



**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2015 AND 2014**

Expressed in Canadian Dollars

THE ACCOMPANYING FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 HAVE NOT BEEN
REVIEWED OR AUDITED BY THE CORPORATIONS AUDITORS

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MARIFIL MINES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars
(Unaudited)

	March 31, 2015	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,985	\$ 35,742
Receivables (Note 5)	1,900	9,788
Prepaid expenses (Note 6)	3,239	5,847
Total current assets	7,124	51,377
Equipment (Note 7)	1,795	1,833
Resource Properties (Note 8)	4,599,290	4,565,356
	\$ 4,608,209	\$ 4,618,566
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 9)	\$ 281,653	\$ 223,239
Loans payable to related parties (Note 10)	38,812	37,480
Total liabilities	320,465	260,719
Shareholders' equity		
Share capital (Note 12)	15,058,465	15,058,465
Contributed surplus	2,016,775	2,016,775
Deficit	(12,787,496)	(12,717,393)
	4,287,744	4,357,847
	\$ 4,608,209	\$ 4,618,566

Going concern of operations (Note 2.1)
Subsequent events (Note 15)

Approved and authorized by the Board on May 28, 2015

"John Hite"

John Hite

"Michael Sweatman"

Michael Sweatman

The accompanying notes form an integral part of these consolidated financial statements

MARIFIL MINES LTD.**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

Expressed in Canadian Dollars

(Unaudited)

	March 31, 2015	March 31, 2014
EXPENSES		
Depreciation (Note 7)	\$ 38	\$ -
Director fees	9,500	8,294
Filing fees	6,163	10,194
General exploration	-	24,780
Investor relations	647	5,690
Management fees	6,631	10,615
Office and miscellaneous	20,965	22,337
Professional fees	27,500	35,261
Loss before other items	(71,444)	(117,126)
OTHER INCOME (EXPENSES)		
Foreign exchange gain (loss)	9,063	(14,180)
Other income (expense)	(1,332)	-
Net loss and comprehensive loss	\$ (70,103)	(131,306)
Weighted average number of common shares outstanding	90,861,883	83,241,883
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)

The accompanying notes form an integral part of these consolidated financial statements

MARIFIL MINES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars
(Unaudited)

	March 31, 2015	March 31, 2014
OPERATING ACTIVITIES		
Net loss	\$ (70,103)	\$ (131,306)
Items not affecting cash		
Depreciation	38	-
	(70,141)	(131,306)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	7,888	(24,786)
Prepaid expenses	2,608	77
Receivables	59,746	24,653
Cash used in operating activities	177	(131,362)
INVESTING ACTIVITIES		
Cash expenditures on resource properties	(33,934)	(58,240)
Resource property option payments received	-	41,246
Proceeds on disposition of resource properties	-	97,433
Cash used in investing activities	(33,934)	80,439
FINANCING ACTIVITIES		
Cash provided by financing activities	-	-
NET CHANGE IN CASH AND EQUIVALENTS	(33,757)	(50,923)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	35,742	92,426
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 1,985	\$ 41,503

The accompanying notes form an integral part of these consolidated financial statements

MARIFIL MINES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
MARCH 31, 2015
Expressed in Canadian dollars
(Unaudited)

	Number of Common Shares	Common Shares Amount	Contributed Surplus	Deficit	Balance
Balance, December 31, 2013	83,241,883	14,885,683	2,016,775	(12,276,618)	4,625,840
Net loss for the period	-	-	-	(131,306)	(131,306)
Balance, March 31, 2014	83,241,883	\$ 14,885,683	\$ 2,016,775	\$ (12,407,924)	\$ 4,494,534
Balance, December 31, 2014	90,861,883	15,058,465	2,016,775	(12,717,393)	4,357,847
Net loss for the year	-	-	-	(70,103)	(70,103)
Balance, March 31, 2015	90,861,883	\$ 15,058,465	\$ 2,016,775	\$ (12,787,496)	\$ 4,287,744

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS

Marifil Mines Ltd. (the "Company" or "Marifil") was incorporated on December 2, 2003 under the Yukon Business Corporation Act. On January 17, 2014, the Company changed its reporting jurisdiction from Yukon to British Columbia. The Company is listed on the TSX Venture Exchange ("TSXV") under the symbol MFM.V. The address of the Company's corporate office and principal place of business is Suite 450 - 800 West Pender Street, Vancouver, British Columbia, Canada.

The Company is in the business of acquiring, exploring and evaluating mineral resource properties in Argentina.

2. BASIS OF PREPARATION

2.1 Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a net loss of \$70,103 for the period ended March 31, 2015 and as of that date the Company's accumulated deficit was \$12,787,496. As the Company is in the exploration stage; the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financial resources to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

2.2 Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, certain disclosures required in annual financial statements have been condensed or omitted. These Condensed Consolidated Interim Financial Statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these Condensed Consolidated Interim Financial Statements be read in conjunction with the most recent audited annual consolidated financial statements of the Company for the year ended December 31, 2014 available on sedar.com on April 30, 2015.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 28, 2015.

2.3 Basis of Measurement

The condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise stated.

The preparation of the condensed consolidated financial statements in compliance with IFRS requires management to make certain accounting estimates. It also requires management to make certain accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4.

2. BASIS OF PREPARATION (continued)

2.4 Basis of Consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the Company's subsidiaries are included in the consolidated financial statements. All intercompany balances and transactions, income and expenses have been eliminated upon consolidation. The Company's subsidiaries in Argentina are Marifil S.A. which is wholly-owned, and Minas San Roque S.A. in which the Company has a 51% ownership. The Company's subsidiary in Canada is an inactive holding company Oxbow Holdings Corp. which is wholly-owned.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 4 to the audited consolidated financial statements for the year ended December 31, 2014, and have been consistently followed in the preparation of these consolidated condensed interim financial statements except as disclosed below.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

Effective January 1, 2014, the following standards were adopted without any material impact on the consolidated financial statements.

- IAS 36 (Impairment of Assets): In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets or a CGU for periods in which an impairment loss has been recognized or reversed. The amendments also address disclosure requirements applicable when an asset's or a CGU's recoverable amount is based on fair value less costs of disposal.
- IFRIC 21 (Levies): In May 2013, the IASB issued IFRIC 21, Levies ("IFRIC 21"), an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2016. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 15 (Revenue from Contracts with Customers): New standard establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2017.
- IFRS 9 (Financial Instruments): New standard that replaced IAS 39 for classification and measurement. Effective for annual periods beginning on or after January 1, 2018.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both. Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

a) Resource Properties Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

b) Title to Resource Properties

Although the Company has taken steps to verify title to resource properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects. Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge; title to all properties is in good standing. The properties in which the Company has committed to earn an interest are located in Argentina.

c) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law in the relevant jurisdiction. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward only to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

d) Share-Based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The Company did not issue any stock options in 2015 and 2014.

e) Site Closure and Reclamation Provisions

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the nil amounts currently provided due to minimal site disturbance.

f) Functional Currency

The Company operates in multiple jurisdictions and transacts in multiple currencies. Being an exploration stage company, the Company has no revenues from operations to date and therefore has based the determination of functional currency on expenditures, financial commitments, and historical financings, the areas where the majority of the Company's transactions occur. Transactions related to all three of these criteria occur in more than one currency, however the CDN\$ is the dominant currency for each of these criteria and therefore the currency of the primary economic environment to which the Company is the most significantly exposed. As such, management has determined the CDN\$ to be the functional currency of the Company and the significant subsidiary within the consolidated group.

5. RECEIVABLES

The Company's receivables are as follows:

	March 31, 2015	December 31, 2014
GST receivable	\$ 1,900	\$ 9,788
	\$ 1,900	\$ 9,788

6. PREPAID EXPENSES

The prepaid expenses for the Company are detailed as follows:

	March 31, 2015	December 31, 2014
Insurance	\$ 2,924	\$ 5,532
Vendor prepayments	315	315
	\$ 3,239	\$ 5,847

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7. EQUIPMENT

	Office Equipment	Computer Equipment	Software	Total
Cost Basis				
Balance at January 1, 2012	\$ 2,383	\$ 5,762	\$ 5,074	\$ 13,219
Additions	310	-	-	310
Balance at December 31, 2013, 2014 and March 31, 2015	\$ 2,693	\$ 5,762	\$ 5,074	\$ 13,529
Depreciation				
Balance at December 31, 2013	\$ (1,308)	(5,094)	(5,074)	(11,476)
Depreciation	(21)	(199)	-	(220)
Balance at December 31, 2014	\$ (1,329)	\$ (5,293)	\$ (5,074)	\$ (11,696)
Depreciation	(4)	(34)	-	(38)
Balance at March 31, 2015	\$ (1,333)	\$ (5,327)	\$ (5,074)	\$ (11,734)
Carrying amounts				
At December 31, 2013	\$ 1,385	\$ 668	\$ -	\$ 2,053
At December 31, 2014	\$ 1,364	\$ 469	\$ -	\$ 1,833
At March 31, 2015	\$ 1,360	\$ 435	\$ -	\$ 1,795

8. RESOURCE PROPERTIES

	Las Aguilas, San Luis, Province	Toruel, Rio Negro Province	San Roque, Rio Negro Province	Other Properties	Accumulated IVA, net of recoveries	Total
Balance, December 31, 2013	\$ 18,512	\$ 1,573,926	\$ 2,525,155	\$ 106,146	\$ 494,042	\$ 4,717,781
Property payments	-	1,874	3,680	-	-	5,554
Exploration costs	2,249	-	17,050	53,329	-	72,628
Change in IVA	-	-	-	-	(71,132)	(71,132)
Option and joint venture payments received	-	-	-	(82,141)	-	(82,141)
Write-off of exploration and evaluation costs	-	-	-	(77,334)	-	(77,334)
Balance, December 31, 2014	\$ 20,761	\$ 1,575,800	\$ 2,545,885	\$ -	\$ 422,910	\$ 4,565,356
Property payments	467	1,636	-	1,627	-	3,729
Exploration costs	2,028	-	-	15,149	-	17,177
Change in IVA	-	-	-	-	13,027	13,027
Option and joint venture payments received	-	-	-	-	-	-
Write-off of exploration and evaluation costs	-	-	-	-	-	-
Balance, March 31, 2015	\$ 23,256	\$ 1,577,436	\$ 2,545,885	\$ 16,776	\$ 435,937	\$ 4,599,290

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8. RESOURCE PROPERTIES (continued)

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge; title to all properties is in good standing. All the resource properties are located in Argentina.

Impuesto al Valor Agregado ("IVA") represents value added sales taxes paid to the government of Argentina which is recorded in the accounts when paid. Where there is reasonable assurance that the Company will be able to obtain a refund of IVA taxes, the amounts received by the Company will be credited to the cost of the properties.

Las Aguilas, San Luis Province

The Las Aguilas nickel property is a 100% owned interest in mining rights located in San Luis province Argentina. The mining rights total 13 contiguous claims.

Toruel, Rio Negro Province

The Toruel copper-silver property is covered by two separate purchase agreements. The mining rights total 2 contiguous claims.

a) M.I.M. Argentina Exploraciones

On January 31, 2006, further amended April 23, 2011, January 30, 2013, and May 19, 2014, the Company entered into an agreement with M.I.M Argentina Exploraciones to acquire a 100% interest in the Suerte property in Rio Negro Province Argentina by incurring in aggregate, exploration costs of US\$178,000 over five years. The Company has incurred these expenditures. Additionally, the Company had to make a one-time payment of US \$375,000 on January 31, 2015. The agreement expired on January 31, 2015, and the Company is negotiating an extension which has not been granted yet.

b) Ruben Davicino

On May 8, 2004, further amended January 9, 2011, December 6, 2012, February 28, 2013, March 1, 2014, and September 1, 2014, the Company entered into an agreement with Ruben Davicino, to acquire the property, wherein a payment schedule was determined with due dates as follows:

Dates	Cash Payments		
During 2011	US\$	10,000	(Paid)
January 9, 2012	US\$	15,000	(Paid)
February 28, 2013	US\$	10,000	(Paid)
February 28, 2014 (extended to September 1, 2015)	US\$	20,000	
September 1, 2016	US\$	30,000	
September 1, 2017	US\$	60,000	
Total	US\$	145,000	

During the final year the Company can exercise at its option to purchase 100% of the project for a payment of US\$500,000. The optionor retains 2% NSR, which may be purchased by the Company for US\$750,000.

8. RESOURCE PROPERTIES (continued)

San Roque, Rio Negro Province

On March 8, 2006, the Company signed an agreement with M.I.M. Argentina Exploraciones (MIM) to acquire the San Roque gold project in Rio Negro province, Argentina. The mining rights total 18 contiguous claims and 115,898 hectares. The Company was committed to spending US\$50,000 annually on the property over four years ending in 2011 (spent) and by making a cash payment of US\$400,000 (paid).

The Company currently holds a 51% interest in the San Roque property.

Other Properties

Except as noted below, other Argentine properties include the Maipu mine rights located in Santa Cruz province, the Codihue mine rights in Neuquen province, the Lago Fontana mine rights in Chubut Province, the Mechanquil mine rights in Rio Negro province, the Milagros mine properties in Mendoza province, and various claims in Salta and Catamarca Provinces.

a) K-2 Potash, Neuquen Province

The K-2 potash property is a 100% owned interest in mining rights located in Neuquen province Argentina. The mining rights total 9 contiguous claims.

b) K-3 & K-4 Potash, Mendoza Province

The K-3 and K-4 potash properties are 100% owned interests in mining rights located in Mendoza province Argentina. The mining rights total 15 contiguous claims.

c) Punta Colorada, Rio Negro Province

On October 10, 2008, the Company entered into an agreement whereby the Company was granted exclusive exploration rights and the right to use the nearby loading dock to the Punta Colorada property located in the Rio Negro Province. The mining rights total 2 contiguous claims and 855 hectares. Under the terms of the agreement, the Company was granted a six year term to carry out exploration, which has been completed. The Company has exploitation rights for a thirty year term. The project is subject to a 5% royalty on the mine mouth value of the mineral extracted.

d) Cerro Samenta Norte & Cerro Samenta Sur, Salta Province

The Cerro Samenta Norte and Cerro Samenta Sur properties are covered by two separate joint venture option purchase agreements, and two separate joint venture sale option agreements to sell the properties. The two purchase agreements and joint venture option agreements are very similar in nature. The details are noted below. The mining rights are 2 separate parcels of land with a total of 7 contiguous claims.

On May 27, 2011, the Company entered into an option agreement with Miguel Alberto Peral and Silvia Rodriguez to acquire the Cerro Samenta Norte property. The payment schedule is as follows:

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8. RESOURCE PROPERTIES (continued)

Other Properties (continued)

d) Cerro Samenta Norte & Cerro Samenta Sur, Salta Province (continued)

Dates	Cash Payments		
Upon signing the agreement	US\$	15,000	(Paid)
November 27, 2011	US\$	15,000	(Paid)
May 27, 2012	US\$	20,000	(Paid)
November 27, 2012	US\$	20,000	(Paid)
May 27, 2013	US\$	30,000	(Paid)
November 27, 2013	US\$	30,000	(Paid by SCA)
May 27, 2014	US\$	50,000	(Paid by SCA)
November 27, 2014	US\$	50,000	(Unpaid)
May 27, 2015	US\$	75,000	(Unpaid)
November 27, 2015	US\$	75,000	
May 27, 2016	US\$	100,000	
Upon completion of the agreement	US\$	3,000,000	
Total	US\$	3,480,000	

In addition to the above payments, the vendor will retain a 1% NSR which Marifil is able to acquire upon making a payment of US\$1,000,000.

The Company currently is not in compliance with terms of this agreement and is in discussions with the underlying property owners to extend the property payment dates. The balance of mineral property costs of \$38,667 capitalized for this property was written-off at December 31, 2014.

On May 27, 2011, as amended on August 6, 2013, the Company entered into an option agreement to acquire the Cerro Samenta Sur property. The payment schedule of the agreement is as follows:

Dates	Cash Payments		
Upon signing the agreement	US\$	16,500	(Paid)
November 27, 2011	US\$	16,500	(Paid)
May 27, 2012	US\$	22,000	(Paid)
November 27, 2012	US\$	22,000	(Paid)
May 27, 2013	US\$	33,000	(Paid)
Upon signing the amendment on August 6, 2013	US\$	22,000	(Paid by SCA)
February 6, 2014	US\$	33,000	(Paid by SCA)
August 6, 2014	US\$	33,000	(Paid by SCA)
February 6, 2015	US\$	55,000	(Unpaid)
August 6, 2015	US\$	55,000	
February 6, 2016	US\$	82,500	
August 6, 2016	US\$	82,500	
February 6, 2017	US\$	110,000	
Upon completion of the agreement	US\$	3,300,000	
Total	US\$	3,883,000	

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8. RESOURCE PROPERTIES (continued)

Other Properties (continued)

d) Cerro Samenta Norte & Cerro Samenta Sur, Salta Province (continued)

In addition to the above payments, the vendor will retain a 1% NSR which Marifil is able to acquire upon making a payment of US\$1,100,000.

The Company currently is not in compliance with terms of this agreement and is in discussions with the underlying property owners to extend the property payment dates. The balance of mineral property costs of \$38,667 capitalized for this property was written-off at December 31, 2014.

On February 15, 2013 and May 30, 2013, the Company entered into two joint venture agreements for each of the Cerro Samenta Norte and Cerro Samenta Sur properties with Southern Copper Argentina S.R.L. ("SCA"), whereby SCA could have acquired a 70% interest in the two properties by incurring \$4,000,000 on property expenditures and by paying \$375,000 in cash, less 5% owed to the underlying property owner as follows:

The payment terms for Cerro Samenta Norte are as follows:

Date	Cash Payments		
Agreement Date	US\$	37,500	(Received)
On February 15, 2014	US\$	37,500	(Received)
On February 15, 2015	US\$	37,500	(Not received)
On February 15, 2016	US\$	37,500	
On February 15, 2017	US\$	37,500	
Total	US\$	187,500	

The payment terms for Cerro Samenta Sur are as follows:

Date	Cash Payments		
Agreement Date	US\$	37,500	(Received)
On May 30, 2014	US\$	37,500	(Received)
On May 30, 2015	US\$	37,500	
On May 30, 2016	US\$	37,500	
On May 30, 2017	US\$	37,500	
Total	US\$	187,500	

In addition to the above payments, SCA has agreed to pay on behalf of the Company the option purchase obligations agreed to by Marifil to the vendors.

On November 7, 2014 SCA terminated the two option agreements with the Company.

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8. RESOURCE PROPERTIES (continued)

Other Properties (continued)

e) Pedernal

On May 18, 2012, as amended on May 17, 2013 and May 17, 2014, the Company entered into an option agreement with a private party to purchase a 100% interest in the Pedernal property in the San Juan Province of Argentina. The payment terms of the amended May 17, 2014 agreement are noted below. The mining rights total 6 contiguous claims.

Dates	Cash Payments		
Upon signing the amended agreement	US\$	10,000	(Paid)
May 17, 2014 (extended to May 17, 2015)	US\$	30,000	(Unpaid)
May 17, 2016	US\$	55,000	
May 17, 2017	US\$	86,250	
May 17, 2018	US\$	115,000	
May 17, 2019	US\$	172,500	
Upon completion of the agreement on May 17, 2020	US\$	1,500,000	
Total	US\$	1,968,750	

The seller retains a 2% Net Smelter Royalty ("NSR"). The Company can acquire 1.5% of the NSR for a one-time payment of US\$2,000,000.

Additionally, the Company needs to incur the following exploration expenditures:

Dates	Exploration Expenditures		
May 17, 2014 (extended to May 17, 2015)	US\$	85,000	(Not incurred)
May 17, 2016	US\$	120,000	
May 17, 2017	US\$	140,000	
May 17, 2018	US\$	200,000	
May 17, 2019	US\$	400,000	
Total	US\$	945,000	

The Company currently is not in compliance with terms of this agreement and is in discussions with the underlying property owners to extend the property payment dates.

f) El Carmen, Chubut Province

The El Carmen oil and gas properties are 100% owned interests in oil claims. El Carmen is a 2001 hectare property consisting of four patented oil claims on the north flank of the Golfo San Jorge Sedimentary Basin on the Atlantic coast

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9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables and accrued liabilities for the Company:

		March 31, 2015		December 31, 2014
Trade payables	\$	194,655	\$	148,437
Accrued liabilities		86,998		74,802
	\$	281,653	\$	223,239

10. LOANS PAYABLE TO RELATED PARTIES

On July 29, 2014, the Company entered into a loan agreement with a director, whereas the director loaned the Company US\$20,000. The unsecured loan bears interest at 18% per year and is due on January 29, 2016. At the option of the lender, the loan can be converted into common shares of the Company at the market price of the Company's shares.

On August 1, 2014, the Company entered into another loan agreement with a director, whereas the director loaned the Company US\$10,000. The unsecured loan bears interest at 18% per year and is due on February 1, 2016. At the option of the lender, the loan can be converted into common shares of the Company at the market price of the Company's shares.

On September 15, 2014, the Company issued 120,000 common shares valued at \$2,400 to these directors as part of the financing fee expense related to these loans.

11. RELATED PARTY TRANSACTIONS

The financial statements include the financial statements of Marifil Mines Ltd. and its subsidiaries as listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity
Marifil S.A.	Argentina	100%	Mineral exploration
Minas San Roque S.A.	Argentina	51%	Mineral exploration
Oxbow Holding Corp.*	Canada	100%	*

* The operations of Oxbow were inactive at March 31, 2015.

During the period ended March 31, 2015 and 2014, the Company incurred charges with an officer and directors, which comprise key management compensation as follows:

		Three months ended March 31, 2015		March 31, 2014
Professional fees	\$	18,000	\$	18,000
Director fees		9,500		8,293
	\$	27,500	\$	26,293

For the period ended March 31, 2015 and 2014, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits. These transactions were recorded at the exchange amount, which is the amount agreed to by the transacting parties. At March 31, 2015, accounts payable included \$132,391 (December 31, 2014 - \$106,961) owing to officers and directors of the Company. These amounts are non-interest bearing, unsecured and are due on demand.

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12. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

b) Shares issued

During the period ended March 31, 2015 no shares were issued.

During 2014 the Company closed a private placement consisting of 6,600,000 units at \$0.02 per unit. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.05 per share for the 24 months from the date of issuance and \$0.10 for the next 36 months, subject to accelerated expiry in the event the Company's shares trade at \$0.20 per share for a period of 20 consecutive trading days.

During 2014 the Company issued 900,000 common shares to settle the amounts payable to related parties of \$45,000. No gain or loss was recognized on settlement of the settlement transaction as the fair value of the shares was equal to the amount payable.

During 2013 the Company closed a private placement consisting of 19,000,000 units at \$0.05 per unit. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.10 per share until March 14, 2018. In connection with the private placement, the Company paid finders' fees comprised of \$52,500 in cash and issued 1,050,000 warrants exercisable at \$0.05 per share until March 14, 2015.

c) Warrants

A summary of the warrant activity for the period ended March 31, 2015 and year ended December 31, 2014 is as follows:

	2015		2014	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Balance, beginning of year	26,650,000	\$0.09	20,050,000	\$0.10
Issued in private placement units			6,600,000	\$0.05
Expired	(1,050,000)	\$0.05	-	-
Balance, end of period	25,600,000	\$0.09	26,650,000	\$0.09

As of March 31, 2015 the weighted average life of warrants outstanding is 2.95 years (December 31, 2014 – 3.49 years).

d) Stock options

The Company has an incentive stock option plan whereby share purchase options may be granted to directors, officers, employees and consultants of the Company and its subsidiaries. The total number of shares reserved under the plan may not exceed more than 10% of the outstanding shares at the time of granting the option. Options are granted at the market price or higher at the date of the grant, less any discounts permitted by regulatory authorities. Unless otherwise stated options vest when granted. As at March 31, 2015 and December 31, 2014, options outstanding are as follows:

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12. SHARE CAPITAL AND RESERVES (continued)

Number		Vested	Exercise Price	Expiry Date
2,000,000	Directors, Officers and Consultants	2,000,000	\$0.20	January 24, 2016
1,360,000	Directors, Officers and Consultants	1,360,000	\$0.20	June 17, 2017
850,000	Directors, Officers	850,000	\$0.10	April 5, 2020
4,210,000		4,210,000		

As at March 31, 2015, stock options outstanding had a weighted average life outstanding of 2.2 years (December 31, 2014 – 2.6 years).

A summary of stock option activity for the period ended March 31, 2015 and year ended December 31, 2014 is as follows:

	2015		2014	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Balance, beginning of year	4,210,000	\$0.19	4,210,000	\$0.19
Balance, end of period	4,210,000	\$0.19	4,210,000	\$0.19

13. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its business plan to be a royalty company, using the project generator model. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In the management of capital the Company considers components of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the current fiscal year.

The Company is exposed, through its operations, to the following financial risks:

- a) Market Risk
- b) Credit Risk
- c) Liquidity Risk

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receive quarterly reports from the Company's Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous reported periods unless otherwise stated in the note.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign currency exchange, interest rates, and commodity and equity price risk.

(i) Foreign Currency Risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and Argentine peso as well as the Canadian dollar and the US dollar will affect the Company's operations and financial results. The operating results and financial position of the Company are reported in Canadian dollars. The Company's operations are in Canada and Argentina.

Based on the net Canadian dollar denominated asset and liability exposures as at March 31, 2015, a 10% fluctuation in the Canadian/Argentine and Canadian/US exchange rates will have no significant impact on the Company's earnings.

(ii) Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does have interest bearing debt. The interest paid on loans payable to related parties and interest earned on cash and cash equivalents is insignificant, and the Company does not rely on interest to fund its operations. As a result, the Company is not at a significant risk to fluctuating interest rates.

(iii) Equity and Commodity Price Risk:

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impacts on the Company's earnings due to movements in individual equities or the general movements in the level of the stock market. The Company is exposed to this risk through its own equity, and the holdings of other companies through the available-for-sale investment in marketable securities. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors individual equity and commodity price movements, and the stock market to determine the appropriate course of action to be taken by the Company.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and receivables. The Company believes it has no significant credit risk related to its cash and cash equivalents as the majority of its cash is held at a large Canadian bank. The Company's receivables consist mainly of input tax credits receivable from the Government of Canada and as result the Company does not believe it is subject to significant credit risk.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at March 31, 2015, the Company had cash and cash equivalents of \$1,985 (December 31, 2014 - \$35,742) to settle current liabilities of \$281,653 (December 31, 2014 - \$223,239). The Company will require additional financing in 2015 to meet its short-term financial obligations.

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable, amounts due to related parties and loans payable. The fair value of the Company's receivables and accounts payable approximate the carrying value, which is the amount on the consolidated statements of financial position due to their short-term maturities or ability of prompt liquidation. The Company's other financial instruments and cash and cash equivalents, under the fair market hierarchy is measured at fair value, based on level one quoted prices in active markets for identical assets or liabilities.

Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Statement of Financial Position carrying amounts for cash and cash equivalents and trade and other payables approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

The value of financial liabilities is equal to their fair values due to the short-term nature of these instruments. At March 31, 2015, the Company's financial liabilities were held in US dollars, Canadian Dollars and the Argentine Pesos. A 10% fluctuation in the Canadian/Argentine and Canadian/US exchange rates will have no significant impact on the Company's earnings.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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13. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

The following table sets forth the Company's financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy as at March 31, 2015:

	Level 1	Level 2	Level 3
Cash	\$ 1,985	\$ -	\$ -

The following table sets forth the Company's financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy as at December 31, 2014:

	Level 1	Level 2	Level 3
Cash	\$ 35,742	\$ -	\$ -

The fair values of other financial instruments, which include other receivables and accounts payable approximate their carrying values due to the short-term maturity of these instruments.

14. SEGMENTED REPORTING

The Company is organized into business units based on properties and has one reportable operating segment, being that of acquisition and exploration activities. Geographical information on the Company's assets on a country-by-country basis is as follows:

March 31, 2015	Canada	Argentina	Total
Cash and cash equivalents	\$ 1,352	\$ 633	\$ 1,985
Other current assets	4,824	315	5,139
Equipment	505	1,289	1,794
Resource properties	-	4,599,291	4,599,291
Total assets	\$ 6,682	\$ 4,601,528	\$ 4,608,209
December 31, 2014	Canada	Argentina	Total
Cash and cash equivalents	\$ 28,403	\$ 7,339	\$ 35,742
Other current assets	15,319	315	15,635
Equipment	544	1,289	1,833
Resource properties	-	4,565,356	4,565,356
Total assets	\$ 44,266	\$ 4,574,299	\$ 4,618,566

15. SUBSEQUENT EVENTS

On May 1, 2015, the Company completed a private placement consisting of 4,050,000 units for gross proceeds of \$60,750. Each unit was issued at \$0.015 and will entitle the holder to acquire an additional common share at a price of five cents per share for the 24 months from the date of issuance and 10 cents for the next 36 months, subject to accelerated expiry in the event the company's shares trade at 20 cents per share for a period of 20 consecutive trading days after the expiry of the four-month hold period.