WESTMINSTER RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED
FINANCIAL STATEMENTS

For the Years Ended May 31, 2018 and 2017

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Westminster Resources Ltd.

We have audited the accompanying consolidated financial statements of Westminster Resources Ltd., which comprise the consolidated statement of financial position as at May 31, 2018 and 2017, and the consolidated statement of comprehensive loss, changes in shareholders equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Westminster Resources Ltd. as at May 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Westminster Resources Ltd.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
September 28, 2018

WESTMINSTER RESOURCES LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at May 31, 2018	As at May 31, 2017
	- $ -	- $ -
ASSETS		
Current		
Cash	486,879	11,410
Amounts receivable (Notes 9 and 10)	216,735	28,571
Prepaid expenses	6,824	21,436
	710,438	61,417
Non-current		
Deposits (Note 5)	57,710	44,866
Equipment and leaseholds (Note 6)	21,231	26,334
Exploration and evaluation assets (Note 7)	1,877,502	2,399,651
Total Assets	2,666,881	2,532,268
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable (Note 10)	120,193	120,450
Accrued liabilities	146,830	-
Total liabilities	267,023	120,450
Shareholders' equity		
Share capital (Note 8)	19,843,106	17,920,372
Subscription funds received	-	(24,000)
Reserves (Note 8)	2,289,468	1,911,454
Deficit	(19,732,716)	(17,396,008)
Total shareholders' equity	2,399,858	2,411,818
Total liabilities and shareholders' equity	2,666,881	2,532,268

Going Concern – Note 1
Commitments – Note 13
Subsequent events – Note 15

Approved on behalf of the Board of Directors:

"Glen Indra"	*"Glen MacDonald"*
Glen Indra,	Glen MacDonald,
Director	Director

The accompanying notes are an integral part of these consolidated financial statements.

WESTMINSTER RESOURCES LTD.

Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended May 31, 2018	2017
	- $ -	- $ -
Expenses		
Accounting, audit, and legal	77,916	38,858
Amortization (Note 6)	8,127	5,954
Bank charges and interest	874	7,969
Conferences and investor relations	91,756	159,174
Consulting fees (Note 10)	787,266	345,625
Management fees (Note 10)	107,300	132,000
Office (Note 10)	108,276	64,828
Regulatory and filing fees	14,719	17,873
Share based payments (Note 8)	320,813	-
Travel and entertainment	28,073	16,739
	(1,545,120)	(789,020)
Other items		
Gain on settlement of accounts payable (Note 8)	-	603,099
Foreign exchange gain (loss)	66,662	(10,388)
Impairment of exploration and evaluation assets (Note 7)	(858,384)	-
Interest income	134	234
Write off of value added tax receivable (Note 9)	-	(148,937)
Net and comprehensive loss	(2,336,708)	(345,012)
Basic and diluted loss per share	(0.10)	(0.07)
Weighted average shares outstanding – basic and diluted	23,511,289	4,616,493

The accompanying notes are an integral part of these consolidated financial statements.

WESTMINSTER RESOURCES LTD.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Share capital					
	Number of shares	Amount	Reserves	Subscription funds receivable	Deficit	Total shareholders' equity
		- $ -	- $ -	- $ -	- $ -	- $ -
Balance, May 31, 2016	3,995,329	16,412,005	1,911,454	-	(17,050,996)	1,272,463
Shares issued for cash, net of share issuance costs (Note 8)	8,150,000	935,500	-	(24,000)	-	911,500
Shares issued for acquisition of exploration assets (Notes 7 and 8)	50,000	35,000	-	-	-	35,000
Shares issued for stock options exercised (Note 8)	205,000	102,500	-	-	-	102,500
Shares issued for warrants exercised (Note 8)	178,500	178,500	-	-	-	178,500
Shares issued for debt (Note 8)	1,026,666	256,867	-	-	-	256,867
Net loss	-	-	-	-	(345,012)	(345,012)
Balance, May 31, 2017	13,605,495	17,920,372	1,911,454	(24,000)	(17,396,008)	2,411,818
Shares issued for cash, net of share issuance costs (Note 8)	11,715,000	1,922,734	57,201	24,000	-	2,003,935
Share-based payments (Note 8)	-	-	320,813	-	-	320,813
Net loss	-	-	-	-	(2,336,708)	(2,336,708)
Balance, May 31, 2018	25,320,495	19,843,106	2,289,468	-	(19,732,716)	2,399,858

The accompanying notes are an integral part of these consolidated financial statements.

WESTMINSTER RESOURCES LTD.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year ended May, 31	
	2018	**2017**
	- $ -	- $ -
Cash used in operations		
Net loss	(2,366,708)	(345,012)
Items not involving cash:		
Amortization	8,127	5,954
Gain on settlement of accounts payable	-	(603,099)
Impairment of exploration and evaluation assets	858,384	-
Share-based payments	320,813	-
Change in non-cash working capital items:		
Amounts receivable	(188,164)	153,395
Prepaid expenses and deposits	1,768	4,843
Accounts payable and accrued liabilities	136,759	(465,293)
Net cash used in operating activities	(1,199,021)	(1,249,212)
Investing activities		
Purchase of equipment and leaseholds	(3,024)	-
Expenditures on exploration and evaluation	(326,421)	(88,305)
Net cash used in investing activities	(329,445)	(88,305)
Financing activities		
Issuance of common shares for cash	2,050,900	954,000
Exercise of warrants for cash	-	178,500
Share issue costs	(46,965)	(42,500)
Options exercised	-	102,500
Net cash provided by financing activities	2,003,935	1,192,500
Change in cash	475,469	(145,017)
Cash, beginning of year	11,410	156,427
Cash, ending of year	486,879	11,410
Supplemental cash flow information		
Fair value of finders warrants issued	(57,201)	-
Shares issued for debt settlement	-	256,867
Shares issued for acquisition of mineral property	-	35,000

1. Nature of Operations and Going Concern

Westminster Resources Ltd. *(an Exploration Stage Company)* was incorporated under the *Business Corporations Act* of British Columbia, Canada on December 1, 2005 and maintains its corporate head office at Suite 1100 - 595 Howe Street, Vancouver, British Columbia, V6C 2T5. The Company's common shares are listed on the TSX Venture Exchange (TSX.V: WMR) in Canada. Westminster Resources Ltd. and its subsidiaries (collectively referred to as the "Company" or "Westminster") are principally engaged in the acquisition, exploration, and development of mineral properties as described herein.

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 year ended May 31, 2018, the Company reported a net loss of $2,336,708 (2017– $345,012) and an accumulated deficit of $19,732,716 (2017 - $17,396,008). As at May 31, 2018, the Company had working capital of $443,415 (2017 – working capital deficiency of $59,033). 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.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that may be necessary should the Company be unable to continue as a going concern, and therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business.

2. Basis of Presentation

a) Statement of Compliance

The consolidated financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements were authorized for issue by the Board of Directors on September 28, 2018.

b) Basis of Consolidation

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

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or had rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

c) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL") or available-for-sale, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiaries functional currency.

d) Sources of Estimation Uncertainty

Significant assumptions about the future and the other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from the assumptions made, relate to, but are not limited to, the following:

(i) Realization of mineral property interests

The Company assesses its E&E assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of assets may not be recoverable, at each reporting period. The assessment of any impairment of E&E asset is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows and useful lives of assets and their related salvage values.

(ii) Site restoration obligations

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

2. Basis of Presentation (continued)

Restoration liabilities include an estimate of the future cost associated with the reclamation of the property and equipment, discounted to its present value, and capitalized as part of the cost of assets. The estimated costs are based on the present value of the expenditure expected to be incurred. Changes in the discount rate, estimated timing of reclamation costs, or cost estimates are dealt with prospectively by recording a change in estimate, and corresponding adjustment to equipment. The accretion on the reclamation provision is included in the reclamation liability.

As at May 31, 2018, the Company is not aware of any existing environmental obligations related to any of its current or former properties that may result in a liability to the Company.

(iii) Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions could materially affect the fair value estimate and the Company’s earnings and equity reserves, and therefore the existing models do not necessarily provide an accurate single measure of the actual fair value of the Company’s stock options granted and warrants.

(iv) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing losses.

d) Critical Accounting Judgments

Significant judgments about the future and other sources of judgment uncertainty that management has made at the statements of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from judgments made, relate to, but are not limited to, the following:

(i) Impairment assessment

The Company assesses its exploration and evaluation assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, at each reporting period. The assessment of any impairment of equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows, and the useful lives of assets and their related salvage values.

(ii) Recoverability of amounts receivable

The balance in amounts receivable includes value added taxes to be recovered in Mexico. At each financial position reporting date, the carrying amounts of the Company’s amounts receivable are reviewed to determine whether there is any indication that those assets are impaired. The Company uses judgment in determining whether there are facts and circumstances suggesting that the carrying amounts of its amounts receivable may exceed the recoverable amount.

2. Basis of Presentation (continued)

e) Critical Accounting Judgments (continued)

(iii) Assessment of going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances**.**

(v) Assessment of functional currency

The Company uses judgment in determining its functional currency. International Accounting Standards ("IAS") 21 *The Effects of Changes in Foreign Exchange Rates* defines the functional currency as the currency of the primary economic environment in which an entity operates. IAS 21 requires the determination of functional currency to be performed on an entity by entity basis, based on various primary and secondary factors. In identifying the functional currency of the parent and of its subsidiaries, management considered the currency that mainly influences the cost of undertaking the business activities in each jurisdiction in which the Company operates.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The financial statements, in management's opinion, have been properly prepared using judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

a) Financial Instruments

Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Regular way purchases and sales of FVTPL financial assets are accounted for at trade date. The Company has classified its cash as FVTPL.

Financial assets classified as held-to-maturity are initially recognized at fair value and subsequently are measured at amortized cost using the effective interest rate method. Any changes to the carrying amount, including impairment losses, are recognized through profit or loss. The Company has classified its deposits as held-to-maturity.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income/loss, except for losses in value that are considered other than temporary. The Company has no assets classified as available-for-sale.

Financial assets classified as loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company has no assets classified as loans and receivables.

3. Significant Accounting Policies (continued)

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as financial liabilities at FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss. The Company has not classified any financial liabilities as FVTPL.

Fair Value Hierarchy

The Company categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate fair values. The fair value of financial assets and financial liabilities in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial assets and financial liabilities in Level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data.

The Company's measurement of fair value of financial instruments as at May 31, 2018 in accordance with the fair value hierarchy is as follows:

	Total - $ -	Level 1 - $ -	Level 2 - $ -	Level 3 - $ -
Assets				
Cash	486,879	486,879	-	-

The Company's measurement of fair value of financial instruments as at May 31, 2017 in accordance with the fair value hierarchy is as follows:

	Total - $ -	Level 1 - $ -	Level 2 - $ -	Level 3 - $ -
Assets				
Cash	11,410	11,410	-	-

3. Significant Accounting Policies (continued)

b) Cash Equivalents

Cash equivalents consist of bank deposits or highly liquid investments that are readily convertible to known amounts of cash with original maturities of 90 days or less and which are subject to an insignificant risk of change in value.

c) Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to E&E expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the period in which they occur.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as E&E assets or recoveries when the payments are made or received.

When a project is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditures, in excess of estimated recoveries, are written off to profit or loss. The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

d) Equipment

Equipment is recorded at cost, less accumulated amortization and accumulated impairment losses. These assets are amortized using the following annual rates:

Office furniture and equipment	30% declining-balance
Computer equipment	45% declining-balance
Field equipment	15% declining-balance

e) Impairment of Non-Financial Assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. 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. The impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized in profit or loss.

3. Significant Accounting Policies (continued)

f) Reclamation Obligations

The Company recognizes the fair value of a legal or constructive liability for a reclamation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a reclamation obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and a financing expense in the statement of comprehensive income/loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

g) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

h) Valuation of Equity Units Issued in Private Placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are first allocated to the fair value of the common shares with any residual value then allocated to warrants. The fair value of the common shares is determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants and recorded in reserves.

i) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is recognized in profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

3. Significant Accounting Policies (continued)

All equity-settled share-based payments are reflected in share-based reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

j) Loss per Share

Basic loss per common share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of common shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

k) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the enactment date. Deferred tax assets also result from unused loss carry-forwards, resource related tax pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

l) Foreign Currency Translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date. Non-monetary items are translated at the rate of exchange in effect when the amounts were acquired or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction. Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss.

m) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3. Significant Accounting Policies (continued)

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

n) New Standards and Interpretations

The following new standards have been issued by the IASB, but are not yet effective:

IFRS 9 Financial Instruments addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 Financial Instruments; Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. Requirements for financial liabilities are largely carried forward from the existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at FVTPL are generally recorded in other comprehensive income/loss. The effective date of this new standard will be for periods beginning on or after January 1, 2018 with early adoption permitted. The Company has not yet assessed the impact of this standard or determined whether it will adopt earlier.

IFRS 16 Leases specifies how an issuer will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less, or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019. The Company has not yet assessed the impact of this standard or determined whether it will adopt earlier.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have significant impact on the Company's financial statements.

4. Financial Instruments

The carrying values of the Company's financial instruments approximate their fair values due to the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk with respect to its cash, amounts receivable and deposits. The Company limits exposure to credit risk by maintaining its cash and deposits with major financial institutions. The Company is exposed to significant credit risk on its amounts receivable as the entire balance is due from government agencies.

b) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

(Expressed in Canadian Dollars)

4. Financial Instruments (continued)

b) Market Risk (continued)

(i) Interest rate risk

Interest rate is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash and deposits. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets.

(ii) Currency risk

The Company is exposed to currency risk to the extent that expenditures incurred by the Company are denominated in currencies other than the Canadian dollar (primarily Mexican pesos). The Company does not manage currency risk through hedging or other currency management tools.

The Company's net exposure to foreign currency risk is as follows:

	May 31, 2018 Mexican Pesos	**May 31, 2017 Mexican Pesos**
Cash	17,661	42,447
Accounts payable	(511,559)	(511,559)
Net	(493,898)	(469,112)

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to other price risk.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As at May 31, 2018, the cash balance of $486,879 (2017 - $11,410) would not be sufficient to meet the cash requirements for the Company's administrative overhead, maintaining its E&E assets and continuing with its exploration programs in the following twelve months. The Company will be required to raise additional capital in the future to fund its operations.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2018:

	Within 60 days -$-	Between 61-90 days -$-	More than 90 days -$-
Accounts payable and accrued liabilities	267,023	-	-

(Expressed in Canadian Dollars)

4. Financial Instruments (continued)

c) Liquidity Risk (continued)

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2017:

	Within 60 days -\$-	Between 61-90 days -\$-	More than 90 days -\$-
Accounts payable and accrued liabilities	120,450	-	-

5. Deposits

The Company has pledged a \$17,883 (2017 - \$17,856) guaranteed investment certificate ("GIC") as site reclamation deposit pursuant to a condition of receiving consent from a government agency to explore its mineral property interest. The GIC earns interest at a rate of 0.9% per annum and is due July 15, 2018. The deposit is refundable if there is no environmental disturbance to the property. The carrying value approximates the fair value of the GIC. It is management's opinion that there is minimal disturbance to the property to date, and accordingly, has not recorded an asset retirement obligation.

The Company has also pledged a \$20,000 (2017- \$20,000) GIC as collateral for one corporate Visa credit card issued by a Canadian bank. The GIC earns interest at a rate of 0.50% per annum and is due October 1, 2018. The carrying value approximates the fair value of the GIC.

The Company has an office premises lease agreement, which requires a security deposit of \$19,827 (2017 - \$7,010).

6. Equipment

	Office furniture and equipment	**Field equipment**	**Computer equipment**	**Total**
	- \$ -	- \$ -	- \$ -	- \$ -
Cost:				
Balance, May 31, 2016	94,962	74,353	23,404	192,719
Additions	-	-	-	-
Balance, May 31, 2017	94,962	74,353	23,404	192,719
Additions	-	-	3,024	3,024
Balance, May 31, 2018	94,962	74,353	26,428	195,743
Accumulated amortization:				
Balance, May 31, 2016	88,112	49,191	23,128	160,431
Charge for the year	2,055	3,774	125	5,954
Balance, May 31, 2017	90,167	52,965	23,253	166,385
Charge for the year	1,439	6,416	272	8,127
Balance, May 31, 2018	91,606	59,381	23,525	174,512
Net book value:				
Balance, May 31, 2017	4,795	21,388	151	26,334
Balance, May 31, 2018	3,356	14,972	2,903	21,231

(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets

The Company's interests in exploration and evaluation assets are located in Sonora, Mexico, Peru and in the Northwest Territories, Canada. The following table outlines the expenditures for the year ended May 31, 2018 and 2017:

	May 31, 2016	Additions	May 31, 2017	Additions	May 31, 2018
El Cobre Project, Sonora, Mexico					
Acquisition costs	151,731	-	151,731	-	151,731
Exploration expenditures					
Property maintenance	370,667	-	370,667	25,895	396,562
Assays and reports	100,294	9,220	109,517	-	109,514
Consulting and engineering	323,632	9,762	333,394	6,250	339,644
Drilling	329,642	-	329,642	-	329,642
Field expenses	599,070	8,644	607,714	65,095	672,809
Geology and geophysics	319,729	30,000	349,729	-	349,729
Travel	81,581	1,365	82,946	-	82,946
Write-down	-	-	-	(794,070)	(794,070)
	2,276,346	58,991	2,335,337	(696,830)	1,638,507
MER Project, NW Territories					
Acquisition costs	-	60,000	60,000	-	60,000
Exploration expenditures					
Assays and reports	-	4,314	4,314	-	4,314
Write-down	-	-	-	(64,314)	(64,314)
	-	64,314	64,314	(64,314)	-
Ilo Norte/Ilo Este Project, Peru					
Acquisition costs	-	-	-	219,525	219,525
Exploration expenditures					
Consulting and engineering (Note 10)	-	-	-	19,470	19,470
	-	-	-	238,995	238,995
	2,276,346	123,305	2,399,651	(552,149)	1,877,502

El Cobre Project, Sonora, Mexico

The Company has assembled the El Cobre Project, which is located near Obregon in Sonora state, Mexico.

During the year ended May 31, 2018, the Company did not renew certain claims and recorded a write down of $794,070.

7. Exploration and Evaluation Assets (continued)

Mer Lithium Project, NWT

In July 2016 the Company acquired four lithium prospective claims in the Yellowknife Pegmatite Belt, located east of Yellowknife in the Northwest Territiories of Canada. The purchase price is 50,000 shares of the Company (issued with a fair value of $35,000) (Note 8) and $25,000 cash (paid). During the year ended May 31, 2018, management decided to fully write down the Project.

Ilo Norte and Ilo Este, Peru

The Company signed an agreement dated February 6, 2018 with Latin Resources Limited ("Latin") to acquire a 100% interest in a portfolio of 36 concessions in southern Peru. This transaction closed subsequent to the period in July 2018.

Consideration is as follows:

- Upon signing of the sale agreement, the Company will issue to Latin a total of 19 million common shares of the Company, which will be placed in voluntary escrow and held until the concessions have been effectively transferred to the Company or its subsidiary, but shall vest with the following milestones:
  - 1,000,000 shares will vest 6 months from the date of the sale agreement;
  - 3,000,000 shares vest 12 months from the date of the sale agreement; and
  - 15,000,000 shares vest 18 months from the date of the sale agreement.
- A lump sum cash payment of US$150,000 ($189,525 - paid) on the signing of the sale agreement; and
- A final payment of US$100,000 on the 12 - month anniversary of the signing of the sale agreement.

7. Exploration and Evaluation Assets (continued)

Realization of Assets

The investment in and expenditures on E&E assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

Title to Mineral Property Interests

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is unaware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

8. Share Capital and Reserves

a) *Authorized*

The Company is authorized to issue an unlimited number of common shares without par value.

b) *Issued*

On May 1, 2017, the Company completed a 10 for 1 share consolidation. The Company's outstanding options and warrants were adjusted on the same basis (1 for 10) as the common shares, with proportionate adjustments being made to the exercise prices. All share, option and warrant information have been retrospectively adjusted to reflect the share consolidation.

On September 12, 2016, the Company issued 50,000 common shares with a fair value of $35,000 as part of the MER Project, Northwest Territories exploration asset acquisition (Note 7).

During 2017, 178,500 share purchase warrants with an exercise price of $1.00 were exercised for gross proceeds of $178,500 and 205,000 stock options with an exercise price of $0.50 were exercised for gross proceeds of $102,500.

8. Share Capital and Reserves (continued)

b) Issued (continued)

On May 25, 2017, the Company issued 8,150,000 units at $0.12 per unit to raise gross proceeds of $978,000 as part of the closing of the first tranche of a private placement announced on May 3, 2017. Each unit comprises one common share and one additional common share purchase warrant. Each full common share warrant entitles the holder to purchase one common share at $0.16 for 5 years. Using the residual method, $nil was allocated to the value of the warrants. The Company paid $42,500 in cash to finders in relation to this issuance.

On May 30, 2017, the Company issued 1,026,666 common shares with a fair value of $256,867 to settle accounts payables of $859,966. The Company recognized a gain of $485,967 on the settlement.

On June 16, 2017, the Company closed a private placement first announced on May 3, 2017 for 12,020,000 units at $0.12 per unit for gross proceeds of $1,425,400. Each unit is comprised of one common share at $0.12 and one common share purchase warrant at $0.16 for five years. This placement was closed in two tranches, the first on May 25, 2017 in the amount of 8,150,000 units for $978,000 and the balance of 3,870,000 units for $447,000 on June 16, 2017.

On August 11, 2017, the Company closed a private placement for the issuance of 7,495,000 units at $0.20 per unit for a total of $1,499,000 gross proceeds. Each unit is comprised of one common share at $0.20 and one-half common share purchase warrant. Each full share purchase warrant will allow the holder to purchase one additional common share at $0.35 for one year. The Company incurred a total of $46,965 in finder's fees and regulatory charges in connection with this private placement. In addition, the Company issued a total of 262,500 share purchase broker warrants in connection with this private placement. The broker warrants had a fair value of $57,201, which was allocated to warrants reserve. The fair value of the broker warrants was determined using the Black-Scholes pricing model with a risk- free rate of 1.20%, volatility factor of 168%, and an expected life of one year. The life of the warrants was further extended to August 11, 2019.

On November 15, 2017 the Company issued 350,000 common shares as part of a non-brokered private placement for gross proceeds of $80,500. The units consisted of one common share of the Company at $0.23 and one-half warrant at $0.35 for one year.

c) Stock Options

The Company has a stock option plan (the "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.

During the year ended May 31, 2018, the Company granted 1,350,000 stock options at an exercise price of $0.31 per share for a period of two years to various consultants of the Company.

(Expressed in Canadian Dollars)

8. Share Capital and Reserves (continued)

c) Stock Options (continued)

A summary of the status of the Company's stock options as at May 31, 2018 and 2017 is presented below:

	Number of Options	**Weighted Average Exercise Price**
		- $ -
Outstanding, May 31, 2016 (post consolidation)	250,000	0.50
Exercised	(205,000)	0.50
Granted	-	-
Outstanding, May 31, 2017	45,000	0.50
Exercised	-	-
Granted	1,350,000	0.31
Outstanding, May 31, 2018	1,395,000	0.32

	May 31, 2018		May 31, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		- $ -		- $ -
Balance, beginning	45,000	0.50	250,000	0.50
Expired	-	-	-	-
Issued	1,350,000	0.31	-	-
Exercised	-	-	(205,000)	0.50
Balance, ending	1,395,000	0.32	45,000	0.50
Weighted average remaining contractual life of options	1.18 years		1.83 years	

The Company amortizes the total fair value of the options granted over the vesting schedules. All options granted vested on the date of grant. The total share-based compensation expense recorded during the year ended May 31, 2018 was $320,813 (2017 - $Nil). The fair value of the options granted during the year ended May 31, 2018 was determined using the Black-Scholes pricing model with a risk-free rate of 1.20%, volatility factor of 168% and an expected life of the options of two years.

d) Share Purchase Warrants

Pursuant to the private placements discussed above, during the year ended May 31, 2018, the Company issued 3,870,000 share purchase warrants with an exercise price of $0.16 and expiry of June 15, 2022 and 4,010,000 share purchase warrants with an exercise price of $0.35 and an expiry of August 11, 2019.

	Number of Warrants	**Weighted Average Exercise Price**
		- $ -
Outstanding, May 31, 2016	1,730,750	1.00
Issued	8,150,000	0.16
Exercised	(178,500)	1.00
Expired	(1,552,250)	1.00
Outstanding, May 31, 2017	8,150,000	0.16
Issued	8,055,000	0.26
Outstanding, May 31, 2018	16,205,000	0.21

(Expressed in Canadian Dollars)

8. Share Capital and Reserves (continued)

d) Share Purchase Warrants (continued)

Expiry Date	Exercise Price	2018 Number of Warrants	2017 Number of Warrants
	- $ -		
May 24, 2022	0.16	8,150,000	8,150,000
June 15, 2022	0.16	3,870,000	-
August 11, 2019	0.35	4,010,000	-
November 15, 2018	0.35	175,000	-
Outstanding		16,205,000	8,150,000
Weighted average remaining contractual life of warrants		3.26 years	4.98 years

As at May 31, 2018, all of the above warrants were exercisable.

e) Share-Based Payment Reserve

The share-based payment reserve records items recognized as share-based compensation expense until such time the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

f) Warrant Reserve

The warrant reserve records the proceeds allocation to warrants on the issuance of units in private placements until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9. Amounts Receivable

Amounts receivable consist of GST receivable from the government of Canada and amounts for shared rent and expenses. At May 31, 2017, the Company recorded an impairment of $148,937 of GST receivable from the government of Mexico due to uncertainty of collection.

	May 31, 2018	May 31, 2017
	- $ -	- $ -
GST receivable	91,826	28,571
Amounts due for shared rent and expenses (Note 10)	124,909	-
Net	216,735	28,571

10. Related Party transactions

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 year ended May 31, 2018 and 2017 were as follows:

	Year ended May 31, 2018	Year ended May 31, 2017
	- $ -	- $ -
Short-term benefits	156,658	177,000

(Expressed in Canadian Dollars)

10. Related Party transactions (continued)

Included in short term benefits are the following:

(i) 16,800 (2017 - $120,000) in management fees paid to Floralynn Investments Inc., a company controlled by Glen Indra, the Company's Chief Executive Officer.

(ii) $Nil (2017 - $21,000) in management fees paid to Diversity Clues Consulting, a company controlled by Oleg Scherbina, the Company's Chief Financial Officer.

(iii) $Nil (2017-$30,000) in consulting fees paid to S.B Ballantyne Holdings Inc., a company controlled by Bruce Ballantyne (project manager).

(iv) $Nil (2017-$6,000) in director fees paid to Glen Macdonald (director).

(v) $8,000 (2017 - $Nil) in consulting fees paid to Jason Cubitt (director).

(vi) $85,000 (2017 - $Nil) in management fees paid to a Jason Cubitt Holdings Inc., company controlled by Jason Cubitt, a director of the Company.

(vii) $41,358 (2017-$Nil) in consulting fee paid to Kerry Griffin, the Vice President, Exploration. $21,888 consulting fees were recorded in comprehensive loss and $19,470 consulting fees were recorded under E&E (Note 7).

Included in accounts receivable is $116,275 (May 31, 2017 - $Nil) receivable from Jaxon Mining Inc., a Company with common directors, for shared office space and expenses (Note 9). During the year ended May 31, 2018, the Company received $180,848 (2017 - $75,000) from Jaxon Minerals Inc. for shared office and expenses.

Included in accounts payable is $30,494 (2017- $49,500) in key management compensation payable to directors and officers.

11. Income Taxes

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision is provided as follows:

	2018 $	2017 $
Net loss for the year	(2,336,708)	(345,012)
Canadian statutory tax rate	26%	26%
Income tax benefit computed at statutory rates	(607,544)	(89,703)
Items non-deductible for income tax purposes	319,251	(52,107)
Changes in timing differences	349,430	7,145
Foreign exchange effect on tax assets and liabilities	(29,096)	(20,986)
Unused tax offsets not recognized in tax asset	32,040	155,651
	-	-

The Company recognizes tax benefits on losses or other deductible amounts generated in countries where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

(Expressed in Canadian Dollars)

11. Income Taxes (continued)

	2018 $	2017 $
Tax value over book value of equipment	189,120	180,993
Tax value over book value of E&E assets	-	1,390,980
Non-refundable mining credit	67,464	67,464
Share issue costs	69,010	57,876
Non-capital losses	10,916,702	9,668,215
Capital losses	485,963	485,963
Unrecognized deferred tax amounts	11,728,259	11,851,491

As at May 31, 2018, the Company has approximately $10,539,000 of non-capital losses in Canada that may be used to offset future taxable income, expiring from 2027 to 2038.

In addition, as at May 31, 2018, the Company has approximately $378,000 of non-capital losses in Mexico that may be used to offset future taxable income expiring from 2029 to 2035.

12. 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 and Canada:

			2018 $			2017 $
	Canada	Mexico	Total	Canada	Mexico	Total
Total assets	852,547	1,814,334	2,666,881	71,202	2,461,066	2,532,268

13. Commitments

The Company entered into a new lease agreement in July 2017, and amended in April 2018, for a period of three years, ending April 2021, for a monthly lease payment of $14,054 inclusive of GST. The lease commitments for the next three fiscal years are:

2019		168,967
2020		172,836
2021		161,684
	Total	503,487

14. Capital Management

The Company defines its capital as working capital and shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent upon external financing or the sale of assets to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

15. Subsequent Events

On July 17, 2018, the Company closed the transaction with Latin Resources Limited ("Latin") pursuant to the agreement dated February 6, 2018 (Note 7).

On August 7, 2018, the Company entered into a Letter of Intent to acquire a land package totaling 10,858 hectares and consisting of 2 claims in the La Ronge district of Saskatchewan. Terms of the acquisition include making exploration expenditures totaling $400,000 over 3 years and issuing 4 million shares in two equal tranches to earn an 80% interest in the property.

On August 16, 2018, the Company entered into a Farm-In Agreement with AusQuest Limited ("AusQuest") pursuant to which AusQuest will complete 13,000 metres of drilling over 7.5 years to earn a 65% interest in 5 of the 36 Peruvian copper claims acquired by the Company, totalling 4900 hectares and located south of the main Ilo Norte and Ilo Este projects. AusQuest has the option to earn 75% by also completing a Pre-Feasibility Study covering these 5 claims. Terms of the agreement are as follows:

- 18-month Phase 1 program to identify drill targets;
- 3-year Phase 2 program of a minimum 3,000 metres of drilling to earn an initial 35% interest;
- 3-year Phase 3 program of a futher 10,000 metres of drilling or US$2.5 million of additional expenditures to achieve 65% interest; and
- Phase 4 PFS program to complete a Pre-Feasibility Study to achieve a 75% interest.

Once AusQuest has earned 75%, it can offer to buy out the Company's remaining 25% interest for fair market value.