

ALTAIR RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019

This discussion and analysis of financial position and results of operation is prepared as at November 27, 2019 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the six months ended September 30, 2019 of Altair Resources Inc. (the "Company" or "Altair"). The following disclosure and associated condensed consolidated interim financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Company Overview

The Company was incorporated on November 17, 2005 under the provisions of the Company Act (British Columbia). The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange ("TSXV") as a Tier 2 issuer, under the symbol "AVX" and on the Frankfurt Exchange under the symbol "90A". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, BC, V6E 3V7.

The Company is a junior mineral exploration company currently engaged in the acquisition, exploration and development of mineral resource properties. On June 21, 2019 the Company completed the disposition of its

remaining significant mineral property interest, as described in “Properties Update”. As a result, the Company has no significant assets and is dependent on raising additional capital. Further funds will be required by the Company to fund existing levels of operations and administration, retire its indebtedness as they come due and conduct due diligence on identifying and evaluating potential mineral interest acquisitions or other business opportunities. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern.

Officers and Directors

The Company’s current board of directors and officers as of the date of this MD&A are as follows:

Mr. Roy Shipes	Director, Chairman and CEO
Mr. Jeffrey Steiner	Director
Dr. Aylin Cecen Aksu	Director
Mr. Bruce Reid	Director
Mr. Nick DeMare	Interim CFO and Corporate Secretary

Properties Update

Pioche Project, Nevada

Through Altair Mining Inc. (“Altair USA”), the Company had entered into numerous agreements under which it had acquired or agreed to acquire a significant position in mineral leases, plant facilities and former operating mines in the Pioche, Caselton and Comet Mining Districts of Lincoln County, Nevada (the “Pioche Project”).

On February 21, 2019 the Company entered into an agreement (the “Altair USA Disposition”) with International Silver Inc. (“ISI”), a public Arizona corporation in which the Company’s President and CEO is a director, officer and shareholder of ISI, to sell all the shares of Altair USA to ISI. On June 21, 2019 the Company completed the Altair USA Disposition.

Under the terms of the agreement the Company received the following consideration:

- (i) \$237,537 of unpaid salaries owing to the Company’s President assigned and assumed by ISI;
- (ii) 5,000,000 common shares of ISI with a fair market value of \$50,000; and
- (iii) 2% net smelter royalty on production from the Pioche Project, valued at \$1.

Lejin Property, Peru

Through the Company’s wholly-owned subsidiary, Epic Mining Corp., the Company beneficially owns 100% of Panamericana which held 100% of the rights, title and interest in the Lejin Property located in Peru. In fiscal 2019 management determined to abandon and relinquish the Lejin Property and recorded an impairment provision of \$201,687 for all costs incurred.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2020		Fiscal 2019				Fiscal 2018	
	Sept. 30 2019 \$	Jun. 30 2019 \$	Mar. 31 2019 \$	Dec. 31 2018 \$	Sept. 30 2018 \$	Jun. 30 2018 \$	Mar. 31 2018 \$	Dec. 31 2017 \$
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(127,283)	(136,075)	(204,363)	(221,227)	(220,132)	(458,351)	(632,968)	(362,241)
Other items	(1,058)	184,234	(977,250)	(21,703)	7,363	26,182	(1,325,786)	(873,327)

	Fiscal 2020		Fiscal 2019				Fiscal 2018	
	Sept. 30 2019 \$	Jun. 30 2019 \$	Mar. 31 2019 \$	Dec. 31 2018 \$	Sept. 30 2018 \$	Jun. 30 2018 \$	Mar. 31 2018 \$	Dec. 31 2017 \$
Net income (loss) and comprehensive income (loss)	(128,341)	48,159	(1,181,613)	(242,930)	(212,769)	(432,169)	(1,958,754)	(1,235,568)
Income (loss) per share - basic and diluted	(0.01)	0.00	(0.10)	(0.02)	(0.02)	(0.03)	(0.15)	(0.10)
Balance Sheet:								
Working capital (deficiency)	(748,002)	(582,034)	(1,224,534)	(1,466,914)	(1,129,539)	(898,433)	(235,862)	403,828
Total assets	59,284	74,082	616,079	1,651,440	1,536,756	1,527,500	1,426,483	3,321,659
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended September 30, 2019 Compared to Three Months Ended June 30, 2019

During the three months ended September 30, 2019 (“Q2”) the Company reported net loss of \$128,341 compared to net income of \$48,159 for the three months ended June 30, 2019 (“Q1/2020”), an increase in loss of \$176,500. The Company recorded a \$184,234 recovery of costs from the sale of Altair USA in Q1. These costs represented the derecognition of expenses attributed to Altair USA for the period April 1, 2019 to June 21, 2019 (closing of the sale) and other adjustments.

Six Months Ended September 30, 2019 Compared to Six Months Ended September 30, 2018

During the six months ended September 30, 2019 (the “2019 period”) the Company reported a net loss of \$80,182 compared to a net loss of \$644,938 for the six months ended September 30, 2018 (the “2018 period”), a decrease in loss of \$564,756. The decreased loss is mainly attributed to the \$184,234 recovery of costs from the sale of Altair USA and to the \$415,125 decrease in general and administrative expenses, from \$678,483 during the 2018 period to \$263,358 during the 2019 period, reflecting the Company’s continued reduction in personnel and overhead costs due to financial constraints. Specific expenses of note are as follows:

- (i) during the 2019 period the Company incurred \$30,000 (2018 - \$243,337) for director and officer compensation for services provided by the former and current officers of the Company. See “Transactions with Related Parties”;
- (ii) during the 2018 period the Company incurred \$141,820 on personnel. Personnel expenses were primarily related to office personnel in the United States and staffing to conduct site preparations, cleanup and to perform maintenance and general refurbishment activities on the plant and equipment. Due to a lack of funds the Company laid off the majority of its staff during fiscal 2019, and accordingly, no personnel costs were incurred during the 2019 period;
- (iii) during the 2019 period the Company incurred \$13,244 (2018 - \$86,559) for travel and related costs for trips by senior Company management and advisors to review prospective properties and pursue business and financing opportunities;
- (iv) during the 2019 period the Company recorded a foreign exchange loss of \$1,058 compared to a foreign exchange gain of \$33,385 for the 2018 period due to the fluctuation of the US dollar;
- (v) during the 2019 period the Company incurred a total of \$90,697 (2018 - \$55,000) by a consultant and the Company’s Chairman of the Advisory Board for consulting services. The Chairman of the Advisory Board charged \$45,000 (2018 - \$15,000) as the Company required him to dedicate significantly more time to seeking business opportunities;
- (vi) legal expenses increased by \$17,773, from \$13,692 during the 2018 period to \$31,465 during the 2019 period. During the 2019 period legal services were primarily attributed to the Altair USA Disposition agreement and submission;
- (vii) during the 2019 period the Company recognized share-based compensation of \$26,400 on the granting of 880,000 share options. During the 2018 period the Company did not grant any share options;
- (viii) office and miscellaneous expenses decreased by \$21,715, from \$24,750 during the 2018 period to \$3,035 during the 2019 period primarily attributed to cost-cutting measures in Altair USA;

- (ix) rent expense decreased by \$21,464, from \$25,716 during the 2018 period to \$4,252 during the 2019 period which is attributed to the closure of the office at the Pioche Project in Nevada in Q2 of 2018; and
- (x) during the 2018 period the Company incurred \$7,250 for corporate development services. There were no corporate development services performed during the 2019 period.

Financings

During the 2019 period the Company completed a non-brokered private placement of 6,740,000 units for gross proceeds of \$337,000. Proceeds of this financing were used for working capital.

No equity financings were completed during the 2018 period.

Advances

During the 2019 period the Company received advances of \$35,000 from a shareholder of the Company and a private company affiliated with an officer of the Company. See “Transactions with Related Parties”.

During the 2018 period the Company received advances of \$225,000 from a shareholder of the Company and advances of \$49,708 (US \$38,399) from ISI. All the advances are non-interest bearing and there are no formal terms of repayment.

Financial Condition / Capital Resources

As at September 30, 2019 the Company had a working capital deficiency of \$748,002 and an accumulated deficit of \$19,857,907. To date the Company has not earned any revenues and is considered to be in the exploration stage. On June 21, 2019 the Company completed the Altair USA Disposition and, as a result, the Company has no significant assets and is dependent on raising additional capital. Further funds will be required to fund existing levels of operations and administration, retire its indebtedness as they come due and conduct due diligence on identifying and evaluating potential mineral interest acquisitions or other business opportunities. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments. While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of all the Company’s significant critical accounting estimates is included in Note 3 to the March 31, 2019 and 2018 annual consolidated financial statements.

Changes in Accounting Policies

The Company adopted IFRS 16 - *Leases* (“IFRS 16”) effective April 1, 2019.

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term

is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

There was no significant impact on the Company's condensed consolidated interim financial statements upon the adoption of this new standard.

A detailed summary of the Company's other significant accounting policies is included in Note 3 to the March 31, 2019 audited annual consolidated financial statements.

Transactions with Related Parties

Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. 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 members of the Company's Board of Directors and executive officers.

(a) During the 2019 and 2018 periods compensation to key management personnel was incurred as follows:

	2019 \$	2018 \$
Mr. Shipes ⁽¹⁾	-	145,178
Mr. DeMare ⁽²⁾	30,000	30,000
Mr. David McMullin ⁽³⁾	-	68,159
Share-based compensation - Mr. Shipes	4,500	-
Share-based compensation - Mr. DeMare	2,400	-
Share-based compensation - Mr. Steiner	1,500	-
Share-based compensation - Dr. Aksu	1,500	-
Share-based compensation - Mr. Reid	1,500	-
	<u>41,400</u>	<u>243,337</u>

(1) Compensation as Chairman and CEO (appointed February 2017)

(2) Compensation as Corporate Secretary and interim CFO (appointed interim CFO June 2, 2017)

(3) Compensation as Vice-President (appointed December 4, 2017, resigned July 10, 2018)

As at September 30, 2019 \$216,577 (March 31, 2019 - \$456,108) remained unpaid

(b) During the 2019 period the Company incurred a total of \$27,500 (2018 - \$18,200) to Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel. As at September 30, 2019 \$11,500 (March 31, 2019 - \$6,500) remained unpaid.

During the 2019 period the Company also recorded \$3,000 for share-based compensation for share options granted to Chase.

(c) During the 2019 period the Company received advances of \$35,000 of which \$20,000 was from 888 Capital Corp. a private company affiliated with Mr. DeMare and \$15,000 from Ms. M Dhanani, a significant shareholder of the Company.

(d) During the 2019 period Ms. M. Dhanani, a significant shareholder of the Company purchased 4,700,000 units of the private placement.

(e) See also "Property Update - Pioche Project, Nevada".

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at November 27, 2019, there were 19,705,373 issued common shares, 15,915,226 warrants outstanding exercisable at prices ranging from \$0.06 to \$1.04 per share and 1,963,750 share options outstanding, at exercise prices ranging from \$0.055 to \$1.24 per share.