in similar age serpentinized ultramafic rocks.

The technical information about the MAC Property noted above has been reviewed and approved by Mr. Jeremy Hanson P.Geo., as the qualified person.

In order to exercise the MAC Option, the Company must (with all payments and share issuances being optional, pursuant to the MAC Option Agreement):

1. Reimburse the Optionor for its 2023 assessment fees paid to maintain the MAC Property in good standing, up to a maximum amount of $30,000;
2. Issue to the Optionor up to 11 million common shares of the Company in the following annual instalments:
    a. 1.0 million shares upon regulatory approval of the MAC Option Agreement;
    b. A further 1.0 million shares on or before December 31, 2023;
    c. A further 2.0 million shares on or before December 31, 2024;
    d. A further 2.0 million shares on or before December 31, 2025
    e. A further 2.5 million shares on or before December 31, 2026;
    f. A further 2.5 million shares on or before December 31, 2027;
3. Complete at least $3 million in exploration and development expenditures on the MAC Property on or before December 31, 2027; and
4. Issue a further 2.0 million shares upon the commencement of commercial production.

As additional consideration, upon exercise of the Option, the Company will grant to the Optionor a 2.0% net smelter returns royalty (the "NSR") payable upon commencement of commercial production, and the Company may reduce the NSR by one-half (to a 1.0% NSR) upon the payment at any time of $2.0 million to the Optionor.

The one million shares identified in 2.a. above were issued in May 2023 and were valued at $0.03 per share.

Since the closing of the MAC Option Agreement, the Company has sought additional equity financing but no amount has been raised since the closing of the previous unit offering in May 2023. The Company has also engaged to have rock sampling work performed on the MAC Property this summer.

Thunder Copper

The Thunder Copper property, located 40 km west-northwest of Goldbridge, British Columbia in the Lillooet Mining Division, consists of 4 mineral claims and covers an area of approximately 2,791 hectares with many surface indications of a large porphyry copper system. They include many surface copper occurrences, some exposed in prospect pits and adits, and weak but typical porphyry style stockwork veining in limited drilling of a few targets.

The Company has not conducted any exploration activity on Thunder Copper so far in 2023. The Company intends to further its efforts on Thunder Copper, subject to available financing.

Review of Operations

Three months ended June 30, 2023 compared with the three months ended June 30, 2022

General and Administrative Expenses	3 Months Ended June 30, 2023	3 Months Ended June 30, 2022
Consulting and management fees	$ 15,000	$ 15,000
Depreciation	119	119
Office supplies and services	159	186
Professional fees	23,204	10,031
Shareholder information and communications	3,276	2,005
Share transfer, listing and filing fees	6,471	7,066
Operating Loss	(48,229)	(34,407)
Other Income and Expenses	(2,973)	(2,477)
Total Loss and Comprehensive Loss	$ (51,202)	$ (36,884)
Basic and Diluted Loss per Share	$ (0.002)	$ (0.006)
Weighted Average Shares Outstanding	21,325,244	6,043,646

- For the three months ended June 30, 2023 compared to the three months ended June 30, 2022, professional fees increased, mainly due to legal work related to the MAC Option Agreement and the unit offering, which required approval of the TSX Venture Exchange. Additionally, the Company held its Annual General Meeting in June 2023, which further contributed to the increase in professional fees.

Six months ended June 30, 2023 compared with the Six months ended June 30, 2022

General and Administrative Expenses	6 Months Ended June 30, 2023	6 Months Ended June 30, 2022
Consulting and management fees	$ 30,000	$ 30,000
Depreciation	238	238
Office supplies and services	379	237
Professional fees	31,204	10,269
Shareholder information and communications	3,751	2,185
Share transfer, listing and filing fees	17,498	13,136
Operating Loss	(83,070)	(56,065)
Other Income and Expenses	(6,310)	(3,743)
Net Loss and Comprehensive Loss	$ (89,380)	$ (59,808)
Basic and Diluted Loss per Share	$ (0.005)	$ (0.010)
Weighted Average Shares Outstanding	19,159,620	6,043,646

- For the six months ended June 30, 2023 compared to the six months ended June 30, 2022, both professional fees, and share transfer, listing and filing fees increased. These increases were mainly due to legal work and filing fees related to the MAC Option Agreement, which required approval of the TSX Venture Exchange. Additionally, the Company held its Annual General Meeting in June 2023, which further contributed to the increase in professional fees.

Review of Quarterly Results

	2023		2022				2021	
Quarter ended	June 30 Q2 $	Mar. 31 Q1 $	Dec. 31 Q4 $	Sept. 30 Q3 $	June 30 Q2 $	Mar. 31 Q1 $	Dec. 31 Q4 $	Sept. 30 Q3 $
Revenues	-	-	-	-	-	-	-	-
G&A Expenses	48,229	34,841	55,379	18,292	34,407	21,658	60,150	57,368
Impairment loss	-	-	-	-	-	-	-	-
Option Benefits	-	-	-	-	-	-	-	-
Net Income (Loss)	(51,202)	(38,178)	(69,278)	249,559	(36,884)	(22,924)	(61,375)	(58,603)
-per share	(0.002)	(0.002)	(0.004)	0.020	(0.006)	(0.004)	(0.010)	(0.010)
-per share - diluted	(0.002)	(0.002)	(0.004)	0.020	(0.006)	(0.004)	(0.010)	(0.010)
Total assets	349,328	316,523	262,092	261,951	261,290	260,757	259,023	188,385
Liabilities (Long Term)	-	-	-	167,326	-	-	-	-
Cash Dividends	-	-	-	-	-	-	-	-
Working Capital (Deficiency)	(454,499)	(458,747)	(510,799)	(279,314)	(1,242,632)	(1,205,867)	(1,183,062)	(1,050,733)
Share Capital:								
- Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
- Outstanding	23,803,266	16,969,933	16,969,933	16,969,933	6,043,646	6,043,646	6,043,646	6,043,646
- Warrants	6,313,333	480,000	480,000	480,000	480,000	480,000	520,000	520,000
- Options	-	-	-	-	-	-	-	-

Results of operations can vary significantly by quarter, as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are determined by the Company's working capital position, the availability of external financing, the time required to gather, analyze and report on geological data related to its properties, the amount of stock options granted, the number of personnel required to support the level of corporate activity and the seasonality of exploration programs undertaken on the Company's mineral properties.

Liquidity and Capital Resources

Since inception, the Company has incurred cumulative losses of $3,628,570, and has a working capital deficiency at June 30, 2023 of $454,499 (December 31, 2022 – $510,799).

The Company has financed its operations to date primarily through the issuance of common shares for private placements, though the Company did obtain some short term loans in 2020 and related party funding in 2021 and 2022. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes 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 have profitable operations in the future.

The Company's future capital requirements will depend on many factors, including costs of exploration and development of the properties, cash flow from operations, competition and global market conditions. The Company's growing working capital needs will require it to obtain additional capital to operate its business.

The Company will depend on outside capital to complete the exploration and development of its resource properties. Such outside capital will include the sale of additional common shares and possibly debt financing. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in a significant dilution in the equity interests of its current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

Related Party Transactions

Management and administration services performed by the Company’s officers/directors are provided on a consultancy basis. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

a) Key management transactions

The Company defines its directors and officers as its key management personnel. The compensation costs for key management personnel for the six months ended June 30, 2023 and 2022 are as follows:

For the six months ended June 30, 2023

	Fees[(a)]	Total
Douglas Yee, CFO	$ 30,000	$ 30,000
Total	$ 30,000	$ 30,000

(a) Management/Consulting services accrued for the named individual or a company affiliated with the named individual.

For the six months ended June 30, 2022

	Fees[(a)]	Total
Douglas Yee, CFO	$ 30,000	$ 30,000
Total	$ 30,000	$ 30,000

(a) Management/Consulting services accrued for the named individual or a company affiliated with the named individual.

b) Due to related parties

As at June 30, 2023, the balance of due to related parties is $117,364 (December 31, 2022 - $101,535) and is comprised of $33,210 due to the president and CEO (December 31, 2022 - $33,210) and $84,154 due to a private company affiliated with the Company's CFO (December 31, 2022 - $68,325). These amounts due are non-interest bearing, with no specific terms of repayment.

c) Short term loans and Unit Offering

As of June 30, 2023, the Company has two short term loans outstanding that are owed to the current CEO and the former CEO. For additional information regarding these loans, refer to Note 7 of the interim consolidated financial statements for the six months ended June 30, 2023. Also, see Note 8 of the interim consolidated financial statements for the six months ended June 30, 2023 for additional information about the unit offering subscribed by related parties.

Critical Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the amount of revenues and expenses for the periods reported. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in operations in the period they become known.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments

As at June 30, 2023, the Company's financial instruments are comprised of cash, receivables, trade and other payables, short term loans, and due to related parties. The carrying value of receivables, trade and other payables, short term loans and due to related parties approximate their fair values due to the relatively short periods to maturity of these financial instruments.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has valued its cash using Level 1 inputs as at June 30, 2023. The fair value of receivables, reclamation bonds, short term loans, due to related parties, and trade and other payables approximate their carrying values because of the short-term nature of these instruments.

The Company's cash is held through a Canadian chartered bank.

The Company has two short term loans outstanding that are owed to related parties. For additional information regarding these loans, refer to Note 7 of the interim consolidated financial statements for the six months ended June 30, 2023.

Risks and Uncertainties

The acquisition and exploration of mineral properties involves a high degree of risk, and the successful achievement of a profitable operation cannot be assured. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Costs of finding and evaluating an ore body are substantial, and may take several years to complete. The Company must first overcome many risks associated with an early stage exploration property. Outstanding items to be completed include, but are not limited to, identification and quantification of a commercially viable ore body, confirmation of the Company's interest in the underlying claims and leases, completion of a feasibility study, funding of all costs to a commercial operating venture, completion of the permitting process, detailed engineering and procurement of a processing plant, and constructing a facility to support the mining activity. Construction and operational risks including, but not limited to, equipment and plant performance, metallurgical, environmental, cost estimation accuracy, and workforce performance and dependability will all affect the profitability of an operating property.

External financing, primarily through the issuance of common shares, will be required to fund the Company's activities. There can be no assurance that the Company will be able to raise the requisite financing in the future.

Outstanding Share Data as of August 21, 2023 and June 30, 2023

	August 21, 2023	**June 30, 2023**
Shares	23,803,266	23,803,266
Options	-	-
Warrants	6,313,333	6,313,333
Fully Diluted	**30,116,599**	**30,116,599**

Management's Responsibility for Financial Statements

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and the financial statements together with the other financial information included in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review financial reports, prior to filing.

ADDITIONAL INFORMATION

Additional information about the Company can be found on www.sedar.com.

Cautionary Statement

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of August 21, 2023. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.