TEMPUS CAPITAL INC.

Management's Discussion and Analysis

For the Year Ended December 31, 2018

Introduction

This Management Discussion and Analysis ("MD&A") of the financial position and results of operations for Tempus Capital Inc. ("Tempus" or the "Company") is intended to provide readers with an assessment of performance and summarize the results of operations and financial position for the years ended December 31, 2018 and 2017. It should be read in conjunction with the Company's consolidated financial statements for the fiscal year ended December 31, 2018 and 2017 including all notes, risk factors and information contained therein.

Additional information relating to the Company and its operations is available on SEDAR at www.sedar.com.

All amounts are in Canadian dollars unless otherwise noted. Historical results and percentages contained in the Company's interim and annual consolidated financial statements and MD&A, including trends which might appear, should not be taken as indicative of its future operations. The information contained in this MD&A is based on information available to Management and is dated as of April 26, 2019.

Tempus was incorporated under the Ontario Business Corporations Act on February 16, 2011. The Company is a reporting issuer in Ontario, British Columbia and Alberta but its shares are not listed on an exchange or trading platform.

Forward-Looking Statement Advisory

Certain information regarding the Company within Management's Discussion and Analysis ("MD&A") may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such thing as future business strategy, goals, expansion and growth of the Company's business, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The reader should not rely solely on these forward-looking statements.

Factors that could cause actual results or events to differ materially from those expressed, implied or projected by forward-looking statements, in addition to those factors referenced above, include, but are not limited to: general economic conditions; real property ownership; the availability of new competitive supply of retail properties which may become available either through construction, lease or sublease; Tempus Capital's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; repayment of indebtedness and the availability of debt and equity financing; changes in interest rates and credit spreads; changes to credit ratings; tenant financial difficulties, defaults and bankruptcies; the relative illiquidity of real property; unexpected costs or liabilities related to acquisitions, development and construction; increases in operating costs and property taxes; changes in governmental regulation; environmental liability and compliance costs; residential development, sales and leasing; unexpected costs or liabilities related to dispositions; challenges associated with the integration of acquisitions into the Company; uninsured losses and Tempus Capital's ability to obtain insurance coverage at a reasonable cost; compliance with financial covenants; risks in joint ventures; matters associated with significant shareholders; geographic concentration of assets; investments subject to credit and market risk; and loss of key personnel.

Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. Tempus undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances except as required by applicable securities law.

All forward-looking statements in this MD&A are made as of April 26, 2019 and are qualified by these cautionary statements.

Business Overview

Tempus, based in Burlington, Ontario is a real estate operating company. Tempus's real estate portfolio currently consists of three properties in Ontario, a commercial plaza acquired in December 2013, a mixed commercial/residential property acquired in December 2014 and a mixed commercial/residential property acquired in September 2017.

Overall Performance

The Company experienced revenue growth of approximately 16% during 2018. The increase is a result of operating all three of its investment properties for a full year. As of the date of this MD&A all three of the Company's properties have 0% vacancy.

Selected Annual Information

	Year Ended December 31, 2018	**Year ended December 31, 2017**	**Year Ended December 31, 2016**
Revenue	$ 1,002,226	$ 866,943	$ 785,938
Net Income	$ 26,137	$ 194,961	$ 591,704
Net Income per Share	$ 0.00	$ 0.01	$ 0.02
Total Assets	$ 12,078,962	$ 12,015,288	$ 10,148,321
Total Non-Current Liabilities	$ 6,514,406	$ 6,512,445	$ 5,737,825
Dividends	-	-	-

Selected Quarterly Financial Information

	Dec 31, 2018	Sept 30, 2018	June 30, 2018	Mar 31, 2018
Total assets	$ 12,078,962	$ 12,126,253	$ 12,071,531	$ 12,018,063
Working capital	$ (1,376,892)	$ (5,576,594)	$ (5,582,384)	$ (5,885,920)
Net income (loss)	$ (69,312)	$ 39,587	$ 22,146	$ 33,716
Net income per share	$ 0.00	$ 0.00	$ 0.00	$ 0.01

	Dec 31, 2017	Sept 30, 2017	June 30, 2017	Mar 31, 2017
Total assets	$ 12,015,288	$ 11,901,410	$ 10,180,910	$ 10,166,110
Working capital	$ (1,399,030)	$ (2,053,626)	$ (448,328)	$ (1,290,281)
Net income (loss)	$ 115,309	$ 39,430	$ (1,557)	$ 41,779
Net income (loss) per share	$ 0.01	$ 0.00	$ 0.00	$ 0.00

Results of Operations

Fiscal year ended December 31, 2018

Revenue increased from $866,943 in 2017 to $1,002,226 in 2018 reflecting the inclusion of the revenue stream from the property in London, Ontario acquired in 2017 for the entire year.

Recoverable property operating costs at the Strathroy property increased by $42,457 mainly as a result of the inclusion of supplemental realty taxes (2017 to 2018) for the Strathroy property which were not fully recoverable during the period affected.

Interest expense includes $312,996 paid with respect to first mortgages, $88,893 paid with respect to second mortgages, and an amount of $16,385 with respect to guarantees by a director related to mortgages.

General and administrative expense increased by approximately $16,000 comprised mainly of financial penalty for early renewal of a first mortgage.

Professional fees, which include audit and legal fees, for the year ended December 31, 2018 were $42,099 compared to $47,644 for the year ended December 31, 2017. Note 13 to the consolidated financial statements sets out the details of professional fees. The decrease in professional fees in 2018 results predominately from a decrease in legal expenses related to no due diligence with respect to prospective investment properties during 2018.

Fiscal quarter ended December 31, 2018

Revenue for the fiscal quarter totaled $214,982 compared to $241,881 in 2017. Operating costs for the period were $79,887 compared to $66,867 in 2017. The difference in revenue relates to the inclusion of supplemental realty tax recovery in 2017. The increase in operating expenses results largely from an increase in realty taxes for the Strathroy property.

General and administrative costs for the quarter ended December 31, 2018 were $46,843 compared to $39,704 for the quarter ended December 31, 2017. Included in the total are filing fees of $2,179 (2017-$4,659), management compensation of $15,000 (2017-$15,000) and office and other administrative costs of $25,614 (2017-$14,433).

Interest expense includes $84,942 paid with respect to first mortgages, $16,288 paid with respect to second mortgages, and an amount of $4,352 with respect to guarantees by a director related to mortgages.

Professional fees, which include audit and legal fees, for the quarter ended December 31, 2018 were $9,736 compared to $8,723 for the quarter ended December 31, 2017. Expenses were higher based on accrued expected audit fees for fiscal 2018 and legal fee in 2018 being higher than 2017 as a result of re-financing activities.

Investment Properties

	2018	2017
Investment properties	$ 11,903,708	$ 11,879,748

Continuity of Investment Properties

The following table summarizes the changes in the value of Tempus's investment properties for the years ended December 31, 2018 and 2017.

	2018	2017
Balance, beginning of year	$ 11,879,748	$10,048,667
Acquisition	-	1,625,000
Capital expenditures	23,960	26,081
Fair value adjustments	-	180,000
Balance, end of year	$ 11,903,708	$ 11,879,748

The key valuation assumption used to determine the fair market value, using the direct capitalization model, is the capitalization rate.

For purposes of determining the total fair value of its investment properties at December 31, 2018, the Company commissioned an independent appraisal for one of its properties. The fair values of the other two properties were determined by management following the method described above, with independent advice on the appropriate capitalization rates for each property.

In determining fair value, the Company considers all factors market participants would consider in pricing the properties, including the impact of any environmental damage on the investment properties. Changes in the fair value of the Company's investment properties are largely the result of several key factors: changes in capitalization rates from time to time, property sales and the ongoing pattern of renewals, extensions and expiries of leases with the Company's principal tenants.

The Statements of Operations and Comprehensive Income included a fair value gain of $nil compared with a gain of $180,000 recognized in 2017.

The investment properties have been valued at December 31, 2018 as follows:

	2018	**2017**
Valco Consultants Inc – independent valuation (723-727 Richmond St and 214 Piccadilly St)	$ 1,695,000	$ 1,695,000
Valco Consultants Inc.-independent valuation (425 Caradoc St.)	6,600,000	-
Management's valuation (605-607 Richmond St)	3,608,708	-
Management's valuation (425 Caradoc St and 605-607 Richmond St)	-	10,184,748
	11,903,708	11,879,748

Additional information with respect to the Company's investment properties is set out in the following table:

Property Address	425 Caradoc Street South, Strathroy, Ontario	605-607 Richmond Street, London, Ontario	723-727 Richmond Street, 214 Piccadilly Street, London, Ontario
Square footage	32,929	9,320 (three levels)	8,371 (two levels)
Year Built	1979	1876	1890
Date acquired	December 13, 2013	December 5, 2014	September 12, 2017
Purchase price	$5,450,000	$2,558,250	$1,585,000
Ownership percentage	100%	100%	100%
Number of tenants-commercial	6	5	5
Number of tenants-residential	Nil	7	7
Current occupancy	100%	100%	100%
Average lease term remaining	36 months-commercial	22 months-commercial	36 months-commercial
	NA-residential	9 months-residential	3 months-residential

Mortgages Payable

At December 31, 2018 the balances of the respective mortgages are:

425 Caradoc St South, Strathroy, Ontario	605-607 Richmond St, London, Ontario		723 Richmond St, London, Ontario
First Mortgage	First Mortgage	Second Mortgage	First Mortgage
$4,441,927	$1,571,171	$283,292	$1,168,885

The first mortgage on the Strathroy property bears interest at 4.52% and is payable in blended monthly payments of $24,679. The first mortgage on the London property at 605-607 Richmond Street bears interest at 3.53% and is payable in blended monthly payments of $10,661. The first mortgage on the London property at 723-725 Richmond Street bears interest at 5.25% and is payable in blended monthly payments of $7,146. All three first mortgages are secured by the respective investment property. The first mortgage on the Strathroy property matures on November 1, 2023. The first mortgage on the London property at 605-607 Richmond Street matures on January 1, 2020 and the first mortgage on the London property at 723-725 Richmond Street matures on September 12, 2019.

The second mortgage on the London property at 605-607 Richmond Street bears interest at 3.75% and is payable in blended monthly payments of $1,953 and is secured by the investment property. The second mortgage on the London property at 605-607 Richmond Street matures on January 1, 2020.

Liquidity and Capital Resources

The Company's sources of capital are cash generated from operating activities, mortgage financing and refinancing, promissory notes, and equity issuances. The Company's primary use of capital includes property acquisitions, major property improvements, recurring property maintenance, and debt principal and interest payments. The Company anticipates meeting all current and future obligations with current cash and cash equivalents, cash generated from operations and conventional mortgage refinancing, including net cash accessible through upfinancing, and assumes the Company will be able to obtain financing on reasonable terms.

Tempus's ability to grow through acquisitions will be dependent on the ability to access mortgage debt, and to raise equity financing on reasonable terms.

Future Changes in Accounting Policies

As at April 26, 2019, the following new or amended IFRS have been issued by the International Accounting Standards Board ("IASB") and are expected to apply to Tempus for annual reporting periods beginning after January 1, 2019:

IFRS 16 *Leases* ("IFRS 16")

IFRS 16 Leases ("IFRS 16") eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing the asset.

The new leasing standard is applicable to all entities and will supersede current lease accounting standards under IFRS. Prospective application is required beginning on or after January 1, 2019 with early adoption permitted only if an entity early adopts IFRS 15 as well. The Company plans to adopt the new standard on the required effective date. The Company does not anticipate a significant impact on the financial results from adopting the standard.

Contractual Obligations and Off-Balance Sheet Arrangements

The Company is not party to any contracts or arrangements other than disclosed in this document. There are no off-balance sheet arrangements.

Proposed Transactions

As at the date of this MD&A, the Company has no proposed transactions.

Shareholders' Equity

As of the date of this MD&A, the Company has 29,878,993 common shares issued and outstanding as well as stock options to purchase an aggregate of 1,390,000 common shares expiring between September 2019 and October 2022.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, cash equivalents, sundry receivables, accounts payable and accrued liabilities, mortgages payable, tenant deposits, and promissory note payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The interest rate is fixed for the mortgages payable and the promissory note payable. The fair value of these financial instruments approximates their carrying values.

Related Party Transactions

During the year and three months ended December 31, 2018, the Company entered into the following transactions with related parties and paid or accrued the following amounts, excluding share-based payment charges in connection therewith:

Name	Relationship	Purpose of Transaction	Three Months Ended	Year Ended
Russell Tanz Management Inc.	Company controlled by the CEO of the Company	Property Management Services	$ 13,675	$ 54,640
Russell Tanz Management Inc.	Company controlled by the CEO of the Company	Executive Management	$7,500	$ 30,000
Brant Capital Partners Inc.	Company controlled by the CFO of the Company	Executive Management	$7,500	$30,000
Brant Capital Partners Inc.	Company controlled by the CFO of the Company	Rent, office supplies, administrative expenses	$ 1,500	$ 6,000
Russell Tanz	CEO of the Company	Personal guarantees	$ 4,352	$ 16,385
Russell Tanz Management Inc.	Company controlled by the CEO of the Company	Financing fee	$66,750	$84,375
Russell Tanz Management Inc.	Company controlled by the CEO of the Company	Leasing fee	$nil	$1,950
Christopher Dingle	Director of the Company	Directors fees	$ 1,500	$1,500
Brian Roberts	Director of the Company	Directors fees	$ 1,500	$1,500
Bernie Tanz	Director of the Company	Directors fees	$ 1,500	$1,500

Capital Management

The Company's objectives when managing capital are as follows:

(i) To safeguard the Company's ability to continue as a going concern;

(ii) To raise sufficient capital to finance its acquisition activities;

(iii) To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short term working capital requirements, and its planned acquisition expenditure requirements. The capital structure of the Company is comprised of shareholders' equity which includes share capital and deficit. The Company may manage its capital by issuing common shares, or by obtaining additional debt financing.

As an operating entity, the Company will utilize annual capital and operating expenditure budgets to facilitate the management of its capital requirements. These budgets will be approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the year.

Risk Management

Tempus faces a variety of risks, the majority of which are common to real estate entities. Real estate investments are generally subject to varying degrees of risk, depending on the nature of the property. These risks include (i) changes in general economic conditions, (ii) changes in local conditions (such as a reduction in demand for real estate in the area), (iii) changes to government regulations, (iv) competition from others with similar available properties, and (v) the ability of the owner to provide adequate maintenance and management economically.

Real estate is relatively illiquid. Such illiquidity will tend to limit Tempus's ability to rebalance its portfolio in response to changing economic or investment conditions. In addition, financial difficulties of other property owners, resulting in distress sales, may depress real estate values in the markets in which the Company operates.

Tempus's exposure to general risks associated with real estate investments is mitigated somewhat by the location of its properties.

Tempus is exposed to other risks as outlined below:

Liquidity Risk

Liquidity risk is the risk that the Company may not have access to sufficient debt and equity capital to fund its growth program and/or refinance its debt obligations as they mature.

The Company will require additional capital either by way of a private placement or in conjunction with an IPO to execute its business plan of acquiring additional commercial real estate investment properties. There is no assurance that the Company will be able to raise capital in the amount and time frame required.

Credit Risk

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfil their lease term commitments. The Company mitigates the risk of credit loss through the diversification of its existing portfolio and limiting its exposure to any one tenant. Credit assessments are conducted with respect to all new leasing and the Company also usually obtains a security deposit to assist in potential recovery requirements. In addition, the receivables are monitored on an ongoing basis with the result that the Company's exposure to bad debt is not significant.

Market Values of Properties

Market values of the investment properties can decrease if the demand for space decreases and rental incomes are lower or capitalization rates increase. The Company's exposure to the market value of its real estate assets affects mortgages up for renewal. Properties with mortgages that are maturing in the next 12 months will be appraised for their current market value. As at December 31, 2018 there are two mortgages maturing in the next 12 months. The market value of a property may be calculated using the income generated and applying a capitalization rate. Other factors that influence market value are demand, vacancy rates, age of the building and location. The Company is not aware of any obstacles at this date that would negatively affect its ability to refinance its buildings as the mortgages come due.

Lease Rates Risk

Lease rates may adjust downward if demand for space decreases. As demand for space goes up so does the lease rate. In any economic downturn the Company could expect that the demand for space decreases and therefore the lease rate would decrease accordingly. The Company is mindful of these risks.

Interest Rate Risk

Interest rate risk is the risk that the Company would experience lower returns as a result of its exposure to a higher interest rate environment. The Company is exposed to interest rate risk as a result of its mortgages and promissory note payable.

The Company attempts to mitigate the risk of rising interest rates by fixing rates for five year terms and by minimizing its exposure to floating rate financing.

Environmental Risk

The Company is subject to various federal, provincial and municipal laws relating to the environment. These regulations may require the Company to fund the cost of removal and remediation of certain hazardous substances on its properties or releases from its properties. The failure to remediate such properties, if any, could adversely affect the Company's ability to borrow using the property as collateral or to sell the real estate. Tempus is not aware of any material noncompliance with environmental laws and regulations. The Company has made, and will continue to make, the necessary capital expenditures to comply with environmental laws and regulations. Environmental laws and regulations can change rapidly, and the Company may be subject to more stringent environmental laws and regulations in the future. To mitigate this risk, each newly acquired property or those currently owned by the Company has undergone a thorough Phase I Environmental Site Assessment (ESA) by a qualified environmental consultant. This ESA then becomes a benchmark used in conjunction with the tenant leases which include a section outlining environmental liability. The Company then conducts a regular inspection of each property to ensure compliance.

General Uninsured Losses

Tempus carries comprehensive general liability, fire, flood, extended coverage, limits and deductibles customarily carried for similar companies. There are, however, certain types of risks (generally of a catastrophic nature) that are either uninsurable or would not be economically insurable.

Taxes

Tempus is currently not cash-taxable due to its ability to reduce taxable income through prior years' losses and through unclaimed CCA, and does not expect to be cash taxable for the next several years based upon its current real estate portfolio. A change in circumstances that could result in the company paying cash taxes in advance of this estimate may have a negative impact on Tempus's liquidity. Tempus is working with its tax advisors to identify issues that may impact the Company's tax situation.