AUSTIN RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2017

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Austin Resources Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Austin Resources Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

		As at June 30, 2017		As at December 31, 2016
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**321,586**	$	432,668
Amounts receivable		**3,729**		2,195
Prepaid expenses and advances		**1,760**		1,804
Total current assets		**327,075**		436,667
Non-current assets				
Equipment (note 4)		**442**		572
Total assets	**$**	**327,517**	$	437,239
EQUITY (DEFICIENCY) AND LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (note 9)	**$**	**23,371**	$	36,126
Related party loan (notes 5 and 9)		**557,534**		532,740
Total liabilities		**580,905**		568,866
Deficiency				
Issued capital (note 6)		**5,448,187**		5,448,187
Warrants (note 7)		**-**		54,000
Share-based payments reserve (note 8)		**-**		99,000
Deficit		**(5,701,575)**		(5,732,814)
Total deficiency		**(253,388)**		(131,627)
Total deficiency and liabilities	**$**	**327,517**	$	437,239

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

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 3 and 12)

Approved on behalf of the Board:

"Weimin Fu", Director

"Zhi Lyu", Director

Austin Resources Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Operating expenses				
Exploration and evaluation expenditures (note 3)	**$ 8,325**	$ 10,804	**$ 27,537**	$ 27,609
Consulting and management fees	**6,056**	5,784	**12,050**	13,575
Professional fees	**28,872**	16,457	**44,776**	30,424
Office expense	**930**	3,929	**3,673**	4,009
Interest expense (note 5)	**12,465**	7,534	**24,794**	7,534
Shareholder communication and filing fees	**791**	639	**6,812**	6,889
Insurance expense	**-**	-	**-**	531
Bank charges	**1,018**	909	**2,125**	2,139
Depreciation expense	**65**	(8)	**130**	766
Loss for the period before other items	**(58,522)**	(46,048)	**(121,897)**	(93,476)
Interest income	**-**	-	**-**	520
Foreign exchange gain	**(3,000)**	5,512	**136**	7,387
Net loss and comprehensive loss for the period	**$ (61,522)**	$ (40,536)	**$ (121,761)**	$ (85,569)
Basic and diluted net loss per share (note 10)	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding	**44,233,120**	44,233,120	**44,233,120**	44,233,120

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

Austin Resources Ltd.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six months ended June 30, 2017	Six months ended June 30, 2016
Operating activities		
Net loss for the period	**$ (121,761)**	$ (85,569)
Adjustments for:		
Depreciation expense	**130**	766
Accrued interest expense	**24,794**	7,534
Changes in non-cash working capital items:		
Amounts receivable	**(1,534)**	2,373
Prepaid expenses and advances	**44**	527
Accounts payable and accrued liabilities	**(12,755)**	(9,900)
Net cash used in operating activities	**(111,082)**	(84,269)
Financing activities		
Loan received from related party	**-**	500,000
Net cash provided by financing activities	**-**	500,000
Net change in cash and cash equivalents	**(111,082)**	415,731
Cash and cash equivalents, beginning of period	**432,668**	76,211
Cash and cash equivalents, end of period	**$ 321,586**	$ 491,942

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

Austin Resources Ltd.

Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)
(Unaudited)

	Number of shares	Issued capital	Warrants reserve	Share-based payments reserve	Deficit	Total
Balance, December 31, 2015	**44,233,120**	**$ 5,448,187**	**$ 54,000**	**$ 99,000**	**$ (5,545,995)**	**$ 55,192**
Net loss and comprehensive loss for the period	-	-	-	-	(85,569)	(85,569)
Balance, June 30, 2016	**44,233,120**	**$ 5,448,187**	**$ 54,000**	**$ 99,000**	**$ (5,631,564)**	**$ (30,377)**
Balance, December 31, 2016	**44,233,120**	**$ 5,448,187**	**$ 54,000**	**$ 99,000**	**$ (5,732,814)**	**$ (131,627)**
Warrant expiry	-	-	(54,000)	-	54,000	-
Stock option expiry	-	-	-	(99,000)	99,000	-
Net loss and comprehensive loss for the period	-	-	-	-	(121,761)	(121,761)
Balance, June 30, 2017	**44,233,120**	**$ 5,448,187**	**$ -**	**$ -**	**$ (5,701,575)**	**$ (253,388)**

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these 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 The Canadian Venture Building, 82 Richmond St East, Suite 204, Toronto, Ontario, M5C 1P1. 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, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal land claims and non-compliance with regulatory, social 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 unaudited condensed interim 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 June 30, 2017, the Company had not yet achieved profitable operations, had accumulated losses of $5,701,575 (December 31, 2016: accumulated losses of $5,732,814) since inception, had working capital deficiency of $253,830 (December 31, 2016: working capital deficiency of $132,199) 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 unaudited condensed interim 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. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of August 22, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

New standards not yet adopted and interpretations issued but not yet effective

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.

(Expressed in Canadian Dollars)

3. Exploration and evaluation properties and expenditures

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Exploration licences and lease payments	**$ 6,746**	$ 6,033	**$ 22,190**	$ 20,940
Value added taxes [(1)]	**1,579**	4,771	**5,347**	6,669
Total expenditures	**$ 8,325**	$ 10,804	**$ 27,537**	$ 27,609

[(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 certain option agreements, as amended, to earn 100% interests in certain mineral exploration properties located adjacent to the Atacama fault near the town of La Higuera in Chile. 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. The two properties for which the Company completed its earn-in form the La Higuera Project. A summary of the two earn-in property interests is provided below.

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

The Company earned a 100% interest in the Avril, Gloria, Withney, Black (1100), Caballo Cinco (117, 2131, 4149), Blanco Seis (15, 21, 4155) and Blanco (110, 21) exploitation concessions and claims.

Benja I and II

The Company earned a 100% interest in the Benja I (114) and Benja II (114) exploitation claims.

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 ($675,000) or its equivalent in the Company's common shares, at the election of the former owner of the property. 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.

Canada

The Company holds 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.

(Expressed in Canadian Dollars)

4. Equipment

	Cost	Accumulated depreciation	Net book value
Balance, December 31, 2015	$ 8,768	$ (6,665)	$ 2,103
Depreciation	-	(1,531)	(1,531)
Balance, December 31, 2016	8,768	(8,196)	572
Depreciation	-	(130)	(130)
Balance, June 30, 2017	$ 8,768	$ (8,326)	$ 442

The Company's equipment is located in Chile.

5. Related party loan

On May 26, 2016, the Company entered into a loan agreement with Guilin International Company Limited ("Guilin"), a major shareholder of the Company, in the amount of $500,000 at an interest rate of 10% per annum. As at June 30, 2017, the Company owes $557,534 including accrued interest. The loan is due on demand, is unsecured and is a first ranking debt of the Company.

6. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares without par value.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2015, June 30, 2016, December 31, 2016 and June 30, 2017	44,233,120	$ 5,448,187

(Expressed in Canadian Dollars)

7. Warrants

	Number of warrants		Amount
Balance, December 31, 2015	3,016,667	$	229,000
Expired	(2,916,667)		(175,000)
Balance, December 31, 2016	100,000	$	54,000
Expired	(100,000)		(54,000)
Balance, June 30, 2017	-	$	-

The Company had no warrants outstanding as at June 30, 2017.

8. 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.

	Number of stock options		Weighted average exercise price
Balance, December 31, 2015 and June 30, 2016	183,332	$	0.90
Balance, December 31, 2016	183,332	$	0.90
Expired	(183,332)		0.90
Balance, June 30, 2017	-	$	-

The Company had no stock options outstanding as at June 30, 2017.

(Expressed in Canadian Dollars)

9. Related party transactions

(a) 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.

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Salaries and benefits	**$ 6,056**	$ 5,784	**$ 12,050**	$ 13,575

(b) Transactions with related parties

The Chief Financial Officer is an employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the three and six months ended June 30, 2017, the Company incurred $18,930 and $25,337, respectively (three and six months ended June 30, 2016 - $6,385 and $11,176, respectively) for accounting services (included in professional fees) rendered by MSSI. As at June 30, 2017, MSSI was owed $1,586 (December 31, 2016 - $11,781) and this amount was included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing and due on demand.

Refer to note 5.

10. Loss per share

For the three and six months ended June 30, 2017, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of $61,522 and $121,761 , respectively (three and six months ended June 30, 2016 - $40,536 and $85,569, respectively) and the weighted average number of common shares outstanding of 44,233,120 (three and six months ended June 30, 2016 - 44,233,120). Diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

(Expressed in Canadian Dollars)

11. Segmented 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:

June 30, 2017	Chile	Canada	Total
Cash and cash equivalents	$ 496	$ 321,090	$ 321,586
Other current assets	2,306	3,183	5,489
Equipment	442	-	442
Total assets	$ 3,244	$ 324,273	$ 327,517
Accounts payable and accrued liabilities	$ 4,657	$ 18,714	$ 23,371
Amount due to a related company	-	557,534	557,534
Total liabilities	$ 4,657	$ 576,248	$ 580,905

December 31, 2016	Chile	Canada	Total
Cash and cash equivalents	$ 4,855	$ 427,813	$ 432,668
Other current assets	2,365	1,634	3,999
Equipment	572	-	572
Total assets	$ 7,792	$ 429,447	$ 437,239
Accounts payable and accrued liabilities	$ 4,826	$ 31,300	$ 36,126
Amount due to a related company	-	532,740	532,740
Total liabilities	$ 4,826	$ 564,040	$ 568,866

Three months ended June 30, 2017	Chile	Canada	Total
Exploration and evaluation expenditures	$ 8,325	$ -	$ 8,325
General and administrative expense	9,193	40,939	50,132
Foreign exchange gain	8,557	(5,557)	3,000
Depreciation expense	65	-	65
	$ 26,140	$ 35,382	$ 61,522

Three months ended June 30, 2016	Chile	Canada	Total
Exploration and evaluation expenditures	$ 10,804	$ -	$ 10,804
General and administrative expense	54,352	(19,100)	35,252
Foreign exchange gain	(5,829)	317	(5,512)
Depreciation expense	(8)	-	(8)
	$ 59,319	$ (18,783)	$ 40,536

(Expressed in Canadian Dollars)

11. Segmented Information (continued)

The following table summarizes the loss by geographic segment:

Six months ended June 30, 2017	Chile	Canada	Total
Exploration and evaluation expenditures	$ 27,537	$ -	$ 27,537
General and administrative expense	15,579	78,651	94,230
Foreign exchange (gain) loss	418	(554)	(136)
Depreciation expense	130	-	130
	$ 43,664	$ 78,097	$ 121,761

Six months ended June 30, 2016	Chile	Canada	Total
Exploration and evaluation expenditures	$ 27,609	$ -	$ 27,609
General and administrative expense	61,092	4,009	65,101
Interest income	-	(520)	(520)
Foreign exchange gain	(8,139)	752	(7,387)
Depreciation expense	766	-	766
	$ 81,328	$ 4,241	$ 85,569

12. 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.

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 patent fees.

The Company's Treasure Property has a current work commitment requirement totaling approximately $64,000 (assuming the Company wishes to retain all 35 claims) which must be completed by mid 2017.