TRISTAR GOLD, INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Expressed in United States Dollars)

For the three month periods ended March 31, 2015 and 2014

Reader's Note: These interim consolidated financial statements for the three month periods ended March 31, 2015 and 2014 of TriStar Gold, Inc. have been prepared by management and have not been subject to review by the Company's auditor.

TriStar Gold, Inc.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

(Expressed in United States Dollars)

	March 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	**$ 123,331**	$ 138,798
Accounts receivable	**6,033**	1,946
Prepaid expenses	**8,592**	14,045
Total current assets	**137,956**	154,789
Non-current assets:		
Mineral properties and deferred expenditures (Note 7)	**11,152,201**	11,086,343
Property, plant and equipment (Note 8)	**2,060**	2,377
Total non-current assets	**11,154,261**	11,088,720
Total assets	**$ 11,292,217**	$ 11,243,509
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 72,584**	$ 78,965
Provisions	**272,421**	317,321
Total current liabilities	**345,005**	396,286
Subscription funds received	**164,209**	-
Warrants liability (Note 10)	**1,263,034**	1,462,257
Total liabilities	**1,772,248**	1,858,543
Shareholders' equity:		
Share capital (Note 9)	**30,778,777**	30,749,007
Contributed surplus (Note 9 and Note 12)	**2,218,369**	2,032,668
Accumulated deficit	**(23,477,177)**	(23,396,709)
Total shareholders' equity	**9,519,969**	9,384,966
Total liabilities and shareholders' equity	**$ 11,292,217**	$ 11,243,509

Commitments and Contingencies (Note 16)

Approved on behalf of the Board of Directors.

Director: "Mark E. Jones, III"
Director: "Brian C. Irwin"

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

TriStar Gold, Inc.

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

(Expressed in United States Dollars)

	Three months ended	
	March 31, 2015	March 31, 2014
Expenses:		
General and administrative (Note 13 and Note 15)	**$ 320,675**	$ 204,163
Foreign exchange (gain) losses	**(54,018)**	15,444
	266,657	219,607
Other income (expenses):		
Warrants liability fair value change (Note 10)	**187,582**	(359,631)
Bank charges	**(1,401)**	(1,395)
Interest income	**8**	3
	186,189	(361,023)
Net loss and comprehensive loss for the period	**$ (80,468)**	$ (580,630)
Basic and diluted loss per share (Note 14)	**$ (0.001)**	$ (0.01)
Basic and diluted weighted-average number of shares outstanding	**84,475,442**	65,164,664

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

TriStar Gold, Inc.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited)

(Expressed in United States Dollars)

	Common Shares Number	Common Shares Amount	Contributed Surplus	Deficit and Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2013	**58,664,803**	**$ 29,407,395**	**$ 1,884,363**	**$ (22,833,572)**	**$ 8,458,186**
Shares issued on private placement, net of share issue cost	22,329,500	727,481	-	-	727,481
Shares issued upon Amending Agreement	1,000,000	112,867	-	-	112,867
Net loss and comprehensive loss for the period	-	-	-	(580,630)	(580,630)
Balance at March 31, 2014	**81,994,303**	**$ 30,247,743**	**$ 1,884,363**	**$ (23,414,202)**	**$ 8,717,904**

	Common Shares Number	Common Shares Amount	Contributed Surplus	Deficit and Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2014	**84,366,553**	**$ 30,749,007**	**$ 2,032,668**	**$ (23,396,709)**	**$ 9,384,966**
Shares issued on exercise of warrants	175,000	29,770	-	-	29,770
Stock-based compensation	-	-	185,701	-	185,701
Net loss and comprehensive loss for the period	-	-	-	(80,468)	(80,468)
Balance at March 31, 2015	**84,541,553**	**$ 30,778,777**	**$ 2,218,369**	**$ (23,477,177)**	**$ 9,519,969**

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

TriStar Gold, Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

(Expressed in United States Dollars)

	For the three months ended	
	March 31, 2015	March 31, 2014
Operating activities		
Net loss for the period	**$ (80,468)**	$ (580,630)
Adjustments to reconcile net loss to net cash provided (used) in operating activities:		
Depreciation	**317**	12,717
Stock-based compensation	**185,701**	-
Warrants liability fair value change	**(187,582)**	359,631
Changes in non-cash operating working capital:		
Accounts receivable	**(4,086)**	(3,841)
Prepaid expenses	**5,453**	2,329
Accounts payable and accrued liabilities	**(6,380)**	225,605
Provisions	**(44,900)**	26,728
Net cash provided (used) in operating activities	**(131,945)**	42,539
Investing activities		
Mineral properties acquisition and exploration	**(65,858)**	(424,331)
Net cash used in investing activities	**(65,858)**	(424,331)
Financing activities		
Net proceeds from private placement	**-**	2,006,634
Subscription funds received	**164,209**	-
Proceeds from exercise of warrants	**18,127**	-
Net cash provided by financing activities	**182,336**	2,006,634
Net increase (decrease) in cash and cash equivalents	**(15,467)**	1,624,842
Cash and cash equivalents, beginning of period	**138,798**	386,663
Cash and cash equivalents, end of period	**$ 123,331**	$ 2,011,505

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

1. Corporate Information

TriStar Gold, Inc. ("TriStar" or the "Company") was incorporated on May 21, 2010 in British Columbia, Canada. The Company is listed on the TSX Venture Exchange ("TSX"), having the symbol TSG.V. The address of the Company's corporate office and principal place of business is 16360 Park Ten Place, Suite 125, Houston, Texas 77084, United States.

TriStar was created to hold certain existing Brazauro Resources Corporation ("Brazauro") assets as a result of an Arrangement Agreement (the "Arrangement" or "Plan of Arrangement") between Brazauro and Eldorado Gold Corporation ("Eldorado"). The completion of the Arrangement occurred on July 20, 2010.

2. Nature of Operations and Going Concern

The Company is an exploration stage business, with activities in South America, engaged in the acquisition and exploration of mineral properties with the potential for economically recoverable reserves.

The Company has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amounts shown for mineral property are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of such properties, and the profitable production from or disposition of such properties.

While the Company has no source of revenue, it believes it will be able to raise during the year sufficient cash resources to meet its general and administrative expenses and to pursue further exploration on its existing properties. The company has implemented cash conservation measures and continues to review any and all opportunities for additional reduction in expenditures. The majority of the Company's financial commitments are related to property payments in Brazil. In order to meet future expenditures and cover administrative and exploration costs the Company will need to raise additional financing. Although the Company has been successful in raising funds in the past, there can be no assurance that adequate funding will be available in the future, or available under terms favorable to the Company.

For the period ended March 31, 2015, the Company has incurred a net loss of $80,468 (March 31, 2014: $580,630). The Company's deficit as at March 31, 2015 was $23,477,177 (December 31, 2014: $23,396,709). While the unaudited condensed interim consolidated financial statements ("consolidated financial statements") have been prepared by management in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations, adverse conditions may cast substantial doubt upon the validity of this assumption.

These consolidated financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to the statements of comprehensive income (loss) that may be necessary if the Company was unable to continue as a going concern.

3. Basis of Presentation

Statement of Compliance

The consolidated financial statements for the three month periods ended March 31, 2015 and 2014 have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"). Accordingly certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 27, 2015.

3. Basis of Presentation (continued)

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

These financial statements are presented in United States dollars ("U.S. dollars" or "US$"), unless otherwise noted.

4. Significant Accounting Policies

These interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2014 audited annual consolidated financial statements. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014.

5. Critical Accounting Judgments and Key sources of estimation uncertainty

The following are critical judgments and key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that management has made in the process of applying the Company's accounting policies which have the most significant effect on the amounts recognized in the unaudited condensed consolidated interim financial statements and a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Going concern

Management considers whether there exists any event(s) or condition(s) that may cast doubt on the Company's ability to continue as a going concern. Considerations take into account all available information about the future including the availability of debt and equity financing as well as the Company's working capital balance and future commitments.

Functional currency

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of all entities within the group is the United States dollar. Functional currency of each of the entities was determined based on the currency that mainly influences sales prices for goods and services, labor, material and other costs and the currency in which funds from financing activities are generated.

Impairment of assets

Management assesses each cash-generating unit at each reporting period to determine whether any indication of impairment exists. In addition, management assesses a cash-generating unit for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and its value in use. These assessments require the use of estimates and assumptions such as future capital requirements and assessments of preliminary assay results. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

5. Critical Accounting Judgments and Key sources of estimation uncertainty (continued)

Fair value of derivative financial instruments

Management assesses the fair value of the Company's financial derivatives in accordance with the accounting policy stated in Note 4 to the audited annual consolidated financial statements as of December 31, 2014. Fair values of warrants have been measured using the Black-Scholes model, taking into account the terms and conditions upon which the warrants are granted. These calculations require the use of estimates and assumptions. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

Fair value of stock options

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in Note 4 to the audited annual consolidated financial statements as of December 31, 2014. The fair value of the options granted is measured using the Black-Scholes model, taking into account the terms and conditions upon which the options are granted. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's stock options.

Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

6. Recent and Future Changes in Accounting Pronouncements

The IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods. Management has not yet determined the potential impact the adoption of the new and revised Standards and Interpretations will have on the Company's consolidated financial statements.

- IFRS 9, "Financial instruments" (IFRS 9) was issued by the IASB in November 2009 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" (IAS 39). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. This 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.
- IFRS 15, "Revenue from Contracts with Customers" replaces IAS18, *Revenue*, IAS11, *Construction Contracts* and related interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding when revenue is recognized at a point in time or over time, provides new and more detailed guidance on specific topics and expands and improves disclosures revenue. This standard is effective for reporting periods beginning on or after January 1, 2017.

7. Mineral Properties and Deferred Expenditures

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures cannot guarantee the Company's title to all of its properties. Such properties may be subject to prior mineral rights applications with priority, prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects. Certain of the mineral rights held by the Company are held under applications for mineral rights or renewal of mineral rights and, until final approval of such applications is received, the Company's rights to such mineral rights may not materialize and the exact boundaries of the Company's properties may be subject to adjustment. The Company does not maintain title insurance on its properties

Castelo de Sonhos Property (Brazil)

On November 9, 2010 the Company announced the signing of an Agreement with third parties, to acquire 100% of the mineral rights of the Castelo de Sonhos Property. The Company paid the property owners $50,000 upon the signing of a Commitment Letter on April 29, 2010, and $250,000 on February 23, 2011 after the satisfactory completion of the transfer of mineral right's ownership to the Company according to the Agreement clauses. To maintain the Agreement, an additional stream of six month option payments totaling $2.4 million are payable over a period of 36 months. Two payments in the amount of $100,000 each were made on September 15, 2011 and March 05, 2012, respectively. Another payment in the amount of $125,000 was made on September 03, 2012. Additionally, a payment in the amount of $150,000 was made on March 06, 2013.

On November 19, 2013 the Company signed an Amending Agreement. Under the Amending Agreement, the Company paid the vendors $50,000 and issued to the property owners 1,000,000 shares of the Company, in lieu of a payment of $200,000 which became due on September 3, 2013.

On February 04, 2014 the Company signed an Amending Agreement ("Second Amending Agreement") with the vendor of the Castelo de Sonhos property in Brazil to extend the due dates of the remaining payments to the vendor. Under the Second Amending Agreement, a payment of $300,000 due in March 13, 2014 was amended to three payments of $100,000 each, with the first such payment due on March 13, 2014, the second payment due in September 2014 and the third payment due in January 2015. The final payment, in the amount of $1,425,000 formerly due in September 2014, was increased by $75,000 and is deferred until July 2015. In addition, under the Second Amending Agreement, the Company agreed to issue 1,000,000 shares of the Company to the vendor and pay $3,600,000 out of production from the property over and above its royalty. At its option, TriStar may pay to the vendor $1,500,000 on or prior to the making of a construction decision in lieu of the payment out of production. Under the Second Amending Agreement the Company issued 1,000,000 shares to the vendor on February 28, 2014, on March 10, 2014 made the first $100,000 payment, on September 3, 2014 made the second $100,000 payment and on December 30, 2014 made the final $100,000 payment.

Should a gold deposit with proven and probable reserves larger than 1 million troy ounces be identified, the previous owner will receive an additional $1 for each troy ounce. TriStar also committed to incur minimum exploration expenditures of $0.75 million in the first year and $1.25 million, and $2 million respectively during the following two years to maintain the option in good standing. Currently, option payments in the amount of $1,500,000 are contingent on exploration results and can be cancelled at any time. The property owner will retain a 2% Net Smelter Return ("NSR") royalty, half of which can be purchased by TriStar at any time and which amount will be calculated based on the proven and probable reserves identified by a feasibility study.

Bom Jardim Properties (Brazil)

As part of the Plan of Arrangement, the property was transferred to the Company in July 2010.

Mineral properties and deferred expenditures were as follows:

(Expressed in United States Dollars)

7. Mineral Properties and Deferred Expenditures (continued)

	Balance at December 31, 2014	Additions	Impairments/ Write-Offs	Balance at March 31, 2015
Castelo de Sonhos Properties:				
Acquisition costs	$ 1,426,493	$ -	$ -	$ 1,426,493
Exploration costs	9,454,314	65,858	-	9,520,172
Total Castelo de Sonhos Properties	10,880,807	65,858	-	10,946,665
Bom Jardim Properties:				
Acquisition costs	13,054	-	-	13,054
Exploration costs	192,482	-	-	192,482
Total Bom Jardim Properties	205,536	-	-	205,536
Total acquisition costs	1,439,547	-	-	1,439,547
Total exploration costs	9,646,796	65,858	-	9,712,654
Total	$ 11,086,343	$ 65,858	$ -	$ 11,152,201

	Balance at December 31, 2013	Additions	Impairments/ Write-Offs	Balance at March 31, 2014
Castelo de Sonhos Properties:				
Acquisition costs	$ 1,013,626	$ 412,867	$ -	$ 1,426,493
Exploration costs	7,891,053	124,331	-	8,015,384
Total Castelo de Sonhos Properties	8,904,679	537,198	-	9,441,877
Bom Jardim Properties:				
Acquisition costs	13,054	-	-	13,054
Exploration costs	192,482	-	-	192,482
Total Bom Jardim Properties	205,536	-	-	205,536
Total acquisition costs	1,026,680	412,867	-	1,439,547
Total exploration costs	8,083,535	124,331	-	8,207,866
Total	$ 9,110,215	$ 537,198	$ -	$ 9,647,413

8. Property, Plant and Equipment

Property, plant and equipment were as follows:

	Balance at December 31, 2014	Additions	Disposals	Balance at March 31, 2015
Cost:				
Furniture	$ 9,678	$ -	$ -	$ 9,678
Office equipment	33,861	-	-	33,861
Vehicles	213,969	-	-	213,969
Field equipment	55,268	-	-	55,268
Total costs	312,776	-	-	312,776
Accumulated Depreciation:				
Furniture	(9,678)	-	-	(9,678)
Office equipment	(31,484)	(317)	-	(31,801)
Vehicles	(213,969)	-	-	(213,969)
Field equipment	(55,268)	-	-	(55,268)
Total accumulated depreciation	(310,399)	(317)	-	(310,716)
Total net book value	$ 2,377	$ (317)	$ -	$ 2,060

8. Property, Plant and Equipment (continued)

	Balance at December 31, 2013	Additions	Disposals	Balance at March 31, 2014
Cost:				
Furniture	**$ 9,678**	$ -	$ -	**$ 9,678**
Office equipment	**31,235**	-	-	**31,235**
Vehicles	**213,969**	-	-	**213,969**
Field equipment	**55,268**	-	-	**55,268**
Total costs	**310,150**	-	-	**310,150**
Accumulated Depreciation:				
Furniture	**(9,678)**	-	-	**(9,678)**
Office equipment	**(30,107)**	(236)	-	**(30,343)**
Vehicles	**(175,569)**	(12,481)	-	**(188,050)**
Field equipment	**(55,268)**	-	-	**(55,268)**
Total accumulated depreciation	**(270,622)**	(12,717)	-	**(283,339)**
Total net book value	**$ 39,528**	$ (12,717)	$ -	**$ 26,811**

9. Share Capital and Contributed Surplus

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at March 31, 2015 the Company had 84,541,553 common shares outstanding, and a total of 49,707,250 common shares were reserved for issuance after exercise of options and warrants outstanding.

a. On February 28, 2014, under the terms of the Amending Agreement signed on February 4, 2014, the Company issued a total of 1,000,000 shares to the owners of the Castelo de Sonhos Property. The shares had an estimated fair value at grant date of $112,867.

b. On March 28, 2014 the Company closed the second and final tranche of its private placement consisting of 22,329,500 units at the price of Cad$0.10 per unit for gross proceeds of $2,013,723. Each unit consists of one common share and one non-transferable common share purchase warrant. Each of the 22,329,500 common share purchase warrants entitles the holder to purchase one additional common share of the Company at Cad$0.13 per share until September 2015. The Company paid legal fees on the placement of $7,089.

   The exercise prices of the warrants is denominated in a currency other than the entity's functional currency and as a result are considered to be a derivative liability whereby the warrants are denominated in Canadian dollars and TriStar's functional currency is United States dollars. The derivative liability is recorded at fair value though profit and loss at each reporting date. The Company determined the fair value of the warrant liability at issuance to be $1,279,152 based upon a Black-Scholes Option Pricing Model. The Company recorded the full fair value as a warranty liability at issuance with the residual value of proceeds raised recorded in common shares. Subsequent changes in the fair value of the warrants liability, if any, are recorded in comprehensive income (loss) as described in Note 10.

c. On February 3, 2015, a total of 175,000 common shares were issued as a result of exercise of the same number of share purchase warrants with an exercise price of Cad$0.13 for gross proceeds of Cad$18,127 which in addition to $11,641 representing the fair value of the warrants liability, were settled to common shares in the period.

d. On February 12, 2015 the Company granted an option to a Director and to a consultant to purchase 1,500,000 and 100,000 common shares of the Company; respectively, at Cad$0.20 per share. The options expire on February 11, 2020 and had an estimated fair value at grant date of $166,846 and $11,125; respectively.

9. Share Capital and Contributed Surplus (continued)

e. On March 3, 2015, a total of 62,500 stock options, representing the 25% of options granted to an investor relations consultant of the Company on September 2, 2014, vested and the estimated fair value of $7,708 was recorded in Contributed Surplus. The options expire on September 2, 2019 and have an exercise price of Cad$0.20 per share.

On February 12, 2015 the Company announced its plan to raise up to Cad$3,000,000 by way of a non-brokered private placement. The proceeds of the placement will be used to conduct additional exploration at the Company's Castelo de Sonhos Property ("CDS"); to make the final payment on its CDS acquisition and for working capital. At March 31, 2015 the Company has received $164,209 on account of the private placement.

The following is a summary of changes in common share capital and contributed surplus:

	Common Shares		Contributed
	Number	Amount	Surplus
Balance at December 31, 2014	**84,366,553**	**$ 30,749,007**	**$ 2,032,668**
Shares issued on exercise of warrants	175,000	29,770	-
Stock-based compensation	-	-	185,701
Balance at March 31, 2015	**84,541,553**	**$ 30,778,777**	**$ 2,218,369**

	Common Shares		Contributed
	Number	Amount	Surplus
Balance at December 31, 2013	**58,664,803**	**$ 29,407,395**	**$ 1,884,363**
Shares issued on private placement, net of share issue cost	22,329,500	727,481	-
Shares issued upon Amending Agreement	1,000,000	112,867	-
Balance at March 31, 2014	**81,994,303**	**$ 30,247,743**	**$ 1,884,363**

10. Warrants Liability

Warrants have their exercise prices denominated in Canadian dollars which is not the Company's functional currency of U.S. dollars and therefore the warrants have been accounted for as a non-hedged derivative financial liability and are recorded at the fair value at each reporting period with the change in fair value for the period recorded in the statement of comprehensive income (loss) for the period.

The following is a summary of changes in warrants:

	Number of Warrants	Weighted Average Exercise Price	Amount
Balance at December 31, 2014	**41,642,250**	Cad$0.22	**$ 1,462,257**
Exercise of warrants	(175,000)	Cad$0.13	(11,641)
Warrants liability fair value change	-	-	(187,582)
Balance at March 31, 2015	**41,467,250**	Cad$0.22	**$ 1,263,034**

(Expressed in United States Dollars)

10. Warrants Liability (continued)

	Number of Warrants	Weighted Average Exercise Price	Amount
Balance at December 31, 2013	**21,735,000**	Cad$0.30	**$ 719,711**
Issued warrants	22,329,500	Cad$0.13	1,279,152
Warrants liability fair value change	-	-	359,631
Balance at March 31, 2014	**44,064,500**	Cad$0.21	**$ 2,358,494**

As at March 31, 2015, outstanding warrants are as follows:

Number of Warrants	Weighted Average Exercise Price	Issuance Date	Expiry Date
18,985,000	Cad$0.30	December 20, 2010	December 20, 2015
2,700,000	Cad$0.30	July 30, 2012	December 20, 2015
19,782,250	Cad$0.13	March 7, 2014	September 7, 2015
41,467,250			

At March 31, 2015 the fair value of the Company's warrants was estimated using the Black-Scholes option-pricing model with the following assumptions:

Expected dividend yield	**0%**
Expected volatility	**94.14%**
Risk-free interest rate	**0.46%**
Expected life	**6 – 9 months**
Share Price	**Cad$0.165**

11. Stock Option Plan

The Company maintains a stock option plan ("the Plan") for directors, senior officers, employees, management company employees and consultants of TriStar and its subsidiaries. Under the terms of the Plan, the options are exercisable over periods of up to ten years, and the exercise price of each option equals the closing market price of the Company's stock on the trading day immediately before the date of grant. Any consideration paid by the option holder on the exercise of options is credited to share capital and settled against amounts previously recorded in contributed surplus.

The number of shares which may be issued pursuant to options previously granted and those granted under the Plan will be a maximum of 10% of the issued and outstanding shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued and outstanding shares on a yearly basis.

The Plan will terminate when all of the options have been granted or when the Plan is otherwise terminated by TriStar. Any options outstanding when the Plan is terminated will remain in effect until they are exercised or they expire.

The following is a summary of the changes in options outstanding and exercisable:

(Expressed in United States Dollars)

11. Stock Option Plan (continued)

	Number of Options Outstanding	Weighted Average Exercise Price (in Cad$)	Number of Options Exercisable	Weighted Average Exercise Price (in Cad$)
Balance at December 31, 2014	**7,140,000**	**$ 0.42**	**6,952,500**	**$ 0.43**
Options Cancelled	(500,000)	$ 0.63	(500,000)	$ 0.63
Options Granted	1,600,000	$ 0.20	1,600,000	$ 0.20
Options Vested	-	-	62,500	$ 0.20
March 31, 2015	**8,240,000**	**$ 0.36**	**8,115,000**	**$ 0.37**

During the period ended March 31, 2014 5,665,000 stock options, with weighted average exercise price of Cad$0.52, were outstanding and exercisable.

During the period ended March 31, 2015 a total of 1,600,000 stock options were granted (March 31, 2014: nil). The weighted average exercise price of options granted during the period ended March 31, 2015 was Cad$0.20 per option.

The weighted average fair value at grant date of options granted during the period ended March 31, 2015 was Cad$0.14 per option.

During the period ended March 31, 2015 a total of 500,000 options were cancelled (March 31, 2014: nil). During the periods previously mentioned the estimated forfeiture rates were nil.

The fair value of options granted during the three months period ended March 31, 2015 has been estimated as of the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Expected dividend yield	**0%**
Expected volatility	**113.53%**
Risk-free interest rate	**0.57%**
Expected life	**3.5 years**
Share Price	**Cad$0.195**
Weighted average fair value of options granted	**Cad$0.14**

Option pricing models require the input of subjective assumptions including the expected price volatility and the expected life. Changes in these assumptions can materially affect the estimated fair value of the stock options granted. The expected price volatility used was based on the historic volatility of the Company's share price.

The following table summarizes information about stock options outstanding at March 31, 2015:

(Expressed in United States Dollars)

11. Stock Option Plan (continued)

Grant Date	Options Outstanding	Options Vested	Exercise Price	Proceeds upon exercise of options outstanding (in Cad$)	Fair Value of Options Outstanding	Weighted Average Remaining Life in Years	Expiry Date
7/15/2010	1,725,000	1,725,000	Cad$0.20	$ 345,000	$ 202,168	0.3	7/15/2015
3/14/2011	1,775,000	1,775,000	Cad$0.81	1,437,750	882,320	1	3/15/2016
7/6/2011	300,000	300,000	Cad$0.69	207,000	134,319	1.3	7/6/2016
8/23/2012	840,000	840,000	Cad$0.45	378,000	239,985	2.4	8/22/2017
4/29/2014	1,750,000	1,750,000	Cad$0.15	262,500	124,515	4.1	4/29/2019
9/2/2014	250,000	125,000	Cad$0.20	50,000	30,832	4.4	9/2/2019
2/12/2015	1,600,000	1,600,000	Cad$0.20	320,000	177,949	4.9	2/11/2020
	8,240,000	**8,115,000**		**$ 3,000,250**	**$ 1,792,089**	**2.5**	

The weighted average exercise price of the options outstanding at March 31, 2015 is Cad$0.36 (March 31, 2014: Cad$ 0.52).

12. Stock Based Compensation

Stock-based compensation related to options granted to employees and non-employees increased the following expenses (Note 13) in the consolidated statements of comprehensive income (loss) as follows:

	Three months ended	
	March 31, 2015	March 31, 2014
Consulting	**$ 185,701**	$ -

These amounts have been recorded as contributed surplus on the consolidated statements of financial position.

13. General and Administrative Expenses

General and administrative expenses consist of the following:

	Three months ended	
	March 31, 2015	March 31, 2014
Consulting and directors' fees (Notes 12 and 15)	**$ 196,383**	$ 47,677
Depreciation	**317**	12,717
Entertainment	**1,942**	1,080
Insurance	**2,626**	3,297
Office	**11,082**	12,416
Professional fees	**17,216**	11,222
Rent	**11,260**	10,776
Exploration expenses	**278**	439
Salaries and benefits	**64,583**	76,494
Shareholder relations	**8,127**	25,772
Travel	**6,861**	2,273
Total	**$ 320,675**	$ 204,163

(Expressed in United States Dollars)

14. Basic and Diluted Loss per Share

The following table sets forth the computation of basic and diluted loss per share for periods mentioned:

	Three months ended	
	March 31, 2015	March 31, 2014
Numerator:		
Net loss	**$ (80,468)**	$ (580,630)
Numerator for diluted loss per share	**$ (80,468)**	$ (580,630)

	Three months ended	
	March 31, 2015	March 31, 2014
Denominator:		
Initial Balance of issued common shares	**84,366,553**	58,664,803
Effect of shares issued upon Amending Agreement	**-**	355,556
Effect of shares issued on private placement	**-**	6,144,305
Effect of warrants exercised	**108,889**	-
Basic and diluted weighted average number of common shares	**84,475,442**	65,164,664
Denominator for basic and diluted loss per share	**84,475,442**	65,164,664
Basic and diluted loss per share	**$ (0.001)**	$ (0.01)

During the three month period ended March 31, 2015 the warrants and stock options were excluded from the computation of diluted loss per share as their inclusion would be antidilutive.

During the three month period ended March 31, 2014 the warrants and stock options were excluded from the computation of diluted loss per share as there were out-of the-money.

15. Related Party Transactions

During the three month periods ended March 31, 2015 and 2014, the Company paid consulting fees of $31,608 and $32,777 respectively to an officer for advisory services.

Key management personnel compensation comprised:

	Three months ended	
	March 31, 2015	March 31, 2014
Consulting fees	**$ 31,608**	$ 32,777
Short term employee benefits	**166,846**	-
	$ 198,454	$ 32,777

As of March 31, 2015 the total number of outstanding warrants and options held by directors and officers of the Company was 4,823,000 units and 6,275,000 units, respectively.

(Expressed in United States Dollars)

15. Related Party Transactions (continued)

As of March 31, 2015 a director has advanced $50,000 to be subscribed at the Private Placement announced February 12, 2015.

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

16. Commitments and Contingencies

The Company leases offices in United States and Brazil, with expiry dates ranging between July 2015 and September 2016, for an estimated cost of $3,200 per month and are cancellable within one to four month's notice.

Additionally, the Company has option payment obligations related to the Castelo de Sonhos property. Option payments in the amount of $1,500,000; due in July 2015, are contingent on exploration results and can be cancelled at any time (Note 7).

The Company has various property access agreements, which are renewed periodically, related to its projects at an estimated cost of approximately $1,700 per month.

There are no materials pending legal proceedings to which the Company or any of its subsidiaries is a party or to which any of their property is subject.

17. Segmented Information

Segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, which is has been determined to be the Chief Executive Officer, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mineral exploration sector. The Company's mining operations are centralized whereby the Company's head office is responsible for the exploration results and for providing support in addressing local and regional issues. The Company's mineral properties are located in Brazil.

Information relating to each of the Company's reportable segments is presented as follows:

	Total Assets	Total Liabilities
As at March 31, 2015		
Corporate Office	$ 110,693	$ 1,482,156
Mineral Exploration	11,181,524	290,092
Total	**$ 11,292,217**	**$ 1,772,248**
As at March 31, 2014		
Corporate Office	$ 1,921,295	$ 2,425,487
Mineral Exploration	9,785,780	563,684
Total	**$ 11,707,075**	**$ 2,989,171**

	Three months ended	
	March 31, 2015	March 31, 2014
Net income (loss)		
Corporate Office	**$ (90,908)**	$ (454,426)
Mineral Exploration	**10,440**	(126,204)
Total	**$ (80,468)**	$ (580,630)

(Expressed in United States Dollars)

17. Segmented Information (continued)

Geographical information related to non-current assets is presented as follows:

	Canada	United States	Brazil	Total
As at March 31, 2015				
Mineral properties and deferred expenditures	$ -	$ -	$ 11,152,201	**$ 11,152,201**
Property, plant and equipment	-	2,059	-	**2,059**
Total non-current assets	**$ -**	**$ 2,059**	**$ 11,152,201**	**$ 11,154,260**
As at March 31, 2014				
Mineral properties and deferred expenditures	$ -	$ -	$ 9,647,413	**$ 9,647,413**
Property, plant and equipment	-	891	25,920	**26,811**
Total non-current assets	**$ -**	**$ 891**	**$ 9,673,333**	**$ 9,674,224**

18. Capital Management and Liquidity

The Company manages its cash and cash equivalents, common shares, stock options and warrants as capital. The Company's objective in managing capital is to maintain adequate levels of funding to support exploration of its mineral property interests, maintain corporate and administrative functions necessary to support organizational management oversight, and obtain funding sufficient for advancing the Company's interests.

The Company manages its capital structure in a manner that provides sufficient funding for operational activities. Funds are primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary. The Company's investment policy, in general, is to invest short-term excess cash in highly liquid short-term interest bearing investments with maturities of less than one year. This is to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital.

19. Financial Instruments and Management of Financial Risk

The Company is exposed to potential loss from various risks including currency risk, interest rate risk, liquidity risk, market risk and commodity price risk.

Market Risks

The significant market risks to which the Company is exposed include commodity price risk and interest rate risk.

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and accounts receivable. The Company invests any excess capital in short-term, highly liquid and highly-rated financial instruments such as cash and short-term guaranteed deposits, all held within Canadian and United State of America financial institutions.

Liquidity Risk

19. Financial Instruments and Management of Financial Risk (continued)

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents balances. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital to meet short-term obligations. The Company estimates that is contractual obligations pertaining to accounts payable and accrued liabilities will be satisfied within one year.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market price of gold. The Company does not have any sales currently and accordingly no hedging or other commodity-based risks respecting its operations.

Market prices for gold historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

In respect of financial assets, the Company's policy is to invest cash at variable rates of interest in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return. The Company is exposed to interest rate risk on its short-term investments which are included in cash and cash equivalents. The short-term investment interest earned is based on prevailing one to 90 days market interest rates which may fluctuate. The Company has not entered into any derivative contracts to manage this risk.

Currency risk

The Company operates in United States of America, Canada, and Brazil. As a result, the Company has foreign currency exposure with respect to items not denominated in United States dollars. The three main types of foreign exchange risk of the Company can be categorized as follows:

Transaction exposure

The Company operates and incurs costs in different currencies. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate. The Company has not hedged its exposure to currency fluctuations.

Exposure to currency risk

The Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than the United States dollar: cash and cash equivalents, accounts receivables, prepaid expenses, accounts payables and other liabilities, provisions and warrants liability. The currencies of the Company's financial instruments and other foreign currency denominated liabilities, based on notional amounts, were as follows:

(Expressed in United States Dollars)

19. Financial Instruments and Management of Financial Risk (continued)

	March 31, 2015		December 31, 2014	
	Canadian dollar	**Brazilian Real**	Canadian dollar	Brazilian Real
Cash and cash equivalents	$ 87,561	$ 24,568	$ 87,379	$ 10,801
Accounts receivable	1,502	4,531	423	1,523
Prepaid expenses	6,278	226	9,785	1,933
Accounts payable and accrued liabilities	(12,374)	(17,672)	(6,112)	(34,787)
Provisions	-	(272,421)	-	(317,321)
Warrants liability	(1,263,034)	-	(1,462,257)	-
Net balance sheet exposure	**$ (1,180,067)**	**$ (260,768)**	$ (1,370,782)	$ (337,851)

Translation exposure

A strengthening of the U.S. dollar by 10% against the Canadian dollar and the Brazilian Real at March 31, 2015, with all other variables held constant would have decreased the Company's before tax net loss by approximately $169,000 (at March 31, 2014 would have decreased the Company's before tax net loss by approximately $175,000) as a result of a change in value of the financial assets and liabilities denominated in those currencies.

20. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from relevant markets.

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value.

- Level 1 inputs are unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (for example, interest rate and yield curves observable at commonly quoted interval and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at March 31, 2015, the Company's assets and liabilities measured at fair value on a recurring basis were as follows:

(Expressed in United States Dollars)

20. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3
Assets			
Cash and cash equivalents	$ 123,331	$ -	$ -
Liabilities			
Warrants liability	-	1,263,034	-
	$ 123,331	**$ 1,263,034**	**$ -**

The following table provides the carrying value and the fair value of financial instruments at March 31, 2015:

	Carrying Amount	Fair Value
Financial assets		
Cash and cash equivalents	$ 123,331	$ 123,331
Accounts receivable	6,033	6,033
	$ 129,364	$ 129,364
Financial liabilities		
Accounts payable and accrued liabilities	$ 72,584	$ 72,584
	$ 72,584	$ 72,584
Derivative instruments		
Warrants liability	$ 1,263,034	$ 1,263,034

21. Dissolution of Subsidiary

On January 15, 2014 the Company decided to dissolve its wholly-owned British Virgin Islands subsidiary, Brazauro Holdings (BVI) Ltd. (“BHL”). The Company considers it has no need to maintain the existence of BHL and there were costs associated with BHL’s maintenance. At dissolution date BHL had no assets or liabilities. The legal process was completed during the second quarter of 2014.

22. Subsequent Events

On May 6, 2015 the Company reached an agreement with the vendor of the Castelo de Sonhos property under which the final payment of $1,500,000, originally due in July, 2015 has been extended with payments of $500,000 now due in July, 2015, $300,000 due in January, 2016 and $800,000 due in July, 2016. The Company will also issue 1,000,000 shares of TriStar to the vendor in July, 2016. The Company has reserved the right to pay the $1,500,000 in July of this year if funding permits. All payments are subject to the Company completing a financing to raise at least Cad$3,000,000 prior to July, 2015.

The Company is currently reviewing a number of options with respect to the private placement offering as originally announced February 12, 2015. In the interim, certain shareholders have advanced funds to TriStar on account of the private placement which will be treated as loans pending completion of the private placement. Additional funds in the amount of $100,000 were received after March 31, 2015.