WESTMINSTER RESOURCES LTD.

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended May 31, 2018

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information contained or incorporated by reference in this MD&A, including any information as to our future financial or operating performance, constitutes “forward-looking statements”. All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or other commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada and in other countries; business opportunities that may be presented to, or pursued by, us; operating or technical difficulties in connection with mining or development activities; employee relations; litigation; the speculative nature of exploration and development, including the risks of obtaining necessary licenses and permits; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks. Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements.

We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

1.1 Date

The following management's discussion and analysis ("MD&A"), which is dated September 28, 2018 provides a review of the activities, results of operations and financial condition of Westminster Resources Ltd. ("the Company" or "Westminster"), as at May 31, 2018 as well as future prospects of the Company. This MD&A should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended May 31, 2018. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise specified (the Company's financial statements are prepared in Canadian dollars). Additional information relating to the Company is available on SEDAR at www.sedar.com.

1.2 Overall Performance

1.2.1 Introduction

Westminster is a resource company that is conducting exploration in Sonora state, Mexico through its wholly-owned integrated subsidiaries, Minera Westminster, S.A. de C.V. ("Minera Westminster") and Servicios Westminster, S.A. de C.V. ("Servicios Westminster"). The Company's active exploration interests are located in Sonora near Obregon. The mineral concessions, which have been acquired by staking, option agreements and through outright purchases, are prospective for gold, copper and silver.

Within the El Cobre property concession, which covers an area of approximately 17,854 hectares there are 2 projects; the Guayacan and the Sierra. Mineralization in this area is characterized by high grade gold-copper-silver veins, breccias, and diatremes associated with porphyry deposit-style mineralized systems. The ground which comprises the El Cobre property, before the Company initiated its exploration program, had not been previously explored using modern exploration methodologies nor had it been previously drill tested.

In addition to the above, on September 12, 2017, the Company entered into a binding Letter of Intent with Latin Resources Limited ("Latin") (ASX: LRS) to acquire a 100% interest in the Ilo Norte and Ilo Este copper projects, (the "Projects") located in southern Peru. Latin is at arms' length to the Company.

The Projects comprise a number of concessions totalling over 36,000 hectares located in the highly prospective coastal IOCG/Porphyry Copper belt of Southern Peru. Latin has carried out exploration drilling and has successfully demonstrated substantial upside for development of the Projects. Within 100 km of the Projects, the region is the source of around half of Peru's copper production (the world's third largest copper producing nation). The TSX Venture Exchange (the "Exchange") provided conditional approval of the acquisition on December 7, 2017, and the Company announced the parties signed a Definitive Agreement on the acquisition of the Projects on February 13, 2018. The Company received final approval and closed the acquisition on July 17, 2018. On August 7, 2018, the Company announced it had signed a Letter of Intent to acquire a package of claims prospective for copper (and other minerals) covering 10,858 ha in the La Ronge District, northern Saskatchewan. Terms of the acquisition include exploration expenditures of $400,000 over 3 years and issuing 4 million shares in two equal tranches to earn 80% in the project package. On August 16, 2018, the Company announced that it had signed a Farm-in Agreement with AusQuest Resources, whereby AusQuest can earn a 65% interest in 5 licences that form part of the Company's Ilo Sur project in Peru, acquired along with the Ilo Norte and Ilo Este projects. Ausquest needs to complete 13,000 metres of drilling to earn the 65%, which can be increased to 75% by completing a pre-feasibility study. The Company also continues to review and investigate other projects which may fit the Company's overall capabilities and goals.

1.2.2 Financial conditions

At May 31, 2018, the Company had no long-term debt and its credit and interest rate risks are limited to interest bearing assets of cash. At May 31, 2018, the Company had $486,879 in cash (May 31, 2017 - $11,410) and working capital of $443,415 (May 31, 2017 – a working capital deficiency of $59,033).

1.2.3 Outlook and Recent Exploration Activity

For the year ended May 31, 2018, the Company did not complete any exploration activities on any of its exploration projects in Mexico, other than property maintenance of relatively small dollar amounts, the focus has instead been on raising capital and acquiring additional projects. In the first half of the fiscal year, the

Company completed two financings which resulted in the issuance of 11,715,000 common shares for total gross proceeds of $2,026,900. The resulting financings have resulted in the Company re-focusing its priorities which includes reviewing its existing projects in Mexico and considering future exploration programs thereon and on the Projects located in Peru and Saskatchewan, the continuing review of other mineral projects that may fit within the Company's portfolio, and the possibility of sourcing possible other additional funding and/or pursue industry partnerships. The following information presents details on the Company's properties and recent exploration and evaluation activities in Mexico and Canada.

Exploration Highlights

Ilo Norte (Peru)

The Company commissioned a technical report under NI-43-101 on Ilo Norte and Ilo Este, the two most advanced projects in its recently-acquired Peru copper portfolio. The Ilo Norte Project is an Iron Oxide Copper Gold (IOCG) type deposit that presents significant exploration potential. The work to date has concentrated has concentrated on a relatively small portion of the prospective part of the lease holding. Remote sensing and in-field mapping has demonstrated that the silica and potassic alteration halo that exists at the known mineralisation extends across the entire property. The initial recommendation is to complete a 3D induced polarisation survey, once all the data is properly centralised and complied.

Ilo Este (Peru)

The Company's technical report concluded that Ilo Este is a copper-gold porphyry deposit that has been eroded down to the mid-level of the system. There remains the postential to discover an ore body within the remnanats of the porphyry that has been the focus of the majority of work thus far, and for other centres to be discovered within the lease holding to the north across the river and on the southern side of the Chololo fault. The initial recommendation, after data centralisation and compilation, is for alteration logging of core and rock chips, along with an extension of the magnetic survey, geological mapping and geochemical survey to the north side of the river.

Sierra Target (Mexico)

During mid-2013, field crews discovered the "Sierra Target" on the Company's 100% owned El Cobre property Sonora, Mexico. The new Sierra Target consists of hydrothermal breccias, with diatreme characteristics and occurs in Miocene volcanic units at an elevation of some 700 metres above, and further to the West of the Montoso porphyry system.

A campaign of exploration along strike and to depth is warranted as the Sierra target hydrothermal breccias with diatreme characteristics and high-sulphidation system affinities make the potential at the Sierra system attractive.

Guayacan (Mexico)

In the Northwest corner of the El Cobre property the Guayacan copper gold silver prospect has been expanded by extensive soil sampling and prospecting. Exposures of copper silver and gold mineralization related to pink granite intrusive bodies have been identified along a strike length of 4 kilometres.

North Guayacan Target (Mexico)

A 500 m long target area designated "North Guayacan" is exposed as a zone of intense clay and sericite intrusive alteration with red ochre iron oxides on fractures, and in quartz veinlets and breccia zones. Several historic hand dug workings are present in the partially exposed altered granite and granodiorite and on local structures.

Red Soil and SGH Geochemical anomalies target (Mexico)

About 800 metres SE from the North Guayacan historic diggings a 50 metre by 200 metre area of intensely altered sericite-iron oxide bearing granite is exposed. Rusty hematite quartz veinlets and iron oxides in fractures are exposed in creek banks and flat areas. Intensely red coloured soils are found with sericite bordering quartz veinlets and iron oxide veins.

The Company considers this exposed zone to be a high priority target.

Middle Guayacan Skarn - Hornfels and Felsic unit zone (Mexico)

Approximately 1600 metres south-east from the North Guayacan old hand dug workings, the Company has made important discoveries during follow-up of precious metal soil survey geochemical anomalies. Several small exposures of mineralized underlying bedrock were located on a ridge as windows through a thin veneer of Tertiary andesitic volcanic rocks. This ridge area is adjacent to an extensive SGH soil anomaly target. The newly discovered Middle Guayacan Skarn - Hornfels and Felsic unit target is 400 metres south-east from the high grade intermediate sulphidation epithermal veins in the RED SOIL target previously described. The newly located zone consists of secondary copper mineralization in magnetite-epidote bearing skarn rocks and silicified, altered intrusive rocks (Hornfels) found in bedrock windows in the ridge and talus cover at anomalous soil survey sample sites.

The Company interprets these Skarn-Hornfels-Felsic zones as halo styles of mineralization typically found peripheral to porphyry systems.

Middle Guayacan Copper Soil and Old Hand Dug Pit Zones (Mexico)

Approximately one kilometre west of the Middle Guayacan Skarn ridge zone in a flat area, some old shallow hand diggings in intensely altered sericitic and red ochre stained iron oxide rich rock debris were discovered.

This new 50 m by 300 m subcropping malachite and chrysocollla secondary copper mineral bearing zone lies about 300 m further west from the intermittent low ridge of altered granitic subcrop (dyke) which runs north to south joining the North Guayacan and South Guayacan –Copper Shaft mineralized zones.

South Guayacan Target (Mexico)

This prospect area lies on a north to south linear trend of the altered granitic dyke which bisects the 3.5-kilometre-wide magnetic low comprising the Guayacan airborne target anomaly. The variably sericitic-altered, low granitic ridge and adjacent flats contain anomalous geochemical soil survey multi element sample sites. Two east to west granite dykes and related structures cross cut the ridge.

The South Guayacan-Copper Shaft zone is located in the granitic dyke ridge about 2.7 kilometres directly south of the old North Guayacan diggings. It is characterized by an east-west crosscutting structure hosting quartz and iron oxides on fractures and in sericitic altered granite.

The Far South - South Guayacan Zone is about a kilometre further south from the historic South Guayacan Shaft. This target lies in a flat lying area on the southern edge of the entire Guayacan circular pattern airborne magnetic anomaly. Precious metal soil survey geochemical anomalous sample sites are present in a 200-metre area where sericite altered granite occurring as subcrop is intruded by various styles and intensities of quartz breccia bodies and veins. These showings are similar to the quartz breccia found 3.5 kilometres north at the North Guayacan zone and at other zones scattered across the Guayacan target.

South Guayacan – Far East Epithermal Target (Mexico)

In 2015 during follow-up of anomalous geochemical gold-in soil sample sites located about 1,000 to 1,200 metres directly east from the South Guayacan-Copper Shaft Target, some old surface prospect diggings were located on an east facing Tertiary volcanic cover ridge and slope. These diggings are adjacent to flat land to the east where an area of some hundreds of metres of clay-sericite and red soil altered material is exposed. The diggings and this area of intense alteration are positioned on the flank of the more intense low magnetic patterns present on the far eastern side of the 3.5-kilometre-wide circular magnetic anomaly outlining the entire Guayacan mineralized system.

Westminster's recent exploration of the new surface exposures of precious metals across the highly prospective Guayacan region has been successful in expanding and specifically defining priority exploration targets.

Mer Lithium Project (NWT)

In July 2016 the Company closed the acquisition of four lithium prospective claims in the Yellowknife Pegmatite Belt, located east of Yellowknife in the Northwest Territiories of Canada. A field exploration program was completed by Aurora Geosciences Ltd., of Yellowknife NWT and the results reported in WMR

16-09 press release. The exploration program at MER property in the Yellowknife Pegmatite Belt encountered the presence of high-grade lithium-bearing mineralization and identified a total of 15 dyke-like targets from aerial photography. Two spodumene-bearing pegmatite dykes, located 50 metres apart, were sampled during this work program. The spodumene is described as coarse to very coarse in size and grey to green in colour. The Company has relinguished these claims in view of unsatisfactory results.

1.3 Selected Annual Financial Information

The following table presents selected financial information for the last three fiscal years ended May 31, 2018, 2017 and 2016.

	2018	2017	2016
Net and comprehensive loss	$ (2,336,708)	$ (345,012)	$ (928,551)
Basic and diluted loss per share	$(0.10)	$ (0.07)	$ (0.34)
Total assets	$2,666,881	$ 2,532,268	$ 2,718,172

1.4 Results of Operations

The details of the general and administrative expenses for the years ended May 31, 2018 and 2017 are as follows:

	Year Ended, May 31, 2018	2017
Expenses		
Consulting fees	$ 787,266	$ 345,625
Share-based payments	320,813	-
Management fees	107,300	132,000
Office	108,276	64,828
Accounting, audit, and legal	77,916	38,858
Regulatory and filing fees	14,719	17,873
Travel & entertainment	28,073	16,739
Bank charges and interest	874	7,969
Conferences and investor relations	91,756	159,174
Amortization	8,127	5,954
Operating loss	(1,545,120)	(789,020)

The Company's general and administrative ("G&A") expenses for the year ended May 31, 2018 was $1,545,120 compared to the prior year amount of $789,020. The increase is attributed to a substantial increase in consulting fees in support of reviewing potential acquisitions, executing on the Peru copper/gold acquisition, and executing financings in the period, however it should be highlighted that $320,813 of the current periods expenses is non-cash share-based payments.

Net loss for the year ended May 31, 2018 was $2,336,708, or $0.10 per common share compared to a loss of $345,012, or $0.07 per share for the prior year.

1.5 Summary of Quarterly Results

The following table sets out certain unaudited financial information of the Company for each of the last eight quarters, beginning with the fourth quarter of fiscal 2016. This financial information has been prepared in accordance International Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB").

Quarterly results are highly variable for exploration companies depending on whether the Company has any property write-downs, share-based payments expenses and gain or losses resulting from foreign exchange.

	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net (loss) income	$ (990,275)	$ (295,045)	$ (273,378)	$ (778,010)
Per share	$ (0.04)	$ (0.01)	$ (0.01)	$ (0.03)

	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net (loss) income	$ (32,458)	$ (1,953)	$ (174,374)	$ (136,227)
Per share	$ (0.01)	$ (0.00)	$ (0.04)	$ (0.03)

1.6 Liquidity

The recovery of the Company's investment in exploration and evaluation properties and the attainment of profitable operations are dependent upon the discovery and development of economic precious and base metal reserves and the ability to arrange sufficient financing to bring these reserves into production. The ultimate outcome of these matters cannot presently be determined.

As the Company is in the exploration stage, no mineral producing revenue has been generated to date. The ability of the Company to meet its obligations and continue the exploration and development of its mineral properties is dependent upon its ability to continue to raise adequate financing. Historically, operating capital and exploration requirements have been funded primarily from equity financing, joint ventures, disposition of mineral properties and investments. There can be no assurance that such financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's exploration program may be tailored accordingly.

Other than those obligations disclosed in the notes to its condensed interim consolidated financial statements and discussed in this MD&A, the Company has no other long-term debt, capital lease obligations, operating leases, or any other long-term obligations. The Company has no outstanding debt facility upon which to draw.

The Company's cash position as at May 31, 2018 was $486,879 (May 31, 2017 - $11,410) and had a working capital position of $443,415 (May 31, 2017 – working capital deficiency of $59,033).

Historically, the Company's only source of funding has been the issuance of equity securities for cash. The Company has issued common share capital pursuant to private placement financings, and the exercise of warrants and options. The Company's access to exploration financing when the financing is not transaction specific is always uncertain. There can be no assurance of continued access to significant equity funding. The Company's ability to raise additional funds may be impacted by future exploration results and changes in metal prices or market conditions.

A detail of the Company's recently completed private placements are discussed in the section that follows.

1.7 Capital Resources

During the year ended May 31, 2018, the Company completed the following private placements:

- 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 and the balance of 3,870,000 units 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 $61,736 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.

- On November 15, 2017 the Company issued 350,000 common shares as part of a non-brokered private placement filed on August 11, 2017 and approved by the TSX on November 15, 2017 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 12 months from the date if the issuance of the common stock.

During the year ended May 31, 2017, the Company completed the following private placements:

- On May 25, 2017, the Company issued 8,150,000 units at $0.12 per unit to raise gross proceeds of $978,000 as the first tranche of a private placement announced on May 3, 2017. Each unit comprises one common share and one 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 war allocated to the value of the warrants.

1.8 Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

1.9 Transactions with Related Parties

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 years 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

Included in short term benefits are the following:

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

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

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

(iv) $Nil (2017-$6,000) 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.

1.09 Fourth Quarter

The net (loss) for the quarter ended May 31, 2018 was ($990,275) or ($0.04) per share compared to ($32,458) or ($0.01) per share for the quarter ended May 31, 2017. The large increase in the loss year over year was primarily due to the write down of certain mineral properties as at the end of the 2018 fiscal year. Without the impact of the write down of the mineral properties, the loss for the quarter ended May 31, 2018 would have been ($131,891) or ($0.01) per share, which is still significantly higher than the final quarter of 2017 and can be attributed primarily to a more active environment in the pursuit of the Peru acquisition.

1.10 Subsequent Transactions

On July 17, 2018, the Company closed the transaction with Latin Resources Limited ("Latin") pursuant to the agreement dated February 6, 2018 and detailed in the annual financial statements.

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 Peruvian copper claims acquired by the Company, with an option to earn 75% by completed a Pre-Feasibility Study. 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.
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Once AusQuest has earned 75%, it can offer to buy out the Company's remaining 25% interest for fair market value.

1.11 Critical Accounting Estimates

The Company's critical accounting judgements are contained in Note 2 to the audited financial statements for the year ended May 31, 2018. The preparation of the Annual financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates and underlying assumptions are reviewed on an ongoing basis. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Annual Financial Statements included the following:

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.

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. The Company is corresponding with the Mexican government to recover the Mexican value added tax. However, an impairment was recorded at May 31, 2017 due to uncertainty in collection.

Assessment of going concern

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities by raising additional financing.

Assessment of functional currency

The Company uses judgment in determining its functional currency. 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.

Assumptions used in the calculation of the fair value assigned to options and warrants

The Black-Scholes option pricing models require the input of subjective assumptions, including expected price volatility, risk – free interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's equity reserves.

1.12 Recent Accounting Pronouncements

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 18, 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.

1.13 Financial Instruments and Other Instruments

The Company has designated its cash and marketable securities as FVTPL; deposits, as held-to-maturity; and accounts payable and loans payable, as other financial liabilities.
The carrying values of current deposits and accounts payable approximate their fair values due to the short-term maturity of these financial instruments. The fair value of the non-current deposits also approximates its carrying value.

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 not 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.

(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 cash equivalents and loans payable. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities.

(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 Company's cash balance was $486,879 (May 31, 2017 - $11,410) and management does not consider this to be sufficient to meet the cash requirements for the Company's administrative overhead, maintaining its E&E assets and continuing with exploration programs on its current projects in the following twelve months The Company will be required to raise additional capital in the future to fund operations.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2018 and 2017:

At May 31, 2018:

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

At May 31, 2017:

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

1.14 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 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

1.15 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.

1.16 Other MD&A Requirements

Disclosure of Outstanding Share Data

The Company filed for the consolidation of the Company's issued and outstanding share capital with the TSX Venture Exchange. The TSX Venture Exchange approved this consolidation on April 27, 2017, and on May 1, 2017 the Company’s common shares began trading on the basis of 1 post-consolidation common share for every 10 pre-consolidation common shares. 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 shares, options and warrants have been retrospectively adjusted to reflect the share consolidation.

At May 31, 2018 and as at September 28, 2018 there were 25,320,495 outstanding common shares, 1,395,000 outstanding stock options and 16,205,000 share purchase warrants.

Risks and uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing mineral properties, which is a highly speculative endeavour, and the Company's future performance may be affected by events, risks or uncertainties that are outside of the Company's control.

The Company's management consider the risks disclosed to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Foreign Operations

The Company has beneficial ownership of mineral interests in Mexico, and thus is exposed to various degrees of political, economic and other risks and uncertainties. In particular, the Company's operations and investments if applicable, may be affected by the local and governing political and economic developments including and not limited to: expropriation, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitation on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws of Canada affecting foreign trade, investment and taxation.

Limited Operating History

The Company is still in an early stage of development. The Company is engaged in the business of acquiring, exploring and, if warranted, developing mineral properties in the hope of locating economic deposits of minerals. The Company's mineral interests are in the early stages of exploration and are without a known deposit of commercial ore. The Company has no history of earnings. There is no guarantee that economic quantities of mineral reserves will be discovered on the Company's property.

Exploration and Development Risks

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market and mineral price fluctuations, particular attributes of any deposits (including size and grade), the proximity and capacity of milling facilities, mineral markets and processing equipment, and other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not having an adequate return on investment.

The Company’s mineral properties are in the exploration stage only and are without proven bodies of commercial minerals. Development of any property would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

There is no assurance that the Company's mineral exploration activities and, if warranted, its development activities will result in any discoveries of commercial bodies any minerals. The long-term profitability of the Corporation's operations will, in part, be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Mineral Titles

No assurances can be given that title defects to the Company's mineral interests do not exist. The Company's current mineral properties and other properties it may from time to time acquire an interest in, may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title and interest in and to the properties.

Loss of Interest in Properties

The Company may acquire properties, which require the Company to make certain additional payments in order to maintain its interests. The Company's ability to acquire or maintain those interests will be dependent on its ability to raise additional funds by equity and/or debt financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required for the acquisition of its interests in certain properties and could result in delay or postponement of further exploration and the partial or total loss of the Company's interest in such properties.

Permits and Government Regulations

The future operations of the Company will require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing exploration, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on any of its properties.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be temporarily withdrawn where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches.

Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the acquired properties or non-compliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors, from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable standards. There is a risk that environmental laws and regulations may become more onerous, and thus raising the costs of operations.

Competition

The resource industry is intensely competitive in all of its phases. The Company competes with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could adversely affect the Company's ability to acquire suitable properties or prospects for exploration in the future.

Management

The success of the Company is currently dependant on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. At this date there are no indications that any change in management cannot be maintained at the current structure.

Conflicts of Interest

Various of the Company's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other companies involved in the acquisition, exploration and development of mineral resource properties and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. The Corporation will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

Fluctuating Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of base and precious metals. The price of those commodities has fluctuated widely, and is affected by numerous factors beyond the Company's control, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot be accurately predicted.

Additional Funding Requirements

From time to time, the Company will require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's cash flow from operations is not sufficient to satisfy its capital or resource expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favourable terms.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities may be subject to such market trends and that the value of such securities may be affected accordingly.

Further Information

Additional information about the Company is available at the Company's website http://www.westminsterres.com.