This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations of Austin Resources Ltd. (individually, or collectively with its subsidiary, as applicable, "Austin Resources", or the "Company") to enable a reader to assess material changes in the financial condition and results of operations as at and for the six months ended June 30, 2015.

The MD&A should be read in conjunction with the condensed interim consolidated financial statements of the Company and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board. Refer to Note 3 of the condensed interim consolidated financial statements for the six months ended June 30, 2015 and Note 5 of the annual audited financial statements for the year ended December 31, 2014 for disclosure of the Company's significant accounting policies.

The Company's common shares are listed on the TSX Venture Exchange ("TSX-V", or the "Exchange") under the symbol "AUT". All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. This report is dated as of August 21, 2015.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls, and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company follows recommended corporate governance guidelines to ensure transparency and accountability.

The technical contents of this MD&A have been reviewed by Michael Schuler, P. Geo., the Company's Vice President, Exploration and a Qualified Person under National Instrument 43-101.

Overview and Strategy

Austin Resources is a mineral exploration company 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 currently has an interest in a prospective copper-iron property in Chile which is held by its wholly-owned subsidiary, Minera Azul Ventures Limitada ("Minera Azul"), a private Chilean limited liability partnership company. In addition, the Company has acquired a 100% interest in an early stage gold exploration property in Ontario, Canada.

Mineral Exploration Property Agreements – Chile

La Higuera Project

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.

The La Higuera Project is located within the Coastal Range of Chile, located approximately 600 kilometres ("km") north of Santiago and immediately adjacent to the town of La Higuera, which is located 60 km north of the city of La Serena in Region IV and approximately 4 km to the southeast of the Pan-American Highway. Access from the town of La Higuera to the property is by variably maintained dirt and gravel roads.

The La Higuera Project comprises a concession block of generally north-south, east-west oriented mining exploitation and the centre of the property lies at an approximate elevation of 800 metres ("m") above sea level. The principal area of interest has approximate dimensions of 3 km x 2.5 km.

The La Higuera Project is part of the historic La Higuera copper mining district with mining activity dating back at least to the late 18th century. At least 40 copper sulphide bearing veins have been exploited in the district; with individual workings reaching depths of 450 m and a strike extent of about 1,350 m. Historically, up to eleven local smelters were in operation and by 1880, district wide production had reached 6,000 to 6,500 tonnes of copper per year. In 1903, the district produced 11,950 tonnes of copper of grades of up to 10%. By 1975, the more significant mines in the La Higuera district had been closed. Small scale mining began around 2007 and continues today, with material being shipped for processing to the Empresa Nacional de Minas ("Enami") processing plant located approximately 140 km north of La Higuera, outside the city of Vallenar. Enami is a Chilean-state controlled mineral company that manages various mining interests, and refines and smelts copper from Chile's small and medium-sized miners.

La Higuera Option Agreements
As of June 30, 2015, the Company had made payments totalling US$430,000 ($424,000) and issued 900,000 common shares and 100,000 warrants. The payments do not include option payments made under the surface rights agreement of US$44,978 ($49,243), which has since been terminated. In addition, the granting of a 1% net smelter return ("NSR"), pursuant to one of the option agreements, will be required upon the commencement of commercial production on the property covered by the agreement.

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.
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 ***(Dropped)***

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 granted 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 ($19,555)
(v) January 15, 2017 – cash payment of 10,000,000 CLP ($19,555); 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 June 30, 2015 it was valued at approximately $50 per unit, which corresponds to an approximate payment of $1,415,500.

In June 2015, the Company made a payment of CLP 5,000,000 (to the owner of the surface rights), satisfying any remaining obligation under the surface rights agreement; however, it has lost surface rights access to its properties in Chile.

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 payments under the agreement which was due in August and December 2014, respectively, and, as a result, forfeited its rights under the option agreement.

Mineral Exploration Property Agreements – 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 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 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.

The Company is in the process of transferring the claims. The property 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.

Exploration and Evaluation Activities

La Higuera Project

Mapping of some of the existing workings at La Higuera was completed by Enami in 1949. In 1970, Enami mapped and rock chip sampled the principal La Higuera workings and exposures. However, the Company is not aware of any modern exploration having been conducted at La Higuera prior to the work completed by Austin Resources, detailed below. The background and history on the La Higuera Project is provided in the National Instrument 43-101 ("NI 43-101") technical report entitled, "Project Summary, La Higuera Copper-Gold Project, Region IV, Chile", dated October 11, 2011. Following the signing of the option agreements which, for the first time, consolidated the six separate concessions (subsequently reduced to two), the Company developed an exploration program which included geological and topographic mapping, geochemical sampling and geophysics (ground magnetic and induced polarization-resistivity surveys), as well as diamond and reverse circulation ("RC") drilling.

Work to-date by the Company included geological and topographic mapping, geochemical sampling (both surface and underground), geophysics (ground magnetic and induced polarization-resistivity surveys), and diamond and RC drilling. The Company has also mapped the property while at the same time taking continuous chip channel samples from the existing historical workings. In August 2011, Argali Geofisica Chile E.I.R.L. conducted induced polarization ("IP") and ground magnetic surveys at the La Higuera project on behalf of Minera Azul. The ground magnetic survey was conducted with N-S lines spaced 100 m apart on a grid measuring 3.5 km by 3.5 km. A total of approximately 127 km of data were acquired.

Additional detail on the Company's exploration and evaluation activities at the La Higuera Project can be found in the Company's press releases dated May 22, 2012, June 14, 2012 and October 4, 2012, which are available under the Company's profile on www.sedar.com.

In 2014, the Company dropped the option on the San Antonio concessions on the La Higuera Project. Most of the Company's exploration activities-to-date had focused on the San Antonio concessions. The Company is currently assessing its next steps in regards to further exploration and evaluation of the La Higuera Project.

Caballo Blanco

In February 2012, the Company entered into an option agreement to acquire a 100% interest in the 2,550 hectare Caballo Blanco copper-iron project, which is located approximately 1 km southwest of the Company's La Higuera Project in Chile and straddles the Pan-American Highway.

There has been previous exploration carried out on the Caballo Blanco property and there are several small copper workings. Previous exploration included ground magnetic surveying, IP surveying, and ten RC and five diamond drill holes. The ground magnetic survey generated a large, moderate amplitude magnetic anomaly and several of the exploration drill holes were located within this anomaly.

Additional detail on the Company's exploration and evaluation activities at the Caballo Blanco Project can be found in the Company's press releases dated June 28, 2012, October 4, 2012 and October 30, 2013, which are available under the Company's profile on www.sedar.com.

In 2014, the Company did not make the option payments under the Caballo Blanco option agreement and, as a result, forfeited its rights under the agreement.

Michael Schuler, P. Geo., the Company's Vice President, Exploration and a Qualified Person under National Instrument 43-101, has reviewed the scientific and technical information in this document.

Outlook

As of June 30, 2015, the Company had net working capital of $146,459 which should provide sufficient resources to fund the Company's operations during the balance of 2015. However, the Company's ability to continue any exploration programs and cover its general corporate costs over the longer-term is dependent on its ability to obtain additional sources of financing. In addition, as discussed above, in the section entitled, "Exploration and Evaluation Property Agreements – Chile", the Company has only two of the six La Higuera Properties originally under option agreements. The Company was not able to renegotiate reduced or deferred option payments on four of the La Higuera Property option agreements, the La Higuera surface rights agreement and the Caballo Blanco option agreement and did not make the respective payments, and, as a result, forfeited its rights under those agreements. During 2015, the Company plans to assess its next steps in regards to further exploration and evaluation activities on the La Higuera Project.

Liquidity and Capital Resources

As of June 30, 2015, the Company had net working capital of $146,459, which included a cash balance of $182,825, amounts receivable of $4,097 and prepaid expenses and advances of $9,425, partially offset by accounts payable and accrued liabilities of $49,888.

In September 2014, the Company received shareholder approval for the consolidation of the common shares of Austin Resources on a 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 (the "Consolidation"). The shareholders also approved a name change from Azul Ventures Inc. to Austin Resources Ltd.

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. 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. The balance of the net proceeds will be used for general corporate purposes and to fund any exploration and evaluation activities.

Additionally, the Company issued 6,000,000 post-consolidated common 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 common shares of Austin Resources that were issued had a value of $300,000, based on the $0.05 per post-consolidation common share price of the Offering.

Results of Operations

During the three months ended June 30, 2015, the Company recorded a loss of $73,980, compared with a loss of $54,420 during the three months ended June 30, 2014. The loss was due to exploration and evaluation expenditures of $19,579 and administrative expenses of $57,531, partially offset by a foreign exchange gain of $2,928 and interest income of $202.

(in Canadian dollars, unless otherwise noted)

Exploration and evaluation expenditures during the three months ended June 30, 2015 included the following:

Transportation and accommodations	$	4,968
Exploration licences and lease payments		11,242
Value added taxes		3,301
Other		68
Total expenditures	$	19,579

The administrative costs during the three months ended June 30, 2015 included professional fees of $26,639 for accounting and legal services in Chile and Canada, office expense of $336, consulting and management fees of $20,371, shareholder communication and filing fees of $4,330, and insurance expense of $4,475.

During the six months ended June 30, 2015, the Company recorded a loss of $145,267, compared with a loss of $104,665 during the six months ended June 30, 2014. The loss during the six months ended June 30, 2015 was due to exploration and evaluation expenditures of $54,638, administrative expenses of $95,138, partially offset by a foreign exchange gain of $4,307 and interest income of $202.

Exploration and evaluation expenditures during the six months ended June 30, 2015 included the following:

Acquisition costs	$	20,433
Transportation and accommodations		1,968
Exploration licences and lease payments		28,533
Value added taxes		3,527
Other		177
Total expenditures	$	54,638

The administrative costs during the six months ended June 30, 2015 included professional fees of $49,037 for accounting and legal services in Chile and Canada, office expenses of $3,488, consulting and management fees of $20,371, shareholder communication and filing fees of $10,818, insurance expense of $8,901, and bank charges of $1,638.

The Company had a foreign exchange gain during the three and six months ended June 30, 2015. Foreign exchange gains or losses are largely on the movements in foreign exchange rates between the Canadian dollar, the Company's functional currency, and the Chilean Peso and the US dollar.

The loss of $54,420 during the three months ended June 30, 2014 was due to exploration and evaluation expenditures of $8,664, administrative expenses of $21,569 and interest expense of $27,409, partially offset by a foreign exchange gain of $3,222.

Exploration and evaluation expenditures during the three months ended June 30, 2014 included the following:

Geological surveying and sample analysis		313
Transportation and accommodations		1,034
Exploration licences and lease payments		1,333
Value added taxes		3,888
Other		2,096
Total expenditures	$	8,664

(in Canadian dollars, unless otherwise noted)

The administrative costs during the three months ended June 30, 2014 included professional fees of $11,043 for accounting and legal services in Chile and Canada, office expense of $377, shareholder communication and filing fees of $4,795, and insurance expense of $4,475.

The loss of $104,665 during the six months ended June 30, 2014 was due to exploration and evaluation expenditures of $5,274, administrative expenses of $55,288, interest expense of $50,345 and a foreign exchange gain of $6,242.

Exploration and evaluation expenditures during the six months ended June 30, 2014 included the following:

Acquisition costs	$	2,764
Salaries and consulting		1,047
Geological surveying and sample analysis		313
Transportation and accommodations		4,385
Exploration licences and lease payments		38,169
Value added taxes		(2,141)
Cost recovery on sale of tailings		(50,665)
Other		11,402
Total expenditures	$	5,274

The administrative costs during the six months ended June 30, 2014 included professional fees of $31,097 for accounting and legal services in Chile and Canada, office expense of $872, shareholder communication and filing fees of $12,444, and insurance expense of $8,901.

Cash Flows

During the three and six months ended June 30, 2015, the Company used cash of $57,001 and $121,868 in operating activities, respectively, compared with $20,376 and $46,659 during the three and six months ended June 30, 2014. Cash used in operating activities during both periods was the result of exploration and evaluation expenditures, general and administrative expenses, changes in non-cash working capital and foreign exchange gains and losses.

There were no financing activities during the three and six months ended June 30, 2015 and 2014.

Off-Balance Sheet Items

As at June 30, 2015, the Company did not have any off-balance sheet items.

(in Canadian dollars, unless otherwise noted)

Select Annual Information

The following is a summary of the Company's financial results for the three most recently completed financial years:

	2014	2013	2012
Revenues	**$ -**	$ -	$ -
Loss	**$(377,595)**	$(676,098)	$(3,949,701)
Loss per share, basic and diluted	**$(0.02)**	$(0.03)	$(0.60)
Total assets	**$323,935**	$102,585	$118,330
Long-term liabilities	**$ -**	$ -	$ -

Quarterly Information

Period	Interest income (1)	Operating costs	Loss	Loss per share	Total assets
Q2 – June 30, 2015	$202	$77,110	$(73,980)	$ -	$199,216
Q1 – March 31, 2015	$-	$72,666	$(71,287)	$ -	$258,309
Q4 – December 31, 2014	$-	$35,342	$(31,288)	$ -	$323,935
Q3 – September 30, 2014	$-	$352,558	$(241,642)	$(0.02)	$356,896
Q2 – June 30, 2014	$-	$30,233	$(54,420)	$(0.01)	$40,983
Q1 – March 31, 2014	$-	$30,329	$(50,245)	$ -	$68,034
Q4 – December 31, 2013	$-	$179,188	$(203,331)	$(0.02)	$102,585
Q3 – September 30, 2013	$-	$92,009	$(113,523)	$(0.01)	$251,635

Explanatory Notes:
(1) The Company has no sales revenues.

Outstanding Share Data

As at August 21, 2015, the following common shares, common share purchase warrants and common share options were issued and outstanding:

- 44,233,120 common shares;
- 100,000 common share purchase warrants with an exercise price of $0.90, expiring January 12, 2017; and
- 566,665 options to purchase common shares under the Company's share option plan with exercise prices ranging between $0.90 and $0.92 per share and expiry dates ranging between January 12, 2017 and February 16, 2017.

Financial Instruments

The nature of the exploration process and the location of the Company's assets exposes 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 June 30, 2015, the Company had net working capital of $146,459, which included a cash balance of $182,825, amounts receivable of $4,097 and prepaid expenses and advances of $9,425, partially offset by accounts payable and accrued liabilities of $49,888. The Company was required to make payments under its surface rights agreements of approximately CLP 10,000,000 ($19,890) during the next twelve month period to retain access to its properties in Chile. In June 2015, the Company made a payment of CLP 5,000,000 to the owner of the surface rights, satisfying any remaining obligation under the surface rights agreement; however, it has lost surface rights 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.

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 June 30, 2015, a portion of the Company's cash balance was held in Chilean Pesos ($5,195). A 10% strengthening (weakening) of the Canadian Dollar against the Chilean Peso would (increase) decrease the net loss by $520 based on foreign currency balances at June 30, 2015.

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 June 30, 2015 and December 31, 2014, none of the Company's financial instruments were held at fair value.

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, 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 TSX-V, 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 June 30, 2015, the Company believes it was compliant with the policies of the TSX-V. The impact of any violation is dependent on the discretion of the TSX-V.

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.

Critical Accounting Policies

The preparation of 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.

The following is a list of the accounting policies that management believes are critical, due to the degree of uncertainty regarding the estimates and assumptions involved and the magnitude of the asset, liability or expense being reported:

- Foreign currencies
- Share-based payments
- Income tax accounts

Foreign currencies
The presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Exchange differences are recognized in profit or loss in the period in which they arise.

The Company makes expenditures and incurs costs in Chilean pesos and United States Dollars. At June 30, 2015, one Canadian dollar was worth US$0.8006 and 511.38 CLP (December 31, 2014 – US$0.8620 and 523.01 CLP). During six months ended June 30, 2015, the average value of one Canadian dollar was US$0.8132 and 502.83 CLP (six months ended June 30, 2014 – US$0.9372 and 517.89 CLP).

Share-based payments
The Company records the cost of share-based payments based on the fair value method of accounting for share-based compensation. The fair value of common shares is based on the quoted market value. The fair value of stock options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant. The compensation expense is recognized over the vesting period. When options are exercised, the proceeds received, together with any related amount in share-based payments reserve, are credited to issued capital.

Income tax accounts
Income tax included in profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the balance sheet liability position method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

At June 30, 2015 and December 31, 2014, the Company's tax assets were offset by valuation allowances of an equal amount.

Commitments

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.

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.

Transactions with Related Parties

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 offering completed by the Company. 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 six months ended June 30, 2015, compensation of $20,371 (2014: $nil) was paid or was payable to key management personnel. However, 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.

Risk Factors

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. These risk factors, although not exhaustive, could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

Dilution Risk

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or securities convertible into common shares. The constating documents of the Company will allow it to issue, among other things, an unlimited number of common shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The size of future issues of commons shares or securities convertible into common shares or the effect, if any, that future issues and sales of the common shares will have on the price of the common shares cannot be predicted at this time. Any transaction involving the issue of previously authorized but unissued common shares or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in the mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operation costs are estimated to be greater than projected prices of product. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

No Revenues

To date, the Company has recorded no revenues from exploration operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Foreign Exchange
The Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the Chilean peso and the United States dollar. The Company supports its operations by raising financing in Canadian dollars and incurs expenditures in Chilean pesos and United States dollars. A weakening of the Canadian dollar against the Chilean peso or United States dollar would result in an increase in future property option payments and an increase in exploration and evaluation costs, in Canadian dollar terms.

Licences and Permits, Laws and Regulations
The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Mineral Commodity Prices
The profitability of the Company's operations will be dependent upon the market price of mineral commodities, particularly copper and iron ore. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and profit or loss.

Title to Properties
The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Uninsured Risks
The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase costs of projects.

Environmental
The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Competition
Austin Resources competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties
Austin Resources has relied upon consultants, geologists and others and intends to rely on these parties for exploration, development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop processes to extract the commodity from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on Austin Resources.

Conflicts of Interest
Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of Austin Resources may have a conflict of interest in negotiating and concluding terms respecting such participation.

Dividends
To date, Austin Resources has not paid any dividends on its outstanding securities and does not expect to do so in the foreseeable future. Any decision to pay dividends on the common shares will be made by the board of directors on the basis of the Company's earnings, financial requirements and other conditions.

Litigation
Austin Resources has entered into legally binding agreements with various third parties on a consulting basis. The interpretation of the rights and obligations that arise from such agreements is open to interpretation and Austin Resources may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause Austin Resources to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any such disputes could have a material adverse effect on Austin Resources.

Foreign Operations
At present, Austin Resources has operations that are located in Chile. As a result, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates; price controls; import or export controls; currency remittance; high rates of inflation; labour unrest; renegotiation or nullification of existing permits, applications and contracts, land or tax disputes; changes in taxation policies; restrictions on foreign exchanges; changing political condition; currency controls; and governmental regulations that may require the awarding of contracts of local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitudes in Chile or other countries in which Austin Resources conducts business may adversely affect the operations of the Company. The Company may become subject to local political unrest that could have a debilitating impact on operations, and at its extreme, could result in damage and injury to personnel and site infrastructure.

Failure to comply with applicable laws and regulations may result in enforcement actions and include corrective measures requiring capital expenditures, installing of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Risk Management
Mineral exploration and development companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

Controls and Procedures

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with IFRS.

TSX Venture Exchange listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX Venture Exchange issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This MD&A contains forward-looking information under Canadian securities legislation. Forward-looking information includes, but is not limited to, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of costs and other factors that are set out herein. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during exploration and development; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update its forward-looking information, except in accordance with applicable securities laws.

August 21, 2015