

AUSTPRO ENERGY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended June 30, 2018

AUSTPRO ENERGY CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

This Management’s Discussion and Analysis (“MD&A”) prepared as of October 29, 2018 should be read in conjunction with the audited financial statements of Austpro Energy Corporation (the “Company”), as at June 30, 2018 and the related notes thereto prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Committee (“IFRIC”). The reader should also refer to the audited financial statements and notes thereto for the year ended June 30, 2018 prepared in accordance with IFRS.

MD&A supplements, but does not form part of the audited financial statements and notes thereto for the year ended June 30, 2018. All dollar amounts in this MD&A are reported in Canadian dollars.

Additional information relating to the Company is available at www.sedar.com.

Overall Performance

The Company is a public alternative energy resource company incorporated under the laws of British Columbia on November 1, 1990.

Summary of Annual Financial Information

The following table sets forth summary financial information for the Company for the years ended June 30, 2018, 2017 and 2016. This information has been summarized from the Company’s audited financial statements. This summary financial information should be read in conjunction with the Company’s financial statements, including the notes thereto.

	Year ended June 30, 2018	Year ended June 30, 2017	Year ended June 30, 2016
Administrative Expenses	\$65,510	\$62,895	\$64,611
Income (loss) for the year	\$29,177	\$9,640	\$(23,753)
Deficit (end of year)	\$(3,646,527)	\$(3,675,704)	\$(3,685,344)
Earnings (Loss) per share (basic and diluted)	\$0.00	\$0.00	\$0.00
Current Assets	\$9,884	\$7,677	\$11,848
Resource properties	Nil	Nil	Nil
Total Assets	\$9,884	\$7,677	\$11,848
Total Liabilities	\$131,169	\$158,139	\$179,997
Long Term Debt	Nil	Nil	Nil
Shareholders Deficiency	\$(121,285)	\$(150,462)	\$(168,149)
Cash Dividends per Share	Nil	Nil	Nil

The Company has no business and therefore no sales revenue in each of the fiscal years ended June 30, 2018, 2017 and 2016. In each fiscal year the Company incurred rent, office costs, transfer agent and

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regulatory costs, interest expense, accounting and legal costs. The Company was inactive during these three fiscal years and the costs incurred were to maintain the Company.

Quarterly Financial Information

The following information is derived from the Company's quarterly financial statements for the past eight quarters. All of the financial information has been prepared in accordance with IFRS.

For the three month period ended	June 30, 2018	Mar 31, 2018
Total Revenue	Nil	Nil
Income (loss) before income taxes	\$ 78,019	\$ (15,362)
Management fees	Nil	Nil
Weighted average of shares outstanding	22,950,274	22,950,274
Basic and diluted loss per common share	\$ 0.00	\$ (0.00)
For the three month period ended	Dec 31, 2017	Sept 30, 2017
Total Revenue	Nil	Nil
Income (loss) before income taxes	\$ 19,207	\$ (14,273)
Management fees	Nil	Nil
Weighted average of shares outstanding	22,950,274	22,950,274
Basic and diluted earnings (loss) per common share	\$ 0.00	\$ (0.00)
For the three month period ended	June 30, 2017	Mar 31, 2017
Total Revenue	Nil	Nil
Income (loss) before income taxes	\$ 57,593	\$ (15,606)
Management fees	Nil	Nil
Weighted average of shares outstanding	21,570,107	21,340,814
Basic and diluted loss per common share	\$ 0.00	\$ (0.00)
For the three month period ended	Dec 31, 2016	Sept 30, 2016
Total Revenue	Nil	Nil
Income (loss) before income taxes	\$ (17,611)	\$ (14,736)
Management fees	Nil	Nil
Weighted average of shares outstanding	21,340,814	21,340,814
Basic and diluted earnings (loss) per common share	\$ (0.00)	\$ (0.00)

Liquidity and Capital Resources

The Company is an alternative energy resource company with no projects, and consequently, does not generate operating income or cash flow. To date, the Company has relied primarily upon the sale of its common shares and incurred loans to provide working capital for business activities and to fund the administration of the Company. There can be no assurances that additional financing will be available to the Company when required.

As of June 30, 2018 the Company had cash of \$1,423 compared to cash of \$452 as of June 30, 2017. The working capital deficiency as of June 30, 2018 was \$121,285 compared to a working capital deficiency of \$150,462 as of June 30, 2017.

Share Capital

The Company is authorized to issue an unlimited number of common shares. The following table outlines the common shares:

Balance, June 30, 2017 and June 30, 2018	22,950,274
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There are no warrants or options issued and outstanding.

Off Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements.

Related Party Transactions

During the year ended June 30, 2018: the Company received net advances from shareholders of \$70,600 (2017 -\$51,894). The total advances payable to shareholders as of June 30, 2018 total \$81,892 (2017 - \$11,292). These amounts are payable on demand, are non-interest bearing and have no specific assets pledged as security and include amounts owing towards reimbursement of actual expenditures incurred by the shareholders on behalf of the Company.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Outlook

The Company's objective is to acquire a qualifying alternative energy project ("Qualifying Transaction") concurrent with a financing in order to regain listing as a Tier 2 Company on the TSX Venture Exchange.

The Company is currently evaluating several projects in the expectation that the Company will be successful in receiving necessary funding to acquire a Qualifying Transaction and for general working capital. Due to current market conditions, there can be no assurance that required funding will be obtained.

Proposed Transactions

At present there are no specific transactions that are being contemplated by management or the board that would affect the financial condition, results of operations and cash flows of any asset of the Company.

Critical Accounting Estimates

The preparation of financial statements in accordance with IRFS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Recent Accounting Pronouncements

Please refer to Note 5 of the June 30, 2018 Financial Statements for Recent Accounting Pronouncements related to IFRS.

Financial Instruments and Risk Management

Please refer to Note 12 of the June 30, 2018 Financial Statements for a discussion of Financial Instruments and Risk Management.

Capital Management

The capital of the Company consists of the items included in shareholder's equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue its operations. Therefore, the Company monitors the level of risk incurred in its operations relative to its capital structure.

To date, the Company has relied primarily upon the sale of its common shares and incurred loans to provide working capital for business activities and to fund the administration of the Company. Due to current market conditions there can be no assurance that additional financing will be available to the Company when required.

Risks and Uncertainties

The Company's success depends upon a number of factors, many of which are beyond the Company's control. Typical risk factors and uncertainties include the ability to raise financing, title matters, commodity prices, currency-rate fluctuations, and changing legislation and regulations. Risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The Company has been inactive for many years and the Company has no active business or material assets. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction and may never pay dividends. The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interests to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Forward Looking Statements

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward looking statements are usually identified by our use of certain terminology, including "will", "believes", "may", "expects", "should", "seeks", "anticipates", or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Forward-looking

statements are statements that are not historical facts, and include but not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model; future operations, products and services; the impact of regulatory initiatives on the Company's operations; the size of and opportunities related to the market for the Company's products; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures and statements regarding future performance.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. Forward-looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors are cautioned not to place undue reliance on such forward-looking statements.

Subsequent Event

The Company has announced that it intends to complete a non-brokered private placement to raise up to \$400,000 through the issuance of up to eight million subscription receipts at a price of five cents per subscription receipt. It is expected that the Emprise Special Opportunities Fund (2017) LP will subscribe for the eight million subscription receipts, which will result in Emprise owning a control position in the Company. The proceeds of the financing will be held in escrow, subject to the satisfaction of the following conditions:

- Consolidation of the Company's common shares on a one-new-for-four-old basis;
- The Company obtaining final TSX Venture Exchange approval to the financing;
- The Company obtaining shareholder approval to the change of control contemplated in the offering;
- Changes to the board and senior officers of the Company with persons acceptable to Emprise;
- The satisfactory settlement of the Company's liabilities.

Upon the satisfaction of the escrow release conditions, each subscription receipt will automatically convert into one unit of the Company for no additional consideration. Each unit will consist of one post-consolidated common share and one share purchase warrant with each share purchase warrant entitling the holder to acquire one additional post-consolidated common share and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional post-consolidated common share at a price of six cents per share for a period of 12 months from the date the warrants are issued.

The Company intends to use the proceeds of the financing for repayment of debt and for general working capital purposes. Closing of the offering remains subject to the approval of the TSX Venture Exchange.