



**OUTBACK GOLDFIELDS CORP.
(formerly Skarb Exploration Corp.)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED**

DECEMBER 31, 2020 and 2019

(Expressed in Canadian Dollars)

OUTBACK GOLDFIELDS CORP.

Management's Discussion and Analysis

For the three and six months ended December 31, 2020 and 2019

INTRODUCTION

The following is management's discussion and analysis ("MD&A"), prepared as of February 25, 2021. This MD&A should be read in conjunction with the Outback Goldfields Corp.'s (the "Company") unaudited condensed consolidated interim Financial Statements and the accompanying notes for the six months ended December 31, 2020 and 2019. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This report includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties, assumptions and other factors of which are beyond the reasonable control of the Company. You can identify these statements by forward-looking words such as "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimated", "projects", "potential", "scheduled", "forecast", "budget", and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur and similar words. Such statements give the Company's current expectations or forecasts of future events and are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made, and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Factors that could cause actual results to differ materially from those in forward-looking statements include, for example, such matters as continued availability of capital and financing and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

OVERVIEW AND HIGHLIGHTS OF THE CURRENT QUARTER

On December 15, 2020, the Company closed a transaction (the "Transaction") to acquire four gold projects located in Victoria, Australia (the "Victorian Projects") which included an exploration license for the Yeungroon Gold Project, and a right, title and interest in a mining joint venture agreement for the Glenfine Gold Project. In addition, three exploration license applications were acquired for the Silver Spoon Orogenic Gold Project, an additional part of the Yeungroon Gold Project and the Ballarat West Gold project as part of the Transaction. See "Acquisition of Projects in Victoria, Australia" section below for details on this acquisition.

In conjunction with the Transaction, on November 17, 2020, the Company raised \$11,406,000 in a private placement to enable advancement of the exploration efforts on the gold projects acquired.

The Company was renamed Outback Goldfields Corp. in December reflecting the focus to and growth of the Company in the Victorian Goldfields, and its trading symbol on the CSE was changed of "OZ".

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On December 11, 2020, the outstanding securities of the Company were consolidated at 3:1. All outstanding shares, options and warrants were adjusted with a 3:1 consolidation ratio, as well adjusting any and all strike prices by the same relative ratio. All references in this MD&A and the associated financial statements are presented on a retrospective basis unless otherwise specifically described.

DESCRIPTION OF BUSINESS

The Company, formally known as Skarb Exploration Corp., was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on March 6, 2018. In December 2020 the Company moved its jurisdiction of incorporation to British Columbia and completed the process in January 2021. The Company's head office is located at Suite 700 – 1090 West Georgia St., Vancouver, British Columbia. The Company's principal business activities include the acquisition and exploration of mineral property assets.

The Company's common shares were first listed on the Canadian Securities Exchange under the symbol "SKRB" on February 13, 2019. Since October 2019, the Company has held 100% interests in the Gossan and SBS properties, located in the Spences Gold Belt in British Columbia. The company terminated its option agreement to acquire the RDR Project in Quebec, its original qualifying property, on March 24, 2020 following evaluation of initial exploration results.

Following incorporation on March 6, 2018, the Company capitalized itself through the issuance of securities in private placements.

ACQUISITION OF PROJECTS IN VICTORIA, AUSTRALIA

On December 15, 2020, the Company closed the acquisition of the Victorian Gold Projects pursuant to the terms of an asset purchase agreement. The Company acquired, from Petratherm Ltd. ("Petratherm" – ASX listed symbol PTR), one exploration license, three exploration license applications and the right, title and interest in a mining and joint venture agreement by issuing 33,333,333 common shares ("Payment Shares") of the Company.

Pursuant to the agreement, Petratherm has agreed to distribute the Payment Shares to its shareholders on a pro rate, in specie basis by way of dividend, reduction of stated capital, or other type of distribution in specie within 125 days. Petratherm holds these shares in trust and therefore does not have voting rights on the shares. As such, there is no change of control of, or significance influence over, the Company as the distributed shares of Outback are expected to be widely held.

The transaction was accounted for as an asset purchase of mineral property interests as it did not meet the definition of a business combinations under IFRS 3. The fair value of the consideration has been valued at \$20,000,000 or \$0.60 per share, which was consistent with the value received for the private placement shares issued which closed on November 17, 2020 and constitutes a material non-cash transaction. The entire value of consideration transferred has been allocated to Exploration and Evaluation Assets on the balance sheet. The total transaction costs related to this acquisition for the three and six months ended December 31, 2020 was \$386,327 and were capitalized.

PRIVATE PLACEMENT

On November 17, 2020, before the 3 for 1 security consolidation mentioned above, the Company closed a non-brokered private placement by issuing 57,030,000 units, with each unit consisting of one share and one-half of a warrant at \$0.20 per unit for gross proceeds of \$11,406,000. Following the 3 for 1 consolidation, the \$0.50 exercise price of the warrants became \$1.50 and the warrants issued became 9,505,000. Each full warrant entitles the holder to acquire one common share for a period of two years (expiry November 16, 2022), subject to an accelerated expiry if the volume weighted average trading price of the Company's shares is greater than \$2.25 per share for a period of 10 consecutive trading days (the "Acceleration Event"). The Company may give notice to the holders of the Acceleration Event and the warrants will expire 30 days thereafter if unexercised. The warrants were valued at \$NIL

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per warrant for accounting purposes, a residual value, as required under IFRS, and the full proceeds per unit was allocated to the common shares issued.

Finder's fees of \$598,274 cash and 2,538,450 pre-3-for-1 consolidation broker warrants with an exercise price of \$0.50, expiring on November 16, 2022 were issued in connection with the private placement. Following the consolidation, this warrant count became 846,150 with a strike price of \$1.50. The cash finder's fees and value of warrants were treated as share issuance costs in share capital.

OUTLOOK

In the beginning of 2021, the Company plans to commence the Phase 1 exploration program on two of the four key Victorian gold project assets. The planned Phase 1 program includes community engagement activities, diamond drilling on the Glenfine project and ground and airborne-based geophysical surveys at Glenfine and Yeungroon projects as well as soil geochemical surveys at Yeungroon.

EXPLORATION PROJECTS

Glenfine – Victoria, Australia

Through the acquisition of the Victorian projects, the Company acquired a JV interest in a mining and joint venture agreement with two other parties. Glenfine is an advanced 96 km² exploration project with documented Ballarat style reef gold and Stawell style basalt contact gold mineralization. The British Banner and Glenfine Reef 2 targets have been systematically tested by drilling.

Yeungroon – Victoria, Australia

The project comprises of 698 km² area which covers a portion of the Wedderburn Goldfield. The prospective mineralize fault structures include the Golden Jacket Mine as well as the Nine Mile Mine. There is a shallow cover over most of the tenements, therefore, bedrock remains unexplored and poorly tested. There are 6 larger new as-in-soil anomalies that have been identified in the Wedderburn area and represent new exploration drill targets.

Ballarat West – Victoria, Australia

This project is adjacent to major goldfields such as Ballarat, Clunes and Creswick. There has been historic gold production from widespread deep lead mines on and adjacent to Tenement 1. The tenements have a shallow cover of between 10 and 80 meters.

Silver Spoon – Victoria, Australia

This project is close to major operating mines including Kirkland Lake's Fosterville Mine, on an area only lightly explored due to the shallow cover over most of the tenement. It has a 900 meter by 300 meter footprint as a soil anomaly.

OVERALL PERFORMANCE

As an exploration stage company, the Company does not have revenues and is expected to generate operating losses. As at December 31, 2020, the Company had cash of \$10,245,799, an accumulated deficit of \$1,672,798 and working capital of \$10,087,229. Management anticipates that expenses related to mineral exploration and administration of the Company to materially increase in the future. Such expenses will include increased exploration expenditures with respect to the properties and increased professional fees, and other costs associated with compliance with applicable securities laws.

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Industry and Economic Factors that May Affect the Company's Performance

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all exploration and mining operations there is uncertainty and, therefore, risk associated with exploration and operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in a resource base.

In particular, the Company does not generate revenue, and as a result, continues to be dependent on third party financing to continue exploration activities on the company's properties. Accordingly, the Company's future performance will be most affected by its access to financing, whether debt, equity or other means. Access to such financing, in turn, is affected by general economic conditions, exploration risks and the other factors described in the section entitled "risk factors" included below.

The COVID-19 global pandemic has adversely affected the global economy. The Company's business travel has been restricted and various business operations including permitting processes and exploration mobilization have seen delays. The pandemic may impact the ability to raise funds in the future due to unforeseen circumstances including market volatility and investor apprehension. As of December 31, 2020, the pandemic has not had a material impact on the Company however due to ongoing focus by management on the situation and taking measures to mitigate the effects.

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information for the Company. The selected financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, for the same periods as well the most recent audited financial statements filed on [SEDAR](#).

Statements of Operations, Comprehensive Loss and Deficit Data, and Cash Flows

	Three months ended December 31, 2020	Three months ended December 31, 2019	Six months ended December 31, 2020	Six months ended December 31, 2019
	(\$)	(\$)	(\$)	(\$)
Total Revenue	-	-	-	-
Total Expenses	1,051,547	145,926	1,106,801	162,609
Net loss for the period	1,049,177	145,926	1,104,431	162,609
Loss per share (basic and diluted)	(0.05)	(0.02)	(0.08)	(0.03)
Net cash used in operating activities	(297,065)	(33,999)	(303,384)	(39,930)
Change in cash	10,119,138	(33,999)	10,114,819	(56,240)

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Balance Sheet Data

	As at December 31, 2020	As at June 30, 2020
	(\$)	(\$)
Current Assets	10,606,306	140,834
Mineral Property	20,426,680	7,656
Total Assets	31,032,986	148,490
Current Liabilities	519,077	40,274
Long Term Debt	-	-
Shareholders' Equity	30,513,909	108,216
Total Liabilities and Equity	31,032,986	148,490

RESULTS OF OPERATIONS

The following discussion addresses the operating results and financial condition of the Company for the three and six months ended December 31, 2020 compared to the three and six months ended December 31, 2019. The MD&A should be read in conjunction with the Company's audited financial statements and the accompanying notes for the years ended June 30, 2020 and 2019.

During the six months ended December 31, 2020, the Company generated no revenues and incurred expenses of \$1,106,801 (six months ended December 31, 2019 \$162,609). The increase in expenses in the three and six months ended December 31, 2020 is related to the increased levels of business activity as a result of the project acquisition and related private placement. The Company relocated its offices, hired key personnel, and began various investor relations and business initiatives as well. Additionally, stock-based compensation increased in the current quarter as a result of the most recent stock option grant.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's condensed consolidated interim financial statements prepared in accordance with IFRS applicable to interim condensed consolidated financial reporting including IAS 34. The information below should be read in conjunction with the Company's condensed consolidated interim financial statements. Consistent with the preparation and presentation of the Annual Financial Statements, these unaudited quarterly results are presented in Canadian dollars.

	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue	-	-	-	-	-	-	-	-
Net loss for the period	(1,049,177)	(55,254)	(20,823)	(127,406)	(145,926)	(16,683)	(48,863)	(101,829)
Loss per share (basic and diluted)	(0.05)	(0.01)	(0.00)	(0.02)	(0.02)	(0.00)	(0.01)	(0.02)

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The Company does not derive any revenue from its operations. Its primary focus is the acquisition, exploration and evaluation of mineral properties. As a result, the loss per period has fluctuated depending on the Company's activity level. Therefore, quarterly periods are not comparable.

LIQUIDITY

In the three months ended December 31, 2020, the Company completed a non-brokered private placement raising gross proceeds of \$11,406,000. This financing has put the Company in a solid working capital position with total working capital of \$10,087,229 including cash of \$10,245,799 and current liabilities of \$519,077, to fund the next 12 months of exploration and general and administrative expenditures.

Net cash used for operating activities during the six months ended December 31, 2020, including exploration expenditures was \$336,082 (December 31, 2019 - \$56,240).

SHARE CAPITAL

Material movements in the Company's share transactions are as follows in the three and six months ended December 31, 2020:

On November 17, 2020, the Company issued 57,030,000 pre-consolidation shares in connection with the private placement at a value of \$0.20 including one half warrant with each share, collectively called units.

On December 11, 2020, all shares outstanding were consolidated at a 3:1 ratio.

On December 15, 2020, the Company issued 33,333,333 shares in relation to the acquisition of the Victorian Gold Projects.

CAPITAL RESOURCES

The Company continues to raise capital through the issuance of common shares through private placements and is dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. Management currently believes that the Company has the cash required to fund operations for the next 12 months.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

TRANSACTIONS WITH 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, and are considered related parties. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Payments to key management personnel in the three and six months ended December 31, 2020 were made pursuant to their contracts and agreements in place and consist of cash-based payments as well stock-based compensation arising from options granted.

During the three months ended December 31, 2020, no common shares were issued to related parties of the Company but certain officers and directors of the Company participated in the private placement in the quarter ended December 31, 2020, acquiring shares of the Company.

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The Company sub-leases its office space from an entity controlled by its Chairman. Sub-lease costs, office expenses and fees came into effect December 1, 2020 and \$12,000 was incurred. In addition, transaction advisory fees of \$240,000 related to the Petratherm transaction were incurred upon closing of the transaction for services provided by this same entity. All dealings with this entity are at fair market value for services received by the Company.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

A detailed summary of all of the Company's accounting estimates and assumptions is included in audited annual financial statements ended June 30, 2020 filed on SEDAR.

Information about significant areas of estimation uncertainty considered by management in preparing the financial statements include the following:

- i. the consideration of whether impairment indicators exist for exploration and evaluation assets;
- ii. allocation of consideration paid to acquired mineral properties;
- iii. assumptions and expectations utilized in the calculation of stock-based compensation expense which includes the valuation of stock options;
- iv. the determination of tax losses as currently not probable to be utilized against taxable profit; and
- v. the determination of share value attributed to issuances of shares for mineral properties.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Standards, Amendments, and Interpretations Not Yet in Effect

The International Accounting Standards Board continually issues new and amended standards and interpretations which may need to be adopted by the Company. The Company continually assesses the impact that the new and amended standards and interpretations may have on its financial statements or whether to early adopt any of the new requirements. No new or amended standards and interpretations affected the financial statements for the six months ending December 31, 2020.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, GST receivable, accounts payable and accrued liabilities and notes payable.

The fair values of the Company's financial instruments approximate their carrying value, due to their short-term maturities or liquidity. The Company's cash and amounts receivable are initially recorded at fair value and subsequently at amortized cost with accrued interest recorded in accounts receivable.

Financial instrument risk exposure

As at December 31, 2020, the Company's financial instrument risk exposure and impact thereof on the Company's financial instruments is summarized below:

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Credit Risk, Liquidity Risk, Market Risk, Currency Risk, and Interest Rate Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. As at December 31, 2020, the Company has cash on deposit with a large Canadian bank. Management believes the risk of loss to be remote.

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations. As at December 31, 2020, the Company had working capital of \$10,087,229, including cash of \$10,245,799.

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. The Company does not expect exchange rates, and commodity and equity prices to have a material impact to the Company.

The Company's operating costs are primarily in Canadian dollars and Australian dollars, therefore any fluctuations of the Canadian dollar in relation to the Australian dollar may affect the net losses and value of some assets and liabilities of the Company. Management believes that at December 31, 2020 any currency risk from foreign exchange conversion is not significant.

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates.

Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value of the Company's cash and cash equivalent balances as of December 31, 2020.

DISCLOSURE OF OUTSTANDING SECURITY DATA

Common Shares, Share Options, and Warrants

As at December 31, 2020 and the date of this MD&A, the Company had: 58,370,530 Common Shares issued and outstanding; 5,828,333 Options outstanding; and 10, 351,150 Warrants outstanding.

SUBSEQUENT EVENTS

On January 28, 2020, the Company commenced trading on the Frankfurt stock exchange (FSE) under the trading symbol S600 to enable international and European investors to participate in the success of the Company.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company anticipates that its working capital of \$10,087,229 as at December 31, 2020, will fund all exploration programs, operations and payments for the next 12-month period. The funds necessary for the Company to achieve its stated business objectives to carry out its exploration programs and to cover anticipated administrative costs for the next 12-month period are in place.