
AUSTIN RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND SIX MONTHS ENDED
JUNE 30, 2020
(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, 2020	As at December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 17,749	\$ 82,614
Amounts receivable	18,203	2,070
Prepaid expenses	-	1,560
Total current assets	35,952	86,244
Non-current assets		
Equipment (note 5)	-	71
Total assets	\$ 35,952	\$ 86,315
EQUITY (DEFICIENCY) AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	\$ 14,327	\$ 27,472
Related party loan (notes 6 and 10)	177,704	102,411
Total liabilities	192,031	129,883
Deficiency		
Issued capital (note 7)	6,144,075	6,144,075
Deficit	(6,300,154)	(6,187,643)
Total deficiency	(156,079)	(43,568)
Total deficiency and liabilities	\$ 35,952	\$ 86,315

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 13)

Approved on behalf of the Board:

"Weimin Fu", Director _____

"Jiangping Mo", Director _____

Austin Resources Ltd.

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

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Operating expenses				
Consulting and management fees (note 10(a))	\$ 4,194	\$ 5,995	\$ 10,279	\$ 11,948
Professional fees (note 10(b))	33,868	15,915	49,735	25,587
Office expense	275	3	275	131
Interest expense (note 6)	2,800	12,466	5,293	24,795
Shareholder communication and filing fees	6,358	8,649	15,071	14,484
Bank charges	417	460	1,006	1,053
Loss for the period before other items	(47,912)	(43,488)	(81,659)	(77,998)
Gain on disposition of Minera Azul (note 4)	17,863		17,863	-
Foreign exchange (loss) gain	(1,780)	(466)	(2,114)	(603)
Net loss and comprehensive loss for continuing operation for the period	(31,829)	\$ (43,954)	(65,910)	(78,601)
Net loss and comprehensive loss for discontinued operation for the	(24,015)	\$ (18,851)	(46,601)	(37,235)
Total Net loss and comprehensive loss for the period	\$ (55,844)	\$ (62,805)	\$ (112,511)	\$ (115,836)
Basic and diluted net loss				
per share (note 11)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	21,346,618	8,846,624	21,346,618	8,846,624

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, 2020	Six months ended June 30, 2019
Operating activities		
Net loss for the period	\$ (65,910)	\$ (78,601)
Adjustments for:		
Accrued interest expense	5,293	24,795
Gain on disposition of Minera Azul	(17,863)	-
Unrealized foreign exchange	28,743	-
Changes in non-cash working capital items:		
Amounts receivable	(29,401)	367
Accounts payable and accrued liabilities	24,698	4,175
Net cash used in operating activities	(54,440)	(49,264)
Investing activities		
Investment in discontinued operation	(38,076)	(37,325)
Net cash used in investing activities	(38,076)	(37,325)
Financing activities		
Proceeds received from related party loan	35,036	-
Net cash provided by financing activities	35,036	-
Net change in cash and cash equivalents, continuing operation	(57,480)	(86,589)
Cash and cash equivalents, beginning of period, continuing operation	75,229	97,316
Cash and cash equivalents, end of period, continuing operation	\$ 17,749	\$ 10,727
Net cash used in operating activities	\$ (45,461)	\$ (37,374)
Net cash provided by financing activities	38,076	37,325
Net change in cash and cash equivalents, discontinued operation	(7,385)	(49)
Cash and cash equivalents, beginning of period, discontinued operation	7,385	6,176
Cash and cash equivalents, end of period, discontinued operation	\$ -	\$ 6,127

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	Deficit	Total
Balance, December 31, 2018	8,846,618	\$ 5,448,187	\$ (6,003,332)	\$ (555,145)
Net loss and comprehensive loss for the period	-	-	(115,836)	(115,836)
Balance, June 30, 2019	8,846,618	\$ 5,448,187	\$ (6,119,168)	\$ (670,981)
Balance, December 31, 2019	21,346,618	\$ 6,144,075	\$ (6,187,643)	\$ (43,568)
Net loss and comprehensive loss for the period	-	-	(112,511)	(112,511)
Balance, June 30, 2020	21,346,618	\$ 6,144,075	\$ (6,300,154)	\$ (156,079)

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

Austin Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations and going concern

Austin Resources Ltd. (individually, or collectively with its subsidiary, as applicable, "Austin Resources", or the "Company") recently completed the sale of all of its properties in Chile, and as a result of the transaction, the Company did not maintain the requirements for a TSX Venture Tier 2 company and its listing was transferred to the NEX board of the TSX Venture Exchange (the "NEX"). While the Company currently holds no mineral properties, it retains its classification as a 'Mineral Exploration/Development' company.

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.

On February 27, 2020, the Company transferred all of its interest in the mineral exploration properties in Chile held by Minera Azul Ventures Limitada ("Minera Azul"), the Company's wholly owned Chilean subsidiary. The Company retained a 1% net smelter royalty on its interest transferred with 50% of such royalty retained being able to be acquired for US\$63,166. As a result of the completion of the agreement with Bluerock Resources SPA, Minera Azul will no longer have any assets. On May 14, 2020, the Company wound up operations in Chile and disposed of its interest in Minera Azul (note 4).

Additionally, the Company had been advised by the Exchange that, with the closing of the transfer of all of its interests in the mineral exploration properties in Chile, the Company ceased to have active operations, no longer met the continued listing requirements of the Exchange and was transferred to the NEX. As a result of such transfer to the NEX, the Company's trading symbol changed from AUT to AUT.H .

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, 2020, the Company had not yet achieved profitable operations, had accumulated losses of \$6,300,154 (December 31, 2019 - accumulated losses of \$6,187,643) since inception, had working capital deficiency of \$156,079 (December 31, 2019 - working capital deficiency of \$43,639) 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.

On July 2, 2019, the Company received approval of its shareholders and the approval of the TSX Venture Exchange for its previously announced share consolidation ("Share Consolidation"). As a result, the common shares of the Company were consolidated on a five for one (5:1) basis. The Share Consolidation has been retrospectively reflected in these consolidated financial statements and all references to the number of common shares herein have been revised to reflect the Share Consolidation.

Austin Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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 15, 2020, 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, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

3. Exploration and evaluation properties and expenditures

On February 27, 2020, the Company received approval of its shareholders and the TSX Venture Exchange for the transfer of all of its interest in the mineral exploration properties in Chile held by Minera Azul.

4. Discontinued operation

Subsequent to transfer of all of its interest in the mineral exploration properties in Chile held by Minera Azul, on May 14, 2020, the Company disposed of its interest in Minera Azul for \$14,402 which was included in amounts receivable as at June 30, 2020, resulting a gain on disposition of \$17,863.

Pursuant to IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, the unaudited condensed interim consolidated financial statements of the Company have been reclassified to reflect discontinued operation of Minera Azul. Accordingly, assets, liabilities, net loss and cash flows of discontinued operation have been segregated in the unaudited condensed interim consolidated statements of financial positions, the unaudited condensed interim consolidated statements of loss and comprehensive loss and the unaudited condensed interim consolidated statements of cash flows.

Austin Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

4. Discontinued operation (continued)

The following tables present summarized financial information related to discontinued operations in Minera Azul:

Unaudited condensed interim consolidated statements of loss and comprehensive loss of discontinued operation for the three and six months ended June 30, 2020 and 2019:

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Exploration and evaluation expenditures (recovery)	\$ 7,898	\$ 20,229	\$ (13,483)	\$ 32,374
Professional fees	5,748	6,020	22,320	12,002
Office expenses	1	272	41	368
Bank charges	209	477	509	809
Depreciation	22	32	44	63
Loss before other items	13,878	27,030	9,431	45,616
Foreign exchange loss (gain)	10,137	(8,179)	37,170	(8,381)
Net loss and comprehensive loss	\$ 24,015	\$ 18,851	\$ 46,601	\$ 37,235

Statements of cash flows of the discontinued operation for the periods ended June 30, 2020 and 2019:

Six Months Ended June 30,	2020	2019
Cash used in operating activities for discontinued operation	\$ (45,461)	\$ (37,374)
Cash provided by financing activities for discontinued operation	38,076	37,325
Net change in cash and cash equivalents for discontinued operation	(7,385)	(49)
Cash and cash equivalents, beginning of the period for discontinued operation	7,385	6,176
Cash and cash equivalents, end of the period for discontinued operation	\$ -	\$ 6,127

Austin Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

5. Equipment

	Cost	Accumulated depreciation	Net book value
Balance, December 31, 2019	\$ 8,768	\$ (8,697)	\$ 71
Depreciation	-	(44)	(44)
Transferred to assets disposed of	(8,768)	8,741	(27)
Balance, June 30, 2020	\$ -	\$ -	\$ -

The Company's equipment is located in Chile.

6. 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. During the year ended December 31, 2019, the Company repaid the related party loan in full in the amount of \$663,424 including accrued interest of \$163,424. As at June 30, 2020, the Company owes \$nil (December 31, 2019 - \$102,411) including accrued interest.

During the year ended December 31, 2019, the Company entered a loan agreement with a shareholder of the Company in the amount of \$100,000 at an interest rate of 10% per annum. During the three and six months ended June 30, 2020, the Company incurred an additional loan from the shareholder in the amount of \$70,000 which is comprised of \$35,036 cash proceeds and \$34,964 converted from accounts payable settled by the shareholder. During the three and six months ended June 30, 2020, the Company accrued interest expense of \$2,800 and \$5,293, respectively. As at June 30, 2020, the Company owes \$177,704 (December 31, 2019 - \$102,411) including accrued interest.

Austin Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

7. Share capital

a) Authorized share capital

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

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2018, June 30, 2019, Proceeds from private placement offering, net	8,846,618	\$ 5,448,187
	12,500,000	695,888
Balance, December 31, 2019 and June 30, 2020	21,346,618	\$ 6,144,075

On August 7, 2019, the Company completed a private placement offering ("Private Placement") of \$750,000 in gross proceeds based on the issuance of 12,500,000 common shares at a price of \$0.06 per common share. The common shares issued in connection with the Private Placement were subject to a resale restriction for a period of four months plus one day from August 7, 2019. The Company incurred a total issuance cost of \$54,112.

8. Warrants

The Company had no warrants outstanding as at June 30, 2020.

9. 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.

The Company had no stock options outstanding as at June 30, 2020.

Austin Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

10. 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 the Chief Financial Officer, as well the Country Manager.

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Salaries and benefits	\$ 4,194	\$ 5,995	\$ 10,279	\$ 11,948

(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, 2020, the Company incurred \$6,566 and \$19,118, respectively (three and six months ended June 30, 2019 - \$12,600 and \$19,282, respectively) for accounting services (included in professional fees) rendered by MSSI. As at June 30, 2020, MSSI was owed \$1,786 (December 31, 2019 - \$1,792) 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 6.

11. Loss per share

For the three and six months ended June 30, 2020, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$55,844 and \$112,511, respectively (three and six months ended June 30, 2019 - \$62,805 and \$115,836, respectively) and the weighted average number of common shares outstanding of 21,346,618 (three and six months ended June 30, 2019 - 8,846,624).

Austin Resources Ltd.**Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended June 30, 2020****(Expressed in Canadian Dollars)****(Unaudited)**

12. Segmented Information

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

June 30, 2020	Chile	Canada	Total
Cash and cash equivalents	\$ -	\$ 17,749	\$ 17,749
Other current assets	-	18,203	18,203
Total assets	\$ -	\$ 35,952	\$ 35,952
Accounts payable and accrued liabilities	\$ -	\$ 14,327	\$ 14,327
Related party loan	-	177,704	177,704
Total liabilities	\$ -	\$ 192,031	\$ 192,031
December 31, 2019	Chile	Canada	Total
Cash and cash equivalents	\$ 7,385	\$ 75,229	\$ 82,614
Other current assets	2,044	1,586	3,630
Equipment	71	-	71
Total assets	\$ 9,500	\$ 76,815	\$ 86,315
Accounts payable and accrued liabilities	\$ 4,435	\$ 23,037	\$ 27,472
Related party loan	-	102,411	102,411
Total liabilities	\$ 4,435	\$ 125,448	\$ 129,883

The following table summarizes the loss by geographic segment:

Three months ended June 30, 2020	Chile	Canada	Total
Exploration and evaluation expenditures	\$ 7,898	\$ -	\$ 7,898
Consulting and management fees	-	4,194	4,194
Professional fees	5,748	33,868	39,616
General and administrative expense	1	275	276
Interest expense	-	2,800	2,800
Shareholder communication and filing fees	-	6,358	6,358
Bank charges	209	417	626
Gain on disposition of Minera Azul	-	(17,863)	(17,863)
Foreign exchange gain	10,137	1,780	11,917
Depreciation expense	22	-	22
	\$ 24,015	\$ 31,829	\$ 55,844

Austin Resources Ltd.**Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended June 30, 2020****(Expressed in Canadian Dollars)****(Unaudited)**

12. Segmented Information (continued)

Six months ended June 30, 2020	Chile	Canada	Total
Exploration and evaluation expenditures	\$ (13,483)	\$ -	\$ (13,483)
Consulting and management fees	-	10,279	10,279
Professional fees	22,320	49,735	72,055
General and administrative expense	41	275	316
Interest expense	-	5,293	5,293
Shareholder communication and filing fees	-	15,071	15,071
Bank charges	509	1,006	1,515
Gain on disposition of Mineral Azul	-	(17,863)	(17,863)
Foreign exchange gain	37,170	2,114	39,284
Depreciation expense	44	-	44
	\$ 46,601	\$ 65,910	\$ 112,511

Three months ended June 30, 2019	Chile	Canada	Total
Exploration and evaluation expenditures	\$ 20,229	\$ -	\$ 20,229
Consulting and management fees	-	5,995	5,995
Professional fees	6,020	15,915	21,935
General and administrative expense	272	3	275
Interest expense	-	12,466	12,466
Shareholder communication and filing fees	-	8,649	8,649
Bank charges	477	460	937
Foreign exchange gain	(8,179)	466	(7,713)
Depreciation expense	32	-	32
	\$ 18,851	\$ 43,954	\$ 62,805

Six months ended June 30, 2019	Chile	Canada	Total
Exploration and evaluation expenditures	\$ 32,374	\$ -	\$ 32,374
Consulting and management fees	-	11,948	11,948
Professional fees	12,002	25,587	37,589
General and administrative expense	368	131	499
Interest expense	-	24,795	24,795
Shareholder communication and filing fees	-	14,484	14,484
Bank charges	809	1,053	1,862
Foreign exchange gain	(8,381)	603	(7,778)
Depreciation expense	63	-	63
	\$ 37,235	\$ 78,601	\$ 115,836

Austin Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

13. Commitments and contingencies

The Company's activities were subject to various laws and regulations. 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.