Austin Resources Ltd.
Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2015
(Expressed in Canadian Dollars, Unaudited)

AUSTIN RESOURCES LTD.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Austin Resources Ltd.
Condensed Interim Consolidated Statements of Financial Position
As at,
(Unaudited, expressed in Canadian dollars)

		March 31, 2015		December 31, 2014
ASSETS				
Current				
Cash and cash equivalents	$	239,826	$	304,693
Amounts receivable		1,282		1,142
Prepaid expenses and advances		13,949		14,436
Total current assets		255,057		320,271
Equipment (Note 7)		3,252		3,664
Total assets	$	258,309	$	323,935
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	35,001	$	29,340
Total liabilities		35,001		29,340
EQUITY (DEFICIENCY)				
Issued capital (Note 8)		5,448,187		5,448,187
Warrants (Note 9)		229,000		229,000
Share-based payments reserve (Note 9)		311,000		311,000
Deficit		(5,764,879)		(5,693,592)
Total equity (deficiency)		223,308		294,595
Total liabilities and equity	$	258,309	$	323,935

Nature of operations and going concern (Note 1)
Commitments and contingencies (Notes 6 and 13)

APPROVED ON BEHALF OF THE BOARD:

Signed “DAVID O’CONNOR” , Director Signed “TONY WONNACOTT” , Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Austin Resources Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited, expressed in Canadian dollars)

		Three months ended March 31, 2015		2014
Expenses				
Exploration and evaluation expenditures (Note 6)	**$**	**35,059**	$	(3,390)
Professional fees		**22,398**		20,054
Office expense		**3,152**		495
Travel expense		**-**		69
Shareholder communication and filing fees		**6,488**		7,649
Insurance expense		**4,426**		4,426
Bank charges		**731**		614
Depreciation expense		**412**		412
Loss for the period before other items		**(72,666)**		(30,329)
Other items				
Interest expense (Note 11)		**-**		(22,936)
Foreign exchange gain (loss)		**1,379**		3,020
Loss and comprehensive loss for the period	**$**	**(71,287)**	$	(50,245)
Basic and diluted loss per share (Note 10)	**$**	**-**	$	-
Basic and diluted weighted average common shares outstanding		**44,233,120**		30,699,362

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Austin Resources Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited, expressed in Canadian dollars)

	Three months ended March 31, 2015	2014
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES:		
Loss for the period	**$ (71,287)**	$ (50,245)
Items not involving cash:		
Depreciation expense	**412**	412
Unrealized foreign exchange gain	**-**	(2,000)
Accrued interest expense	**-**	24,936
Working capital adjustments:		
Changes in amounts receivable	**(140)**	10,941
Changes in prepaid expenses and advances	**487**	(3,085)
Changes in accounts payable and accrued liabilities	**5,661**	(7,242)
	(64,867)	(26,283)
CHANGE IN CASH AND CASH EQUIVALENTS	**(64,867)**	(26,283)
CASH AND CASH EQUIVALENTS, beginning of period	**304,693**	68,624
CASH AND CASH EQUIVALENTS, end of period	**$ 239,826**	$ 42,341
Cash and cash equivalents consist of:		
Cash	**$ 39,826**	$ 42,341
Cash equivalents	**200,000**	-
	$ 239,826	$ 42,341
SUPPLEMENTAL INFORMATION		
Interest expense paid	**$ -**	$ -
Income taxes paid	**$ -**	$ -

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Austin Resources Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited, expressed in Canadian dollars)

For the three months ended March 31, 2015 and 2014

	Number of shares	Issued capital	Warrants	Share-based payments reserve	Deficit	Total equity (deficiency)
Balance, Janauray 1, 2014	**10,233,120**	**3,759,204**	**229,000**	**311,000**	**(5,315,997)**	**(1,016,793)**
Loss and comprehensive loss for the period	-	-	-	-	(50,245)	(50,245)
Balance, March 31, 2014	**10,233,120**	**3,759,204**	**229,000**	**311,000**	**(5,366,242)**	**(1,067,038)**
Proceeds from private placement offering, net	28,000,000	1,388,983	-	-	-	1,388,983
Shares issued for mineral exploration properties	6,000,000	300,000	-	-	-	300,000
Loss and comprehensive loss for the period	-	-	-	-	(327,350)	(327,350)
Balance, December 31, 2014	**44,233,120**	**5,448,187**	**229,000**	**311,000**	**(5,693,592)**	**294,595**
Loss and comprehensive loss for the period	-	-	-	-	(71,287)	(71,287)
Balance, March 31, 2015	**44,233,120**	**5,448,187**	**229,000**	**311,000**	**(5,764,879)**	**223,308**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Austin Resources Ltd. (individually, or collectively with its subsidiary, as applicable, "Austin Resources", or the "Company") is currently engaged in the acquisition and exploration of mineral properties in Chile and Canada. Substantially all of the Company's efforts are devoted to financing and developing these properties.

The Company's head office and principal address in Canada is 330 Bay Street, Suite 820, Toronto, Ontario. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V", or the "Exchange") under the symbol "AUT".

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company's continued existence is dependent upon the preservation of its interests in its mineral properties, the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to make the required option property payments and complete the development, and upon future profitable production, or proceeds from the disposition of these assets. Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values as shown. As at March 31, 2015, the Company had not yet achieved profitable operations, had accumulated losses of $5,764,879 (December 31, 2014: accumulated losses of $5,693,592) since inception, had working capital of $220,056 (December 31, 2014: working capital of $290,931) and expects to incur further losses in the development of its business, all of which constitutes a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. There is no assurance that these funds will be available on terms acceptable to the Company or at all. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements, including comparatives, of the Company, were prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"), and in accordance with the accounting policies described in Note 5, "Significant Accounting Policies" of the Company's Audited Annual Consolidated Financial Statements for the year ending December 31, 2014. The policies set out in those statements were consistently applied to all the periods presented, unless otherwise noted.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (cont'd)

These condensed interim consolidated financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

These condensed interim consolidated financial statements were authorized by the Board of Directors on May 27, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ESTIMATES AND JUDGEMENTS

Significant accounting policies

The accounting policies described in the Company's 2014 Audited Annual Consolidated Financial Statements have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

3. SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ESTIMATES AND JUDGEMENTS (Continued)

Critical accounting estimates and judgments

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements include, but are not limited to:

Taxes, income taxes and deferred taxes
The Company is subject to income and other taxes in various jurisdictions. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax filings are subject to audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. Any estimates for value added and withholding taxes have been included in accounts payable and accrued liabilities.

Contingencies
Refer to Notes 6 and 13.

(unaudited, expressed in Canadian dollars, unless otherwise noted)

4. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of expenses) for each class of financial asset and financial liability are disclosed in Note 5, "Significant Accounting Policies" of the Company's Audited Annual Consolidated Financial Statements for the year ended December 31, 2014.

Financial assets and financial liabilities as at March 31, 2015 and December 31, 2014 were as follows:

	Cash, loans and receivables, and other financial liabilities	Assets at fair value through profit or loss	Total
March 31, 2015			
Cash	$ 239,826	$ -	$ 239,826
Amounts receivable	$ 1,282	$ -	$ 1,282
Account payable and accrued liabilities	$ (35,001)	$ -	$ (35,001)
December 31, 2014			
Cash	$ 304,693	$ -	$ 304,693
Amounts receivable	$ 1,142	$ -	$ 1,142
Account payable and accrued liabilities	$ (29,340)	$ -	$ (29,340)

The Company has classified amounts receivable as loans and receivables, and accounts payable and accrued liabilities and the loans from officers and directors as other financial liabilities. The fair value of cash, amounts receivable, accounts payable and accrued liabilities approximate their carrying value due to their short-term maturity.

Financial Risk Factors

The nature of the exploration process and the location of the Company's assets expose the Company to risks associated with fluctuations in commodity prices and foreign currency exchange rates. To date, the Company has not used derivative financial instruments to manage these risks.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company expects to generate cash flow primarily from financing activities. As of March 31, 2015, the Company had net working capital of $220,056, which included a cash balance of $239,826, amounts receivable of $1,282 and prepaid expenses and advances of $13,949, partially offset by accounts payable and accrued liabilities of $35,001. The Company is required to make payments under its surface rights agreements of approximately CLP 10,000,000 ($20,000) during the next twelve month period to retain access to its properties in Chile.

The Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

4. FINANCIAL INSTRUMENTS (Continued)

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be minimal.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate significantly due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, prices and foreign exchange rates. Management believes the risk of loss related to market risk to be remote.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's property interests in Chile make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, profit or loss and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign currencies. As at March 31, 2015, a portion of the Company's cash balance was held in Chilean Pesos ($813). A 10% strengthening (weakening) of the Canadian Dollar against the Chilean Peso would (increase) decrease the net loss by $81 based on foreign currency balances at March 31, 2015. As at March 31, 2015, the Company had future obligations under its surface rights agreement of approximately US$1,148,000 ($1,454,000). A 10% strengthening (weakening) of the Canadian Dollar against the US Dollar would decrease (increase) the amount of the remaining property option obligations by $145,400.

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. 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 commodity prices, as it relates to gold, copper and iron ore, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk is remote as the Company is not a producing entity.

Fair value hierarchy

Cash has been classified as loans and receivables and is measured at amortized cost. Accounts payable and accrued liabilities and loans from officers and directors are classified as other financial liabilities and are measured at amortized cost.

IFRS 7 *Financial Instruments: Disclosures* requires classification of fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and,
Level 3: Inputs for the asset or liability that are not based on observable market data

As at March 31, 2015 and December 31, 2014, none of the Company's financial instruments were held at fair value.

5. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of its exploration and evaluation assets. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The capital of the Company consists of common shares, warrants and options of the Company.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and evaluation, make the required payments under the surface rights agreement and pay for administrative costs, the Company must raise additional amounts. 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 ongoing 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 imposed by a lending institution or regulatory body other than the TSXV, which requires certain working capital or financial resources in order to maintain operations and cover general and administration expenses for a six month period. As at March 31, 2015, the Company believes it was compliant with the policies of the TSXV. The impact of any violation is dependent on the discretion of the TSXV.

(unaudited, expressed in Canadian dollars, unless otherwise noted)

6. EXPLORATION AND EVALUATION PROPERTIES AND EXPENDITURES

Three Months Ended March 31, 2015		
Acquisition costs	$	20,433
Transportation and accommodations		3,047
Exploration licences and lease payments		11,245
Value added taxes (1)		226
Other		108
Total expenditures (recovery)	$	35,059

Three Months Ended March 31, 2014		
Acquisition costs	$	2,764
Salaries and consulting		1,047
Transportation and accommodations		3,351
Exploration licences and lease payments		36,836
Value added taxes (1)		(6,029)
Cost recovery on sale of tailings		(50,665)
Other		9,306
Total expenditures (recovery)	$	(3,390)

Note (1): Value added taxes ("VAT") arises from the Government of Chile and is in respect of the Company's exploration and evaluation activities. The actual timing of receipt is uncertain as VAT is typically refundable only upon commercial operations; therefore, VAT has been classified as part of exploration and evaluation expenditures as VAT has arisen primarily on exploration and evaluation expenditures.

Chile

In 2011, the Company's Chilean subsidiary, Minera Azul, entered into six option agreements (subsequently reduced to two) to earn 100% interests in mineral exploration properties located adjacent to the Atacama fault near the town of La Higuera in Chile. During 2012, various amendments were made to the terms of certain of the option agreements, and two option agreements were terminated. During 2012 and 2013, the Company renegotiated the terms of two of the option properties whereby the Company was able to satisfy all the conditions under the revised option agreements and completed the Company's earn-in on these properties. During 2013 and 2014, the Company terminated the final two option agreements. The option agreements provided the Company with the right to freely conduct exploration activities at its cost and responsibility. The Company was obliged to provide the owner with all the data and samples obtained from such activities should the Company decide to terminate the option, which the Company was able to do at any time within the option period. The Company was liable for making the payment of the annual patentes, or fees, on the mining properties and to conduct all actions which were necessary to protect the mining claims. The two remaining properties under which the Company has completed its earn-in form the La Higuera Project. A summary of the two-earned-in option agreements, as amended, is provided below.

1. Avril, Gloria, Withney, Black, Caballo Cinco, Blanco Seis and Blanco

On July 4, 2011, subsequently amended and earned into, the Company entered into an option agreement to earn a 100% interest in the Avril, Gloria, Withney, Black (1-100), Caballo Cinco (1-17, 21-31, 41-49), Blanco Seis (1-5, 21, 41-55) and Blanco (1-10, 21) exploitation concessions and claims. To exercise the option, the Company was required to make four cash payments over three years totalling US$700,000 ($695,183) and issue 333,333 common shares. During November 2012, the Company renegotiated terms with the property owner, eliminating the total remaining payments of US$575,000 ($572,068) in exchange for the issuance of an additional 66,667 common shares and the accelerated issuance of the remaining 166,667 common shares provided in the original option agreement. Upon the issuance of the 233,333 common shares all of the conditions under the option agreement were satisfied, accelerating the Company's earn-in on these properties.

6. EXPLORATION AND EVALUATION PROPERTIES AND EXPENDITURES (Continued)

The revised payment schedule was as follows:

(i) July 4, 2011 – cash payment of US$50,000 ($47,925) - **Paid**;
(ii) February 1, 2012 – 83,333 common shares – **Issued** (January 24, 2012);
(iii) July 4, 2012 – cash payment of US$75,000 ($75,190) - **Paid**;
(iv) July 1, 2012 – 83,333 common shares – **Issued** (June 21, 2012); and
(v) November 19, 2012 – 233,333 common shares – **Issued.**

The 83,333 common shares issued on January 24, 2012, were valued at $62,500, based on a deemed price of $0.25 per common share. The 83,333 common shares issued on June 21, 2012, were valued at $87,500, based on a price of $1.05 per common share. The 233,333 common shares issued on November 19, 2012, were valued at $105,000, based on the quoted market price of $0.45 per common share.

2. Benja I and II
On July 22, 2011, subsequently amended and earned into, the Company entered into an option agreement to earn a 100% interest in the Benja I (1-14) and Benja II (1-14) exploitation claims. To exercise the option, the Company was required to make five cash payments over three years totalling US$510,000 ($505,579). During December 2012, the Company renegotiated terms with the property owner, eliminating the total remaining payments of US$460,000 ($457,654) in exchange for the issuance of 83,333 common shares (subsequently increased to 166,667 common shares). In February 2013, 166,667 common shares were issued, satisfying all of the conditions under the option agreement and accelerating the Company's earn-in on these properties. The revised payment schedule was as follows:

(i) July 22, 2011 – cash payment of US$50,000 ($47,925) – **Paid**; and
(ii) February 1, 2013 – 166,667 common shares – **Issued.**

In addition, a NSR of 1% must be paid starting from the beginning of commercial production on these exploitation claims, on a quarterly basis. The Company may acquire the NSR by paying a purchase price of either US$500,000 ($581,330) or its equivalent in the Company's common shares, at the election of the former owner. The Company has also granted the former owner of the Benja I and II mining concessions the right to reprocess the existing slag from historical mining activity on the concessions.

The 166,667 common shares issued on February 1, 2013, were valued at $42,500, based on the quoted market price of $0.255 per common share at the time of issue.

Surface Rights Agreement
In February 2012, subsequently amended, the Company signed an agreement with the owner of the surface rights on the ground covering the core of the Company's mineral rights at the La Higuera Project. The agreement grants the Company exclusive access, use, occupation and transit to facilitate execution of mineral exploration, as well as an option to purchase the surface rights. The amended payment schedule is as follows:

(i) February 2012 – cash payment of 6,000,000 CLP ($11,991) - **Paid**;
(ii) January 15, 2013 – cash payment of 8,000,000 CLP ($16,819) - **Paid**;
(iii) January 15, 2015 – cash payment of 10,000,000 CLP ($20,433) - **Paid**;
(iv) January 15, 2016 – cash payment of 10,000,000 CLP ($20,283)
(v) January 15, 2017 – cash payment of 10,000,000 CLP ($20,283); and
(vi) January 15, 2017 – cash payment equivalent to UF 28,310. The Unidad de Fomento, or "UF", is a variable fiscal unit used in Chile that is adjusted for inflation and at March 31, 2015 it was valued at approximately $50 per unit, which corresponds to an approximate payment of $1,414,000.

(unaudited, expressed in Canadian dollars, unless otherwise noted)

6. EXPLORATION AND EVALUATION PROPERTIES AND EXPENDITURES (Continued)

Caballo Blanco Project ***(Dropped)***

On February 6, 2012, the Company announced it had entered into an option agreement to acquire a 100% interest in the Caballo Blanco copper-iron project, which is located close to the Company's La Higuera Project in Chile. The option agreement called for the Company to make cash payments totalling US$1,000,000 ($1,067,000) and to issue a total of 166,667 common shares over a three-year period. The Caballo Blanco option agreement was also subject to a 1% NSR agreement upon the commencement of production. During the year ended December 31, 2012, the Company paid US$75,000 ($75,726) and issued 33,333 common shares. In 2013, the Company announced that it had renegotiated terms on the Caballo Blanco option agreement. The amended agreement reduced the total remaining payments from US$925,000 ($986,975) to US$440,000 ($466,331) and increased the number of common shares issuable to 350,000 (up from 133,333). Specifically, the Company was required to pay US$40,000 ($39,685) immediately and issue 133,333 common shares (**paid and issued**); pay US$50,000 ($53,196) and issue 83,333 common shares on or before December 15, 2013 (**paid and issued**); pay US$100,000 ($116,266) and issue 133,333 common shares on or before December 15, 2014; and pay US$250,000 ($290,665) on or before December 15, 2015.

The 33,333 common shares, issued on June 21, 2012, were valued at $35,000, based on the quoted market price of $1.05 per common share. The 133,333 common shares, issued on February 1, 2013, were valued at $34,000, based on the quoted market price of $0.255 per common share. The 83,333 common shares issued on December 13, 2013, were valued at $5,000, based on the quoted market price of $0.06 per common share.

In August 2013, the Company signed an agreement on the Don Baucha (1-2) property, which makes up part of the Caballo Blanco mineral block that would allow it to start shallow mining. The agreement required a payment of US$10,000 ($11,627) upon signing and remaining payments of US$50,000 ($58,133) in August 2014, US$150,000 ($174,399) in August 2015. Additionally, a payment of up to US$60,000 ($69,760) was payable depending on the amount of ore the Company extracted from the property. The deadline to exercise the option was no later than August 2015. A payment of US$2,500 ($2,764) was made in January 2014, with the processing of the tailings material, reducing the US$60,000 payable to US$57,500.

The Company was not able to negotiate reduced or delayed payment terms and did not make the US$50,000 and US$100,000 option payment under the agreement which was due in August and December 2014, respectively, and, as a result, forfeited its rights under the option agreement.

Canada

In September 2014, the Company issued 6,000,000 common shares of Austin Resources to acquire a 100% interest (subject to a 2% Net Smelter Royalty) in certain mineral claims near Red Lake, Ontario (the "Treasure Property"). The Treasure Property is an early stage gold exploration property and the 6,000,000 common shares of Austin Resources that were issued had a value of $300,000, based on the $0.05 per common share price of the Offering.

7. EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value
	$	$	$
Balance, December 31, 2013	8,768	(3,455)	5,313
Depreciation	-	(1,649)	(1,649)
Balance, December 31, 2014	8,768	(5,104)	3,664
Depreciation	-	(412)	(412)
Balance, March 31, 2015	8,768	(5,516)	3,252

The Company's equipment is located in Chile.

(unaudited, expressed in Canadian dollars, unless otherwise noted)

8. ISSUED CAPITAL

All numbers retroactively reflect the September 2014 three-for-one (3:1) share consolidation.

	Number of Shares	Amount
Authorized		$
Unlimited common shares, without par value		
Common shares issued		
Balance, December 31, 2013	10,233,120	3,759,204
Proceeds from private placement offering, net	28,000,000	1,388,983
Shares issued for exploration property	6,000,000	300,000
Balance, December 31, 2014 and March 31, 2015	44,233,120	5,448,187

In September 2014, the Company received shareholder approval for the consolidation of the common shares of Austin Resources on three-for-one (3:1) basis, such that the existing 30,699,362 common shares were consolidated to 10,233,120 post-consolidated common shares issued and outstanding.

Immediately following the Consolidation, the shareholders approved a non-brokered private placement offering of 28,000,000 post-consolidated common shares of Austin Resources at a price of $0.05 per post-consolidated common share for aggregate gross proceeds of $1,400,000 (the "Offering"). A portion of the proceeds from the Offering were used to repay a portion of the outstanding loans from officers and directors (Note 11). The balance of the loans outstanding, totalling $134,725, was forgiven and, as a result, the Company recorded a gain on the forgiveness of loans for that amount in the statement of loss and comprehensive loss for the year ended December 31, 2014.

Additionally, the Company issued 6,000,000 post-consolidated shares of Austin Resources to acquire a 100% interest (subject to a 2% Net Smelter Royalty) in the Treasure Property near Red Lake, Ontario. The 6,000,000 post-consolidated shares of Austin Resources that were issued had a value of $300,000, based on the $0.05 per common share price of the Offering.

All securities issued in connection with the Offering and the acquisition of the Treasure Property were subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities law legislation.

9. SHARE-BASED PAYMENTS

Warrants

The following table summarizes the information about the warrants:

	Number of Warrants	Estimated Grant Date Fair Value
		$
Balance, December 31, 2013	100,000	54,000
Issued on private placement offering	2,916,667	175,000
Balance, December 31, 2014 and March 31, 2015	3,016,667	229,000

Upon the exercise of warrants into common shares, the fair value of the warrants is reclassified to issued capital.

(unaudited, expressed in Canadian dollars, unless otherwise noted)

9. SHARE-BASED PAYMENTS (Continued)

Summary of warrants outstanding at March 31, 2015:

Exercise Price	Number of Warrants Outstanding	Grant Date Estimated Fair Value of Warrants	Expiry Date
$0.90	100,000	$54,000	January 12, 2017
$0.45	2,916,667	175,000	August 9, 2015
$0.46	3,016,667	$229,000	

Stock Options
The Company has adopted a stock option plan (the "Plan"), to be administered by the Directors of the Company. Under the Plan, the Company may grant options to directors, officers, employees and consultants to purchase shares of the Company. The Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. Options granted under the Plan will be for a term not to exceed five years. The plan provides that it is solely within the discretion of the Board to determine who should receive stock options, in what amounts, and determine vesting terms. The exercise price for any stock option shall not be lower than the market price of the underlying common shares at the time of grant.

Each stock option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The Company settles stock options exercised through the issuance of common shares from treasury.

Summary of stock option activity:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2013	566,665	$ 0.90
Balance, December 31, 2014 and March 31, 2015	566,665	$ 0.90

The following table summarizes information about stock options outstanding and exercisable under the Plan as at March 31, 2015:

Outstanding and exercisable				
Exercise Price (1)	Number of Options Outstanding (1)	Number of Options Exercisable (1)	Grant Date Estimated Fair Value of Options	Expiry Date
$0.90	524,999	524,999	$283,500	January 12, 2017
$0.90	8,333	8,333	4,500	January 30, 2017
$0.92	33,333	33,333	23,000	February 16, 2017
$0.90	566,665	566,665	$311,000	

10. LOSS PER SHARE

Total shares issuable from stock options and warrants excluded from the computation of diluted loss per share because their effect would be anti-dilutive for the three months ended March 31, 2015, were 566,665 (2014: 566,665) and 3,016,667 (2014: 3,016,667), respectively.

11. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the accounts of the Company and its Chilean subsidiary, Minera Azul Ventures Limitada.

In September 2014, certain officers and directors participated in a non-brokered private placement completed by the Company, as described in Note 8, “Issued Capital”. Additional detail on the directors’ and officers’ participation is outlined in the section below entitled, “Loans from Officers and Directors”.

Compensation of key management personnel of the Company

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the Board of Directors, corporate officers, including the Chief Executive Officer and Chief Financial Officer, as well the Vice President of Exploration and the Country Manager. During the three months ended March 31, 2015 and 2014, key management personnel received no short-term compensation or benefits and no share-based payments were granted.

Loans from Officers and Directors

In June 2012, the Company entered into loan agreements for up to $650,000 with Tony Wonnacott, a director of the Company and a company controlled by Tony Wonnacott, and Brad Boland, the Company’s Chief Financial Officer and Corporate Secretary (the “Canadian Dollar Loan Agreements”). The agreements were subsequently amended and an additional $405,000 was advanced under the loan agreements, bringing the total amount advanced to $1,055,000. A portion of the proceeds from a 2013 private placement financing was used to repay a portion of the principal amount ($138,650) under the Canadian Dollar Loans.

The loans accrued interest at a rate of 10% per annum and were due on demand. The loans were unsecured and there were no conversion provisions. Interest began accruing on the loans from the date that the amounts were advanced to the Company. At September 19, 2014, the date that the loan were repaid by the Company, the accrued interest on the $916,350 Canadian Dollar Loan Agreements totalled $218,375.

The repayment of the Canadian Dollar Loans on September 19, 2014 consisted of a cash repayment and the forgiveness of $134,725 in accrued interest.

(unaudited, expressed in Canadian dollars, unless otherwise noted)

12. SEGMENT INFORMATION

The Company conducts its business as a single operating segment, being mineral exploration and evaluation in Chile. The following table summarizes the total assets and liabilities by geographic segment as at:

March 31, 2015

	Chile	Canada	Total
Cash and cash equivalents	$ 813	$ 239,013	$ 239,826
Other current assets	1,820	13,411	15,231
Equipment	3,252	-	3,252
Total assets	$ 5,885	$ 252,424	$ 258,309
Accounts payable and accrued liabilities	$ 7,151	$ 27,850	$ 35,001
Total liabilities	$ 7,151	$ 27,850	$ 35,001

December 31, 2014

	Chile	Canada	Total
Cash and cash equivalents	$ 2,206	$ 302,487	$ 304,693
Other current assets	2,178	13,400	15,578
Equipment	3,664	-	3,664
Total assets	$ 8,048	$ 315,887	$ 323,935
Accounts payable and accrued liabilities	$ 4,433	$ 24,907	$ 29,340
Total liabilities	$ 4,433	$ 24,907	$ 29,340

The following table summarizes the loss by geographic segment for the periods ended:

Three months ended March 31, 2015

	Chile	Canada	Total
Exploration and evaluation expenditures	$ 35,059	$ -	$ 35,059
General and administrative expense	12,570	24,625	37,195
Foreign exchange (gain) loss	(1,104)	(275)	(1,379)
Depreciation expense	412	-	412
Loss	$ 46,937	$ 24,350	$ 71,287

Three months ended March 31, 2014

	Chile	Canada	Total
Exploration and evaluation expenditures	$ (3,390)	$ -	$ (3,390)
General and administrative expense	13,892	19,415	33,307
Interest expense	-	22,936	22,936
Foreign exchange (gain) loss	(2,669)	(351)	(3,020)
Depreciation expense	412	-	412
Loss	$ 8,245	$ 42,000	$ 50,245

13. COMMITMENTS AND CONTINGENCIES

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

Future cash payments under the La Higuera surface rights agreement are payable, at the Company's option, as outlined in Note 6, "Exploration and Evaluation Properties and Expenditures".

Under the mining and resource regulations in Chile, the Company is required to pay annual exploration licences, or "patente" fees. Based on the Company's existing mineral concessions, the Company will be required to pay approximately $8,000 in annual patente fees.

In September 2014, the Company acquired a 100% interest (subject to a 2% Net Smelter Royalty) in 35 contiguous unpatented mineral claims, totaling 455 units and covering 7,264 hectares of land near Red Lake, Ontario (the "Treasure Property"). The Treasure Property is an early stage gold exploration property and has a current work commitment requirement of $181,600. The previous owners completed approximately $170,000 of work on the property that included prospecting and other geological work, of which approximately $116,000 is eligible to be applied against the existing work commitment. The balance of the spending, totalling approximately $65,600 (assuming the Company wishes to retain all 35 claims), must be completed by the end of 2016.