

WESTMINSTER RESOURCES LTD.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED AUGUST 31, 2012 AND 2011

(Unaudited)

WESTMINSTER RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars - unaudited)

	August 31, 2012	May 31, 2012
	- \$ -	- \$ -
ASSETS		
Current assets		
Cash and cash equivalents	386,199	562,201
Accounts receivable	326,656	340,326
Prepaid	9,177	6,274
Deposits	36,530	36,530
	758,562	945,331
Deposits	21,829	21,829
Equipment and leaseholds	73,186	81,315
Mineral property interests (Note 3)	2,361,609	2,339,614
	3,215,186	3,388,089
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	462,730	624,802
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	12,482,526	12,473,182
Reserves (Note 5)	1,764,131	1,661,729
Deficit	(11,494,201)	(11,371,624)
	2,752,456	2,763,287
	3,215,186	3,388,089

"Glen Indra"
Glen Indra
Director

"Glen MacDonald"
Glen MacDonald
Director

See Notes to Consolidated Financial Statements

WESTMINSTER RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Three months ended August 31,	
	2012	2011
	- \$ -	- \$ -
Expenses		
Conferences and investor relations	80,186	55,961
Legal fees	6,286	9,507
Office	44,261	81,382
Management fees (Note 6)	52,500	45,000
Accounting and audit fees (Note 6)	39,000	21,000
Travel and entertainment	29,019	26,061
Consulting fees	20,698	3,000
Amortization	8,129	8,129
Regulatory and filing fees	8,059	10,616
Bank charges and interest	833	299
Financing charges	-	20,400
Share-based payments	102,402	3,820
	391,373	285,175
Other Items		
Foreign exchange loss	(267,953)	(90,823)
Interest income	(844)	(4,049)
Net loss and comprehensive loss for year	122,576	190,303
Loss per share - basic and diluted	0.00	0.00
Weighted average number of common shares outstanding	76,866,286	50,953,007

See Notes to Consolidated Financial Statements

WESTMINSTER RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF
CHANGES IN SHAREHOLDER'S EQUITY
(Expressed in Canadian dollars)

	Share capital		Reserves			Total shareholder's equity -\$ -
	Number of shares	Amount -\$ -	Share-based payments reserve -\$ -	Warrants reserve -\$ -	Deficit -\$ -	
Balance, May 31, 2011	58,902,846	10,506,468	1,019,539	610,664	(6,471,630)	5,665,041
Share issuances for cash, net of share issuance costs	16,370,000	1,844,420	-	-	-	1,844,420
Share issuances for repayment of loans payable	1,500,000	150,000	-	-	-	150,000
Share-based payments	-	-	3,820	-	-	3,820
Agent's warrants issued with financings	-	(27,706)	-	27,706	-	-
Comprehensive loss (income)	-	-	-	-	(4,899,994)	(4,899,994)
Balance, May 31, 2012	76,772,846	12,473,182	1,023,359	638,370	(11,371,624)	2,763,287
Share issuances for agent's warrants exercise	93,440	9,344	-	-	-	9,344
Stock options valuation	-	-	102,402	-	-	102,402
Comprehensive loss (income)	-	-	-	-	(122,577)	(122,577)
Balance, August 31, 2012	76,866,286	12,482,526	1,125,761	638,370	(11,494,201)	2,752,456

See Notes to Consolidated Financial Statements

WESTMINSTER RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Three months ended	
	August 31,	
	2012	2011
	- \$ -	- \$ -
Cash flows from operating activities		
Net and comprehensive loss	(122,576)	(190,303)
Items not involving cash:		
Share-based payments	102,402	3,820
Amortization	8,129	8,129
Net change in non-cash working capital		
Accounts receivable	13,670	-
Prepaid expenses and deposits	(2,903)	(146,188)
Accounts payable and accrued liabilities	(162,073)	(61,332)
Cash used in operating activities	(163,351)	(385,874)
Cash flows from investing activities		
Investment in and expenditures on exploration and evaluation assets	(21,995)	(1,049,884)
Cash used in investing activities	(21,995)	(1,049,884)
Cash flows from financing activities		
Share capital issued for cash, net of costs	9,344	-
Subscriptions received	-	300,000
Cash provided by financing activities	9,344	300,000
Decrease in cash and cash equivalents	(176,002)	(1,135,758)
Cash and cash equivalents, beginning	562,201	1,265,500
Cash and cash equivalents, ending	386,199	129,742
Cash and cash equivalents consists of:		
Cash	386,199	119,742
Guaranteed investment certificates	-	10,000
	386,199	129,742
Supplemental cash flow information:		
Interest	-	-
Income taxes	-	-

See Notes to Consolidated Financial Statements

WESTMINSTER RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three Months Ended August 31, 2012 and 2011
(Expressed in Canadian dollars)

1. Nature and Continuance of Operations

Westminster Resources Ltd. (the "Company") was incorporated under the Business Corporations Act of British Columbia on December 1, 2005. The Company is involved in the acquisition, exploration and development of mineral properties.

The head office, registered address and records office of the Company are located at Suite 488-625 Howe Street, Vancouver BC, Canada V6C 2T6.

These consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

2. Basis of Preparation

a) Statement of Compliance

The Company is following the same accounting policies and methods of computation in these condensed consolidated interim financial statements as it did in the audited consolidated financial statements for the year ended May 31, 2012.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on October 29, 2012.

b) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiaries, Minera Westminster, S.A. de C.V. ("Minera Westminster") and Servicios Westminster, S.A. de C.V. ("Servicios Westminster"). All significant inter-company balances and transactions have been eliminated upon consolidation.

WESTMINSTER RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three Months Ended August 31, 2012 and 2011
(Expressed in Canadian dollars)

3. Exploration and Evaluation Assets

At August 31, 2012 and May 31, 2012 and 2011, the Company's interests in exploration and evaluation assets are located in Sonora, Mexico. Cumulative expenditures incurred are as follows:

	May 31, 2011 -\$-	Addition (write-downs) -\$-	May 31, 2012 -\$-	Addition (write-downs) -\$-	August 31, 2012 -\$-
Navojoa Project, Sonora, Mexico:					
Acquisition costs	494,849	110,655	605,504	(5,000)	600,504
Exploration expenditures					
Assays and reports	63,216	5,331	68,547	358	68,905
Consulting and engineering	154,411	-	154,411	-	154,411
Drilling	160,985	-	160,985	-	160,985
Field expenses	699,707	34,830	734,537	-	734,537
Geology and geophysics	22,082	-	22,082	-	22,082
Travel	12,263	-	12,263	-	12,263
Write-down	-	(1,140,000)	(1,140,000)	-	(1,140,000)
	1,607,513	(989,183)	618,330	(4,642)	613,688
El Cobre Project, Sonora, Mexico:					
Acquisition costs	151,731	-	151,731	-	151,731
Exploration expenditures					
Property maintenance	255,517	157,167	412,684	-	412,684
Assays and reports	145,731	99,825	245,556	-	245,556
Consulting and engineering	230,197	219,307	449,504	-	449,504
Drilling	445,888	406,666	852,554	-	852,554
Field expenses	1,252,518	153,692	1,406,210	-	1,406,210
Geology and geophysics	274,740	41,180	315,920	-	315,920
Travel	80,037	46,812	126,849	-	126,849
Write-down	-	(2,400,000)	(2,400,000)	-	(2,400,000)
	2,836,359	(1,275,350)	1,561,009	-	1,561,009
Cumbral Project, Sonora, Mexico:					
Exploration expenditures					
Property maintenance	-	100,000	100,000	-	100,000
Assays and reports	-	67,127	67,127	30,461	97,588
Consulting and engineering	-	120,954	120,954	46,495	167,448
Drilling	-	-	-	316,066	316,066
Field expenses	-	189,769	189,769	382,070	571,839
Geology and geophysics	-	152,386	152,386	153,046	305,432
Travel	-	30,038	30,038	8,400	38,437
Recovery of exploration costs (funds received from Capstone)	-	(500,000)	(500,000)	(909,900)	(1,409,900)
	-	160,274	160,274	26,637	186,911
	4,443,872	(2,104,258)	2,339,614	21,995	2,361,609

WESTMINSTER RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three Months Ended August 31, 2012 and 2011
(Expressed in Canadian dollars)

4. Share Capital

- a) Authorized – Unlimited number of common shares without par value
- b) Issued:
 - (i) On August 21, 2012, the Company issued 93,440 common shares for the exercise of 93,440 warrants at \$0.10 per share for the proceeds of \$9,344
 - (i) On November 17, 2011, the Company completed a non-brokered private placement by issuing 10,540,000 common shares at \$0.10 per share for gross proceeds of \$1,054,000. Finders' fees totaling \$84,080 were paid and 469,600 agent warrants with a fair value of \$27,706 were issued by the Company. Each agent warrant entitles the holder to acquire one common share at \$0.10 until November 17, 2012.
 - (ii) On April 13, 2012, the Company completed a non-brokered private placement by issuing 5,830,000 common shares at \$0.15 per share for gross proceeds of \$874,500.
 - (iii) During the year ended May 31, 2012, the Company issued 1,500,000 common shares at \$0.10 per share and made cash payments of \$343,000 to repay loans payable of \$493,000.

5. Reserves

- a) Stock Options

The Company has a stock option plan in place that allows for the reservation of common shares issuable under the Plan to a maximum of 10% of the number of issued and outstanding common shares of the Company at any given time. The exercise price of any stock option granted under the plan may not be less than the closing price of the Company's shares on the last business day immediately preceding the date of grant.

Details of the status of the Company's stock options and changes during the periods then ended are as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, May 31, 2011 and 2012	4,720,000	\$ 0.30
Granted	2,440,000	\$ 0.15
Cancelled	(750,000)	\$ 0.44
Outstanding, August 31, 2012	6,410,000	\$ 0.23

On June 8, 2012, the Company granted 2,440,000 share purchase options with an exercise price of \$0.15 per share to directors, consultants and employees of the Company, with the options vesting on the grant date. The options will expire on June 8, 2017.

WESTMINSTER RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three Months Ended August 31, 2012 and 2011
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5. Reserves (continued)

a) Stock Options (continued)

Stock options outstanding are as follows:

Expiry Date	Exercise Price	August 31, 2012		May 31, 2012	
		Options Outstanding	Options Exercisable	Options Outstanding	Options Exercisable
		-\$-	-\$-	-\$-	-\$-
12-Oct-12	\$0.25	1,090,000	1,090,000	1,090,000	1,090,000
08-Apr-13	\$0.40	-	-	200,000	200,000
14-May-14	\$0.35	1,020,000	1,020,000	1,120,000	1,120,000
20-Sep-15	\$0.25	1,510,000	1,510,000	1,560,000	1,560,000
18-Nov-15	\$0.40	350,000	350,000	350,000	350,000
01-Feb-16	\$0.50	-	-	400,000	400,000
08-Jun-17	\$0.15	2,440,000	2,440,000	-	-
Outstanding, end of year		6,410,000	6,410,000	4,720,000	4,720,000
Weighted average remaining contractual life of options		4.08 years		3.22 years	

b) Share-based Payments

During the three months ended August 31, 2012, the Company granted (2011 - \$Nil). The fair value of options granted in the period was \$nil (2011 - \$Nil).

The Company recognized \$Nil (2011 - \$3,820) in share-based payments from vesting of prior year options.

The fair value of options granted was estimated at the grant date using the Black-Scholes option pricing model, with the following weighted average assumptions for the three months ended August 31:

	2012	2011
Weighted-average grant date fair value	\$0.04	\$0.28
Expected annual volatility	66.00%	56.66%
Risk-free interest rate	0.89%	1.29%
Expected life	5 years	3.78 years
Expected dividend yield	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

Expected volatility was determined based on the historical movements in the closing price of the Company's stock for a length of time equal to the expected life of each option.

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5. Reserves (continued)

c) Warrants

Details of the status of the warrants outstanding are as follows:

Expiry Date	August 31, 2012			May 31, 2012		
	Number of Warrants	Exercise Price	Weighted Average Years to Expire	Number of Warrants	Exercise Price	Weighted Average Years to Expire
29-Jun-12	-	-	-	10,311,103	\$0.35	0.08
09-Nov-12	2,578,199	\$0.45	0.19	2,578,199	\$0.45	0.44
17-Nov-12	376,160	\$0.10	0.10	469,600	\$0.10	0.47
18-Nov-12	6,803,200	\$0.45	0.22	6,803,200	\$0.45	0.47
03-Dec-12	757,243	\$0.47	0.26	757,243	\$0.47	0.51
14-Dec-12	2,525,280	\$0.56	0.29	2,525,280	\$0.56	0.54
	13,040,082		0.23	23,444,625		0.30

Continuity of the warrants outstanding is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, May 31, 2011	26,342,525	\$0.40
Issued	469,600	\$0.10
Expired	(3,367,500)	\$0.25
Outstanding, May 31, 2012	23,444,625	\$0.41
Exercised	(93,440)	-
Expired	(10,311,103)	\$0.35
Outstanding, August 31, 2012	13,040,082	\$0.46

6. Related Party Transactions

During the three months ended August 31, 2012, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include certain directors and officers.

Compensation to key management personnel and directors include:

	2012	2011
	-\$-	-\$-
Management fees paid to a company controlled by a director	30,000	22,500
Consulting fees (included in accounting fees) paid to an officer	3,000	3,000
	33,000	25,500

WESTMINSTER RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three Months Ended August 31, 2012 and 2011
(Expressed in Canadian dollars)

7. Segmented Information

The Company has one operating segment, the exploration of mineral properties and two geographical segments, with all current exploration activities being conducted in Mexico:

	2012			2011		
	Canada	Mexico	Total	Canada	Mexico	Total
Non-current assets	\$20,395	\$2,436,229	\$2,456,624	\$2,963,895	\$2,648,376	\$5,612,271
Total assets	\$308,470	\$2,906,716	\$3,215,186	\$3,184,616	\$3,033,145	\$6,217,761

8. Subsequent Events

On October 26, 2012 the Company announced that, subject to TSX Venture Exchange approval it had negotiated a non-brokered private placement with Capstone Mining Corp. of 10,000,000 common shares at \$0.10 per share to net the Company \$1,000,000. These funds will be used for general corporate purposes.