

# **WESTMINSTER RESOURCES LTD.**

(An Exploration Stage Company)

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**THREE MONTHS ENDED AUGUST 31, 2013 AND 2012**

(Unaudited)

## NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**WESTMINSTER RESOURCES LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian dollars - unaudited)

	August 31, 2013	May 31, 2013
	- \$ -	- \$ -
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	47,787	129,279
Accounts receivable	377,545	424,388
Prepaid	10,412	14,560
Deposits	36,530	36,530
	472,274	604,757
<b>Deposits</b>	21,829	21,829
<b>Equipment and leaseholds</b>	48,120	63,792
<b>Mineral property interests (Note 3)</b>	2,713,999	2,860,922
	3,256,222	3,551,300
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	519,258	836,664
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share capital (Note 4)</b>	13,497,045	13,497,045
<b>Reserves (Note 5)</b>	1,755,276	1,755,276
<b>Deficit</b>	(12,515,357)	(12,537,685)
	2,736,964	2,714,636
	3,256,222	3,551,300

"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 INCOME**

(Expressed in Canadian dollars)

	<b>Three months ended August 31,</b>	
	<b>2013</b>	<b>2012</b>
	<b>- \$ -</b>	<b>- \$ -</b>
<b>Expenses</b>		
Office	55,037	44,261
Consulting fees	51,264	20,698
Accounting and audit fees	46,000	39,000
Management fees	30,000	52,500
Conferences and investor relations	22,379	80,186
Amortization	15,672	8,129
Legal fees	7,018	6,286
Travel and entertainment	2,988	29,019
Bank charges and interest	605	833
Regulatory and filing fees	580	8,059
Share-based payments (recovery)	-	102,402
	231,543	391,373
<b>Other items</b>		
Write-down of mineral property interests	-	-
Foreign exchange gain	(253,871)	(267,953)
Interest income	-	(844)
<b>Net and comprehensive loss (income)</b>	<b>(22,328)</b>	<b>122,576</b>
<b>Basic and diluted loss (income) per share</b>	<b>0.00</b>	<b>0.00</b>
<b>Weighted average common shares outstanding - basic and diluted</b>	<b>86,922,926</b>	<b>76,866,286</b>

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, 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
Share-based payments	-	-	102,402	-	-	102,402
Comprehensive loss	-	-	-	-	(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
Balance, May 31, 2013	86,922,926	13,497,045	1,116,906	638,370	(12,537,685)	2,714,636
Comprehensive income	-	-	-	-	22,328	22,328
Balance, August 31, 2013	86,922,926	13,497,045	1,116,906	638,370	(12,515,357)	2,736,964

See Notes to Consolidated Financial Statements

**WESTMINSTER RESOURCES LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian dollars)

	<b>Three months ended August 31,</b>	
	<b>2013</b>	<b>2012</b>
	<b>- \$ -</b>	<b>- \$ -</b>
<b>Cash flows from operating activities</b>		
Net and comprehensive loss	22,328	(122,576)
Items not involving cash:		
Share-based payments	-	102,402
Amortization	15,672	8,129
Net change in non-cash working capital		
Accounts receivable	46,843	13,670
Prepaid expenses and deposits	4,148	(2,903)
Accounts payable and accrued liabilities	(317,406)	(162,073)
<b>Cash used in operating activities</b>	<b>(228,415)</b>	<b>(163,351)</b>
<b>Cash flows from investing activities</b>		
Expenditures (recovery) in exploration and evaluation assets	146,923	(21,995)
<b>Cash provided by (used in) investing activities</b>	<b>146,923</b>	<b>(21,995)</b>
<b>Cash flows from financing activities</b>		
Share capital issued for cash, net of costs	-	9,344
Subscriptions received	-	-
<b>Cash provided by financing activities</b>	<b>-</b>	<b>9,344</b>
<b>Decrease in cash and cash equivalents</b>	<b>(81,492)</b>	<b>(176,002)</b>
<b>Cash and cash equivalents, beginning</b>	<b>129,279</b>	<b>562,201</b>
<b>Cash and cash equivalents, ending</b>	<b>47,787</b>	<b>386,199</b>
<b>Cash and cash equivalents consists of:</b>		
Cash	47,787	386,199
Guaranteed investment certificates	-	-
	<b>47,787</b>	<b>386,199</b>
<b>Supplemental cash flow information:</b>		
Interest	-	-
Income taxes	-	-

See Notes to Consolidated Financial Statements

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**WESTMINSTER RESOURCES LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****Three Months Ended August 31, 2013 and 2012**(Expressed in Canadian dollars)

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**1. Nature and Continuance of Operations**

Westminster Resources Ltd. (the "Company" or "Westminster") 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, British Columbia, 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. However, there are factors that management has identified that may cast significant doubt on the entities ability to continue as a going concern.

For the three months ended August 31, 2013, the Company reported a net income of \$22,328 (2012 – loss \$122,576) and a deficit of \$12,515,357 (May 31, 2013 - \$12,537,685). As at August 31, 2013, the Company had a working capital deficiency of \$46,984 (May 31, 2013 - \$231,907). The Company has no source of operating cash flow and relies on issuances of equity to finance operations, including exploration of its exploration and evaluation ("E&E") assets.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration and development of its E&E assets, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and expected growth, if necessary, or alternatively to dispose of its interests in certain properties. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, the Company may be unable to continue as a going concern.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its E&E assets. The recoverability of amounts shown for E&E assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties and future profitable production or proceeds from disposition of E&E assets.

**2. Basis of Preparation****a) Statement of Compliance**

The Company is following the same accounting policies and methods of computation in these condensed interim financial statements as it did in the audited consolidated financial statements for the year ended May 31, 2013.

These condensed 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 interim financial statements should be read in conjunction with the audited financial statements for the year ended May 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB. These condensed interim financial statements were authorized for issue by the Board of Directors on October 30, 2013.

**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, 2013 and 2012

(Expressed in Canadian dollars)

**3. Exploration and Evaluation Assets**

At August 31, 2013 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, 2012 -\$-	Addition (write-downs) -\$-	May 31, 2013 -\$-	Addition (write-downs) -\$-	August 31, 2013 -\$-
<b>Navojoa Project, Sonora, Mexico:</b>					
Acquisition costs	605,504	(5,032)	600,472	-	600,472
Exploration expenditures					
Property maintenance	-	83,225	83,225	29,869	113,094
Assays and reports	68,547	2,360	70,907	-	70,907
Consulting and engineering	154,411	19,902	174,313	-	174,313
Drilling	160,985	-	160,985	-	160,985
Field expenses	734,537	16,144	750,681	-	750,681
Geology and geophysics	22,082	10,000	32,082	-	32,082
Travel	12,263	5,894	18,157	-	18,157
Write-down	(1,140,000)	-	(1,140,000)	-	(1,140,000)
	618,329	132,493	750,822	29,869	780,691
<b>El Cobre Project, Sonora, Mexico:</b>					
Acquisition costs	151,731	-	151,731	-	151,731
Exploration expenditures					
Property maintenance	512,686	82,900	595,586	39,264	634,850
Assays and reports	245,556	-	245,556	685	246,241
Consulting and engineering	449,504	-	449,504	-	449,504
Drilling	852,554	-	852,554	-	852,554
Field expenses	1,406,210	6,738	1,412,948	2,457	1,415,405
Geology and geophysics	315,920	-	315,920	-	315,920
Travel	126,849	5,895	132,744	-	132,744
Write-down	(2,400,000)	-	(2,400,000)	-	(2,400,000)
	1,661,010	95,533	1,756,543	42,406	1,798,949
<b>Cumbral Project, Sonora, Mexico:</b>					
Exploration expenditures					
Assays and reports	67,127	242,922	310,049	-	310,049
Consulting and engineering	120,954	505,675	626,629	75,121	701,750
Drilling	-	751,419	751,419	-	751,419
Field expenses	189,770	453,051	642,821	3,690	646,511
Geology and geophysics	152,386	537,083	689,469	-	689,469
Travel	30,038	103,132	133,170	1,991	135,161
Recovery of exploration costs (funds received from Capstone)	(500,000)	(2,300,000)	(2,800,000)	(300,000)	(3,100,000)
	60,275	293,282	353,557	(219,198)	134,358
	2,339,614	521,308	2,860,922	(146,923)	2,713,999



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**WESTMINSTER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three Months Ended August 31, 2013 and 2012**  
(Expressed in Canadian dollars)

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**4. Share Capital**

- a) Authorized – Unlimited number of common shares without par value
- b) Issued:
- (i) On November 19, 2012, the Company issued 56,640 common shares for the exercise of 56,640 warrants at \$0.10 per share for proceeds of \$5,664.
- (ii) On October 31, 2012 the Company completed a non-brokered private placement with Capstone of 10,000,000 common shares at \$0.10 per share to net the Company \$1,000,000.
- (iii) On August 21, 2012, the Company issued 93,440 common shares for the exercise of 93,440 warrants at \$0.10 per share for proceeds of \$9,344.

**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.

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.

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, 2013	5,320,000	\$ 0.23
Granted	-	-
Cancelled	-	-
Outstanding, August 31, 2013	5,320,000	\$ 0.23

**WESTMINSTER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three Months Ended August 31, 2013 and 2012**  
(Expressed in Canadian dollars)

**5. Reserves (continued)**

a) Stock Options (continued)

Stock options outstanding are as follows:

Expiry Date	Exercise Price	August 31, 2013		May 31, 2013	
		Options Outstanding	Options Exercisable	Options Outstanding	Options Exercisable
		-\$-	-\$-	-\$-	-\$-
14-May-14	\$0.35	1,020,000	1,020,000	1,020,000	1,020,000
20-Sep-15	\$0.25	1,510,000	1,510,000	1,510,000	1,510,000
18-Nov-15	\$0.40	350,000	350,000	350,000	350,000
08-Jun-17	\$0.15	2,440,000	2,440,000	2,440,000	2,440,000
Outstanding, end of year		5,320,000	5,320,000	5,320,000	5,320,000
Weighted average remaining contractual life of options			2.55 years		2.85 years

b) Share-based Payments

During the three months ended August 31, 2013, the Company didn't grant any stock options (2012-2,440,000). The fair value of options granted in the period was \$102,402 (2012 - \$Nil).

c) Warrants

The Company did not have any share purchase warrants outstanding as of August 31 and May 31, 2013.

**6. Key Management Compensation**

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. Key management compensation during the three months ended August 31, 2013 and 2012 were as follows:

	2013	2012
	-\$-	-\$-
Short-term benefits	39,000	33,000
Share-based payments	-	31,920
Total	39,000	64,920