

AUSTIN RESOURCES LTD.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS

**FOR THE THREE MONTHS ENDED
MARCH 31, 2021**

Introduction

The following Interim Management Discussion & Analysis ("Interim MD&A") of Austin Resources Ltd. (the "Company", "Austin Resources") has been prepared to provide material updates to the business operations, liquidity and capital resources of the Corporation since its last management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2020. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended December 31, 2020 and December 31, 2019 and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at May 26, 2021 unless otherwise indicated.

The unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021 have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Austin Resources' common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SEDAR at www.sedar.com.

Caution Regarding Forward-Looking Statements

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results

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to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement.

Forward-looking statements	Assumptions	Risk factors
For fiscal 2021, the Company’s operating expenses are estimated to be approximately \$8,000 per month for recurring corporate operating costs.	The Company has anticipated all material costs; the operating activities of the Company for the twelve-month period ending March 31, 2022, and the costs associated therewith, will be consistent with Austin Resources’ current expectations.	Unforeseen costs to the Company will arise; ongoing uncertainties relating to COVID-19 virus; any particular operating costs may increase or decrease from the date of the estimation; changes in economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Austin Resources’ ability to predict or control. Please also make reference to those risk factors referenced in the “Risks and Uncertainties” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Austin Resources’ actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Austin Resources Ltd. (individually, or collectively with its subsidiary, as applicable, “Austin Resources”, or the “Company”) completed the sale of all of its properties in Chile in early 2020, and as a result of the transaction, the Company did not maintain the requirements for a TSX Venture Tier 2 company and its listing was transferred to the NEX board of the TSX Venture Exchange (the “NEX”). While the Company currently holds no mineral properties, it retains its classification as a ‘Mineral Exploration/Development’ company.

The Company’s head office and principal address in Canada is The Canadian Venture Building, 82 Richmond St East, Suite 204, Toronto, Ontario, M5C 1P1. The Company’s common shares were listed on the TSX Venture Exchange (“TSX-V”, or the “Exchange”) under the symbol “AUT”. The Company had been advised by the Exchange that, with the closing of the transfer of all of its interests in the mineral exploration properties in Chile, the Company ceased to have active operations, no longer met the continued listing

requirements of the Exchange and was transferred to the NEX. As a result of such transfer to the NEX, the Company's trading symbol changed from AUT to AUT.H during the year ended December 31, 2020.

The Company was in the process of exploring its mineral properties and had not yet determined whether those properties contained mineral reserves that were economically recoverable. During the year ended December 31, 2020, the Company transferred all of its interest in the mineral exploration properties in Chile held by Minera Azul Ventures Limitada ("Minera Azul"), the Company's wholly owned Chilean subsidiary and wound up operations in Chile and disposed of its interest in Minera Azul.

Trends

Management regularly monitors economic trends and financial market conditions and assesses their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Over the last several years and up to the date of this Interim MD&A conditions in the equity markets for the junior resource sector have been challenging. In many instances there appears to be a disconnect between operational achievements and the underlying share prices for many junior resource companies. This trend is occurring as investor interest, both retail and institutional, has been difficult to sustain notwithstanding a relatively strong performance in the underlying prices of both base and precious metals since 2015. The Covid-19 pandemic has only exacerbated this market sentiment across a broad spectrum of sectors. The timing of the return to normalized global economic activity on the heels of the pandemic is the largest question facing the market today.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this Interim MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Although cash in the Company has materially declined, management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these factors and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risks and Uncertainties" below.

Operational Highlights

There were no significant corporate events during the three months ended March 31, 2021.

Outlook

As of March 31, 2021, the Company had net working capital deficiency of \$201,109, which increased as compared to net working capital deficiency of \$176,256 as at December 31, 2020 mainly due to incurring of expenses.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Commitments and Contingencies

The Company's activities are subject to various laws and regulations. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Discussion of Operations

Three months ended March 31, 2021 compared with three months ended March 31, 2020.

Austin Resources' net loss totaled \$24,853 for the continuing operation and \$nil for the discontinued operation for the three months ended March 31, 2021, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$34,081 for the continuing operation and \$22,586 for the discontinued operation with basic and diluted loss per share of \$0.00 for the three months ended March 31, 2020.

The decrease of \$9,228 in net loss for continuing operation was principally because:

- For the three months ended March 31, 2021, professional fees decreased by \$6,173 from \$15,867 in the prior period to \$9,694 in the current period. The decrease is due to decreased needs for professional services.
- For the three months ended March 31, 2021, consulting and management fees decreased by \$6,085 from \$6,085 in the prior period to \$nil in the current period. The decrease is due to the fact that there are no longer fees paid to the country manager in Mineral Azul due to its disposition in fiscal year 2020.
- The above decreases were offset by increases in shareholder communication and filing fees and interest expenses during the three months ended March 31, 2021 as compared to the three months ended March 31, 2020.

The net loss \$22,586 for discontinued operation for the three months ended March 31, 2020 was comprised of exploration and evaluation expenditures of (\$21,381), professional fees of \$16,572, office expenses of \$40, bank charges of \$300, depreciation of \$22 and foreign exchange loss of \$27,033.

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Net loss for discontinued operation for the three months ended March 31, 2021 was \$nil as Minera Azul was disposed of in fiscal year 2020.

Liquidity and Financial Position

Cash used in operating activities was \$12,109 for the three months ended March 31, 2021 compared to \$36,568 for the three months ended March 31, 2020. Operating activities were affected by the net loss of \$24,853 offset by non-cash item of accrued interest expenses of \$4,378 and the positive change in non-cash working capital balances of \$8,366. Cash provided by financing activities was \$20,000 for the three months ended March 31, 2021 compared to \$nil for the three months ended March 31, 2020.

For discontinued operation, cash provided by operating activities was \$nil for the three months ended March 31, 2021 and \$3,650 for the three months ended March 31, 2020.

At March 31, 2021, Austin Resources had \$32,029 in cash and cash equivalents (December 31, 2020 - \$24,138).

The Company has no operating revenues and therefore must utilize its funds obtained from the equity financing and other financing transactions to maintain its capacity to meet ongoing activities.

As of March 31, 2021, the Company had 21,346,618 common shares issued and outstanding. There were no warrants or stock options outstanding.

As of March 31, 2021, the Company has a loan of \$208,241 (December 31, 2020 - \$183,863) and accounts payable and accrued liabilities of \$27,116 (December 31, 2020 – \$17,799). Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company's use of cash at present occurs, and in the future will occur principally in funding of its general and administrative expenditures. For fiscal 2021, the Company's expected operating expenses are estimated to average \$8,000 per month for recurring operating costs.

As at March 31, 2021, the Company had a working capital deficit of \$201,109. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. There is no assurance that these funds will be available on terms acceptable to the Company or at all.

Related Party Transactions

(a) Compensation of key management personnel of the Company

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the Board of Directors, corporate officers, including the Chief Executive Officer and Chief Financial Officer, as well the Country Manager.

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Names	Three Months Ended March 31,	
	2021 (\$)	2020 (\$)
Salaries and benefits	nil	6,085

(b) Transactions with related parties

The Chief Financial Officer is an employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the three months ended March 31, 2021, the Company incurred \$6,379 (three months ended March 31, 2020 - \$12,552) for accounting services (included in professional fees) rendered by MSSI. As at March 31, 2021, MSSI was owed \$1,784 (December 31, 2020 - \$1,784) and this amount was included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing and due on demand.

Share Capital

As of the date of this MD&A, the Company had 21,346,618 issued and outstanding common shares.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of 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 is made, as of the date of and for the periods presented by consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality,

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reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risks and Uncertainties" in the Company's Annual MD&A for the fiscal year ended December 31, 2020, available on SEDAR at www.sedar.com.

Additional Disclosure for Venture Issuers without Significant Revenue

General and Administrative

Names	Three Months Ended March 31,	
	2021 (\$)	2020 (\$)
Consulting and management fees	nil	6,085
Professional fees	9,694	15,867
Interest expense	4,378	2,493
Shareholder communication and filing fees	10,938	8,713
Bank charges	188	589
Total	25,198	33,747