TEMPUS CAPITAL INC.

Management's Discussion and Analysis

For the Year Ended December 31, 2020

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, 2020 and 2019. It should be read in conjunction with the Company's consolidated financial statements for the fiscal year ended December 31, 2020 and 2019 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 30, 2021.

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 and its shares are listed on the Canadian Securities Exchange under the trading symbol TEMP.

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 30, 2021 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 four properties in Ontario, a commercial plaza acquired in December 2013, a mixed commercial/residential property acquired in December 2014, a mixed commercial/residential property acquired in September 2017, and a commercial property acquired in March 2021.

Overall Performance

The Company experienced revenue decrease of approximately 4.9% during 2020. The decrease is a result of several short-term vacancies experienced by its investment properties during the year. As of the date of this MD&A all of the Company's properties have 0% vacancy.

Selected Annual Information

	Year Ended December 31, 2020	**Year ended December 31, 2019**	**Year Ended December 31, 2018**
Revenue	$ 929,175	$ 976,512	$ 1,002,226
Net Income	$ 541,782	$ 106,641	$ 26,137
Net Income per Share	$ 0.02	$ 0.00	$ 0.00
Total Assets	$ 12,845,415	$ 12,341,545	$ 12,078,962
Total Non-Current Liabilities	$ 7,818,104	$ 7,849,686	$ 6,514,406
Dividends	-	-	-

Selected Quarterly Financial Information

	Dec 31, 2020	Sept 30, 2020	June 30, 2020	Mar 31, 2020
Total assets	$ 12,845,415	$ 12,313,946	$ 12,360,560	$ 12,314,500
Working capital	$ (156,149)	$ (126,153)	$ (99,341)	$ (45,685)
Net income (loss)	$ 558,676	$ 5,581	$ (28,537)	$ 6,062
Net income per share	$ 0.02	$ 0.00	$ 0.00	$ 0.00
	Dec 31, 2019	**Sept 30, 2019**	**June 30, 2019**	**Mar 31, 2019**
Total assets	$ 12,341,545	$ 12,352,771	$ 12,072,200	$ 12,137,623
Working capital	$ (6,215)	$ 115,147	$ (3,251,531)	$ (3,196,251)
Net income (loss)	$ (8,842)	$ 12,240	$ (45,283)	$ 148,526
Net income (loss) per share	$ 0.00	$ 0.00	$ 0.00	$ 0.00

Results of Operations

Fiscal year ended December 31, 2020

Revenue decreased from $976,512 in 2019 to $929,175 in 2020 reflecting the impact of COVID-19 on all properties and the turnover of a few tenants at the London properties. The impact was mitigated somewhat by the Government of Canada's CECRA program. Revenue at the Strathroy property decreased by $4,000 from the prior year and revenue at the London properties decreased by $43,000 from the prior year.

Property operating costs decreased both in amount and as a percent of revenue, from $337,361 in 2019 to $334,901 in 2020 due predominately to lower-than-expected repairs and maintenance expense and an adjustment in property management fees at one of the properties located in London, Ontario.

Interest expense includes $380,774 paid with respect to mortgages, and an amount of $16,518 with respect to guarantees by a director related to mortgages.

General and administrative expense decreased by approximately $22,000 comprised mainly of lower costs for investor communication and travel and marketing expense.

Professional fees, which include audit and legal fees, for the year ended December 31, 2020 were $48,735 compared to $64,175 for the year ended December 31, 2019. The decrease in professional fees in 2020 results predominately from a decrease in legal expenses related to the Company's stock exchange listing in 2019.

The Company did not grant options during 2020 resulting in a decrease in share-based compensation expense to nil for 2020 compared to $26,211 during fiscal 2019.

Fiscal quarter ended December 31, 2020

Revenue for the fiscal quarter totaled $248,121 compared to $237,385 in 2019. Operating costs for the period were $78,782 compared to $107,629 in 2019. The difference in revenue relates to rental increases for the London Ontario properties. The decrease in operating expenses results largely from a decrease in repairs and maintenance expense and an adjustment to property management expense for one of the properties in London, Ontario.

General and administrative costs for the quarter ended December 31, 2020 were $51,555 compared to $68,104 for the quarter ended December 31, 2019. Included in the total are filing fees of $3,971 (2019-$8,302), management compensation of $15,000 (2019-$15,000) and office and other administrative costs of $44,802 (2019-$44,802).

Interest expense includes $95,085 (2019-$96,120) paid with respect to mortgages and an amount of $4,128 (2019-$4,217) with respect to guarantees by a director related to mortgages.

Professional fees, which include audit and legal fees, for the quarter ended December 31, 2020 were $23,119 compared to $12,963 for the quarter ended December 31, 2019. Expenses were higher based on audit fees in 2020 being higher than 2019.

Investment Properties

		2020		2019
Investment properties	$	12,665,978	$	11,992,066

Continuity of Investment Properties

The following table summarizes the changes in the value of Tempus's investment properties for the years ended December 31, 2020 and 2019.

		2020		2019
Balance, beginning of year	$	11,992,066	$	11,903,708
Capital expenditures		29,912		88,358
Fair value increment		634,000		
Balance, end of year	$	12,665,978	$	11,992,066

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, 2020, the Company commissioned an independent appraisal for two of its properties. The fair values of the other property 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 $634,000 compared with a gain of $nil recognized in 2019.

The investment properties have been valued at December 31, 2020 as follows:

	2020	**2019**
Valco Consultants Inc – independent valuation (425 Caradoc St.) (2019-723-727 Richmond St and 214 Piccadilly St)	$ 7,198,665	$ 1,850,000
Management valuation (605 and 723 Richmond St) (2019-425 Caradoc	5,457,313	6,642,066
Otto & Company-independent valuation (605-607 Richmond St)	-	3,500,000
	12,655,978	11,992,066

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	72 months-commercial	17 months-commercial
	NA-residential	9 months-residential	5 months-residential

As of the date of this MD&A, the Company has purchased a commercial property in London, Ontario. The purchase price was $1,300,000 and consideration for the purchase included a first mortgage in the amount of $700,000 bearing interest at 8% payable interest only and maturing March 2023. In addition, the vendor provided a note with a two-year term in the amount of $375,000 which is interest free for the first year and bears interest at 2% per annum during the second year.

Mortgages Payable

At December 31, 2020 the balances of the respective mortgages are:

425 Caradoc St South, Strathroy, Ontario	605-607 Richmond St, London, Ontario	723-727 Richmond St, London, Ontario
Mortgage	Mortgage	Mortgage
$4,291,349	$2,260,637	$1,240,278

The mortgage on the Strathroy property bears interest at 4.52% and is payable in blended monthly payments of $24,679. The mortgage on the London property at 605-607 Richmond Street bears interest at 3.66% and is payable in blended monthly payments of $12,573. The mortgage on the London property at 723-725 Richmond Street bears interest at 4.75% and is payable in blended monthly payments of $7,235. All three mortgages are secured by the respective investment property. The mortgage on the Strathroy property matures on November 1, 2023. The mortgage on the London property at 605-607 Richmond Street matures on August 1, 2024 and the mortgage on the London property at 723-725 Richmond Street matures on September 12, 2024.

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.

As of the date of this MD&A, the Company has issued a convertible promissory note in the amount of $44,375. The note bears interest at 6% payable quarterly, has a term of two years, and is convertible to common shares of the Company at $0.20 during the term the promissory note is outstanding.

Investment in Associate

During the year, the Company invested in 2773830 Ontario Inc., a private company which operates as Fritz's Cannabis Company. The Company acquired a 20% interest in 2773830 Ontario Inc. and pursuant to a shareholder agreement is liable for 32% of the capital requirements of 2773830 Ontario Inc.

The Company and 2773830 Ontario Inc. have several officers and directors in common.

Future Changes in Accounting Policies

As at April 30, 2021, 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, 2020:

Amendments to IFRS 3, Business Combinations (IFRS 3) - Definition of a Business In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 to help entities determine whether an acquired set of activities and assets is a business or not. The amendments are effective January 1, 2020, with early adoption permitted. The amendments are applied prospectively to transactions or other events that occur on or after the date of first application.

Amendments to IAS 1, Presentation of Financial Statements (IAS 1) and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) - Definition of Material- In October 2018, the IASB issued amendments to IAS 1 and IAS 8 to align the definition of "material" across the standards and to clarify certain aspects of the definition. The new definition states that, "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." These amendments are effective January 1, 2020.

Amendment to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current- In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2022, with early adoption permitted.

The amendments are not expected to have an impact on the Company's consolidated financial statements.

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 30,478,993 common shares issued and outstanding as well as stock options to purchase an aggregate of 400,000 common shares which expire 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, and tenant deposits. 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. The fair value of these financial instruments approximates their carrying values.

Related Party Transactions

During the year and three months ended December 31, 2020, 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	$ 5,359	$ 46,385
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	$ 4,128	$ 16,518
Thomas Kofman	Director of the Company	Directors' fee	$1,500	$1,500
Brian Roberts	Director of the Company	Directors' fee	$1,500	$1,500
Bernie Tanz	Director of the Company	Directors' fee	$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. 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.

COVID-19 Pandemic

As of the date of this MD&A, the COVID-19 pandemic has caused significant financial market declines, social dislocation, and temporary business closures or curtailed operations, particularly in the restaurant and retail sectors. Certain tenants of the Company have had to reduce services provided and, in some cases, close operations or face mandatory closure orders from government. Other tenants have seen their operations reduced due to reduced on-site employees and disruptions in supply chains. Some tenants of the Company are facing business challenges that have adversely affected their ability to pay rent in a timely manner. The inability to collect rents in a timely manner or any inability to enforce remedies for rent not paid as a landlord could adversely affect the Company's business and financial results. During the year, the Company offered short-term rent deferrals and minor rent abatements for certain tenants that were significantly affected by the COVID-19 pandemic. The Company also successfully applied on behalf of some tenants for the Canada Emergency Commercial Rent Assistance ("CECRA") program.