WESTMINSTER RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED
FINANCIAL STATEMENTS

For the Years Ended May 31, 2019 and 2018

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Westminster Resources Ltd.:

Opinion

We have audited the consolidated financial statements of Westminster Resources Ltd. (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
September 30, 2019

WESTMINSTER RESOURCES LTD. *(An Exploration Stage Company)*

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

		May 31, 2019		May 31, 2018
Assets				
Current				
Cash	$	9,719	$	486,879
Amounts receivable (Notes 9 and 10)		153,901		216,735
Prepaid expenses		750		6,824
		164,370		710,438
Non-Current				
Deposits (Note 5)		28,843		57,710
Equipment (Note 6)		16,672		21,231
Exploration and evaluation assets (Note 7)		3,159,833		1,877,502
	$	3,369,718	$	2,666,881
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable (Notes 4 and 10)	$	442,988	$	120,193
Accrued liabilities (Notes 7 and 10)		603,013		146,830
		1,046,001		267,023
Shareholders' equity				
Share Capital (Note 8)		22,506,606		19,843,106
Reserve (Note 8)		2,289,468		2,289,468
Deficit		(22,472,357)		(19,732,716)
		2,323,717		2,399,858
	$	3,369,718	$	2,666,881

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

Approved on behalf of the Board of Directors:

Signed *"Jason Cubitt"*, Director   Signed *"Daniel Maarsman"*, Director

WESTMINSTER RESOURCES LTD. *(An Exploration Stage Company)*

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Year ended May 31, 2019	2018
Expenses		
Accounting, audit, and legal	$ 34,074	$ 77,916
Amortization (Note 6)	4,559	8,127
Bank charges and interest	973	874
Conferences and investor relations	927	91,756
Consulting fees (Note 10)	622,834	787,266
Management fees (Note 10)	120,000	107,300
Office	107,323	108,276
Regulatory and filing fees	17,978	14,719
Share based payments	-	320,813
Travel and entertainment	16,151	28,073
	(924,819)	(1,545,120)
Other items		
Foreign exchange gain (loss)	(53,414)	66,662
Impairment of exploration and evaluation assets (Note 7)	(1,761,881)	(858,384)
Interest income	473	134
Total loss and comprehensive loss	$ (2,739,641)	$ (2,336,708)
Loss per common share, basic and diluted (Note 8)	$ (0.31)	$ (0.50)
Weighted average number of common shares outstanding (Note 8)	8,716,784	4,702,258

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

WESTMINSTER RESOURCES LTD. *(An Exploration Stage Company)*

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Share Capital										
	Number		Amount		Reserve		Subscription funds receivable		Deficit		Total shareholders' equity
Balance - May 31, 2017	**13,605,495**	**$**	**17,920,372**	**$**	**1,911,454**	**$**	**(24,000)**	**$**	**(17,396,008)**	**$**	**2,411,818**
Shares issued for cash, net of share issuance costs (Note 8)	11,715,000		1,922,734		57,201		24,000		-		2,003,935
Share-based payments (Note 8)	-		-		320,813		-		-		320,813
Net loss and comprehensive loss for the year	-		-		-		-		(2,336,708)		(2,336,708)
Balance - May 31, 2018	**25,320,495**	**$**	**19,843,106**	**$**	**2,289,468**	**$**	**-**	**$**	**(19,732,716)**	**$**	**2,399,858**
Shares issued for acquisition of exploration assets (Notes 7 and 8)	21,950,000		2,663,500		-		-		-		2,663,500
Net loss and comprehensive loss for the year	-		-		-		-		(2,739,641)		(2,739,641)
Balance - May 31, 2019	**47,270,495**	**$**	**22,506,606**	**$**	**2,289,468**	**$**	**-**	**$**	**(22,472,357)**	**$**	**2,323,717**

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

WESTMINSTER RESOURCES LTD. *(An Exploration Stage Company)*

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	For the Year Ended May 31, 2019	For the Year Ended May 31, 2018
Cash flows from operating activities		
Loss for the year	$ (2,739,641)	$ (2,336,708)
Items not affecting cash:		
Amortization	4,559	8,127
Impairment of exploration and evaluation assets	1,761,881	858,384
Share-based payments	-	320,813
Changes in non-cash working capital items:		
Amounts receivable	62,834	(188,164)
Prepaid expenses and deposits	34,941	1,768
Accounts payable and accrued liabilities	643,715	136,759
Net cash used in operating activities	(231,711)	(1,199,021)
Cash flows from investing activities		
Purchase of equipment	-	(3,024)
Exploration and evaluation assets	(245,449)	(326,421)
Net cash used in investing activities	(245,449)	(329,445)
Cash flows from financing activities		
Issuance of common shares	-	2,050,900
Share issuance costs	-	(46,965)
Net cash provided by financing activities	-	2,003,935
Net change in cash for the period	(477,160)	475,469
Cash - beginning	486,879	11,410
Cash - end	$ 9,719	$ 486,879
Supplemental cash flow information		
Fair value of finders warrants issued	$ -	$ (57,201)
Shares issued for acquisition of mineral property	$ 2,663,500	$ -

1. Nature of Operations and Going Concern

Westminster Resources Ltd. (the "Company") *(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. The Company is principally engaged in the acquisition, exploration, and development of mineral properties.

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 Company's ability to continue as a going concern.

For the year ended May 31, 2019, the Company reported a net loss of $2,739,641 (2018 –$2,336,708) and an accumulated deficit of $22,472,357 (May 31, 2018 - $19,732,716). As at May 31, 2019, the Company had negative working capital of $881,631 (May 31, 2018 – positive working capital of $443,415). 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 its ability to 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 conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

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 30, 2019.

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"), Servicios Westminster, S.A. de C.V. ("Servicios Westminster") and Westminster Peru SAC ("Westminster Peru"). All intercompany balances and transactions have been eliminated upon consolidation.

2. Basis of Presentation (continued)

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"), 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 functional currency of the Company, Minera Westminster and Servicios Westminster. The functional currency of Westminster Peru is the US Dollar.

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.

Restoration liabilities include an estimate of the future cost associated with the reclamation of the property, discounted to its present value, and capitalized as part of the cost of exploration 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 the exploration assets. The accretion on the reclamation provision is included in the reclamation liability.

As at May 31, 2019, the Company is not aware of any existing environmental obligations related to any of its current or former exploration 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 and warrants.

2. Basis of Presentation (continued)

(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.

e) 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 GST and amounts due from a related party for rent and other shared expenses. 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.

(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

The Company adopted all of the requirements of IFRS 9 Financial Instruments on June 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at June 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original Classification IAS 39	New Classification IFRS 9
Cash	FVTPL	FVTPL
Accounts receivable	Other receivables	Amortized cost
Trade payables	Other liabilities	Amortized cost
Due to related party	Other liabilities	Amortized cost

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on June 1, 2018.

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

3. Significant Accounting Policies (continued)

a) Financial Instruments (continued)

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

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.

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

a) Financial Instruments (continued)

The Company's measurement of fair value of financial instruments as at May 31, 2019 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
Assets				
Cash	$ 9,719	$ 9,719	$ -	$ -

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	$ -	$ -

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

3. Significant Accounting Policies (continued)

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.

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 the reserve.

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.

3. Significant Accounting Policies (continued)

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.

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.

3. Significant Accounting Policies (continued)

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.

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 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 not significantly exposed to credit risk.

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, 2019 US Dollars	May 31, 2018 US Dollars	May 31, 2019 Mexican Pesos	May 31, 2018 Mexican Pesos
Cash	$ 121	$ -	$ -	$ 17,661
Accounts payable	(213,962)	-	(511,559)	(511,559)
Net	$ (213,841)	$ -	$ (511,559)	$ (493,898)

(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, 2019, the cash balance of $9,719 (2018 - $486,879) 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. Liquidity risk is assessed as high.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2019:

	Within 60 days	Between 61-90 days	More than 90 days
Accounts payable	$ 442,988	$ -	$ -

(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, 2018:

	Within 60 days	Between 61-90 days	More than 90 days
Accounts payable	$ 120,193	$ -	$ -

5. Deposits

The Company has pledged a $17,883 guaranteed investment certificate ("GIC") as a site reclamation deposit pursuant to a condition of receiving consent from a government agency to explore its mineral property interest. The collateral was redeemed by the Company for cash in February 2019.

The Company had pledged a $20,000 GIC as collateral for one corporate Visa credit card issued by a Canadian bank. The Visa credit card was cancelled by the Company and the collateral was redeemed by the Company for cash in January 2019.

The Company has an office premises lease agreement, which required a security deposit of $28,843 (2018-$19,827).

6. Equipment

	Office furniture and equipment	**Field equipment**	**Computer equipment**	**Total**
Cost:				
Balance, May 31, 2017	$ 94,962	$ 74,353	$ 23,404	$ 192,719
Additions	-	-	3,024	3,024
Balance, May 31, 2019 and 2018	$ 94,962	$ 74,353	$ 26,428	$ 195,743
Accumulated amortization:				
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
Charge for the year	1,007	2,246	1,306	4,559
Balance, May 31, 2019	$ 92,613	$ 61,627	$ 24,831	$ 179,071
Net book value:				
Balance, May 31, 2018	$ 3,356	$ 14,972	$ 2,903	$ 21,231
Balance, May 31, 2019	$ 2,349	$ 12,726	$ 1,597	$ 16,672

(Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets

The Company's interests in exploration and evaluation assets are located in Canada, Mexico and Peru. The following table outlines the expenditures for the year ended May 31, 2019 and 2018:

	Balance as at May 31, 2017	Changes	Balance as at May 31, 2018	Changes	Balance as at May 31, 2019
El Cobre Project, Mexico:					
Acquisition costs	$ 151,731	$ -	$ 151,731	$ -	$ 151,731
Exploration expenditures					
Property maintenance	370,667	25,895	396,562	24,273	420,835
Assays and reports	109,517	-	109,514	-	109,514
Consulting and engineering	333,394	6,250	339,644	15,000	354,644
Drilling	329,642	-	329,642	-	329,642
Field expenses	607,714	65,095	672,809	-	672,809
Geology and geophysics	349,729	-	349,729	-	349,729
Travel	82,946	-	82,946	-	82,946
Write-down	-	(794,070)	(794,070)	(1,677,780)	(2,471,850)
	2,335,340	(696,830)	1,638,507	(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	2,872,779	3,092,304
Exploration expenditures					
Consulting and engineering		19,470	19,470	62,160	81,630
Write-down	-	-	-	(84,101)	(84,101)
	-	238,995	238,995	2,850,838	3,089,833
La Ronge, Saskatchewan:					
Acquisition costs	-	-	-	70,000	70,000
	-	-	-	70,000	70,000
	$ 2,399,651	$ (522,149)	$ 1,877,502	$ 1,282,331	$ 3,159,833

7. Exploration and Evaluation Assets (continued)

El Cobre Project, Mexico

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

During the year ended May 31, 2019, the Company did not complete annual work assessments and therefore decided to write off all the carrying value of the claims of $1,677,780.

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

Mer Lithium Project, NWT

In July 2016 the Company acquired lithium claims in the Yellowknife Pegmatite Belt, located east of Yellowknife in the Northwest Territories of Canada. The purchase price was 50,000 shares of the Company (issued with a fair value of $35,000) and $25,000 cash (paid). During the year ended May 31, 2018, management decided to fully write down the Project as it is not planning to further exploration.

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 concessions in southern Peru. This transaction closed in July 2018.

The 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 (issued with a fair value of $2,470,000) (Note 8), which will be placed in voluntary escrow and held until the concessions have been transferred to the Company or its subsidiary, but shall be released from escrow as follows:

- 1,000,000 shares will be released 6 months from the date of the sale agreement;
- 3,000,000 shares will be released 12 months from the date of the sale agreement; and
- 15,000,000 shares will be released 18 months from the date of the sale agreement.

Further consideration is as follows:

- 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 ($135,263 included in accrued liabilities) on the 12-month anniversary of the signing of the sale agreement.

The shares were issued on November 15, 2018 (Note 8).

In connection with the agreement, 950,000 shares with a fair value of $123,500 were issued as finders fees on January 7, 2019 with a market value of $123,500 (Note 8).

Subsequent to year end, Latin extended the due date of the final payment of US$100,000 to June 30, 2020.

During the year ended May 31, 2019, the Company did not renew certain claims and recorded a write down of $84,801.

7. Exploration and Evaluation Assets (continued)

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 6 of the Peruvian copper claims acquired by the Company. AusQuest has the option to earn 75% by also completing a Pre-Feasibility Study covering these 6 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 further 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 a 75% interest, it can offer to buy out the Company's remaining 25% interest (with a 2% NSR royalty) for fair market value.

La Ronge, Saskatchewan

On August 7, 2018, the Company entered into a Letter of Intent to acquire 2 claims in the La Ronge district of Saskatchewan. Terms of the acquisition include incurring 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. The first 2 million shares were issued on December 11, 2018 with a fair value of $70,000 (Note 8).

8. Share Capital and Reserve

a) Authorized

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

b) Private Placements and Share Issuances

On June 16, 2017, the Company closed a private placement 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 and one common share purchase warrant exercisable 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 $447,400 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.

On November 15, 2017 the Company issued 350,000 units as part of a non-brokered private placement for gross proceeds of $80,500. Each unit was priced at $0.23 and consisted of one common share and one-half warrant, with each whole warrant exercisable at $0.35 for a term of 12 months.

(Expressed in Canadian Dollars)

8. Share Capital and Reserve (continued)

On November 15, 2018, the Company issued 19,000,000 common shares with a fair value of $2,470,000 pursuant to the acquisition of the Ilo Norte and Ilo Este properties and on January 7, 2019 the Company issued 950,000 common shares with a fair value of $123,500 which were issuable as finders' fees pursuant to the acquisition (Note 7).

On December 11, 2018, the Company issued 2,000,000 common shares pursuant to the La Ronge acquisition with a fair market value of $70,000 (Note 7).

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.

During the year ended May 31, 2019, the Company did not grant any stock options, and 45,000 stock options were forfeited.

A summary of the status of the Company's stock options as at May 31, 2019 is presented below:

Exercise Price	Balance at June 1, 2018	Forfeited	Balance at May 31, 2019	Expiry Date	Remaining contractual life in years	Number of options vested
$ 0.50	45,000	(45,000)	-	March 31, 2019	-	-
$ 0.31	1,350,000	-	1,350,000	August 10, 2019	0.19	1,350,000
Totals:	1,395,000	(45,000)	1,350,000		0.19	1,350,000
	$ 0.32	$ 0.50	$ 0.31	Weighted average exercise prices		$ 0.31

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, 2019 was $Nil (2018-$320,813). 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

During the year ended May 31, 2019, the Company did not issue any share purchase warrants, nor were there any exercises of warrants in this period; however, 175,000 warrants expired.

(Expressed in Canadian Dollars)

8. Share Capital and Reserve (continued)

Exercise Price		Balance at June 1, 2018	Expired	Balance at May 31, 2019	Expiry Date	Remaining contractual life in years
$	0.16	8,150,000	-	8,150,000	May 24, 2022	2.99
$	0.16	3,870,000	-	3,870,000	June 15, 2022	3.05
$	0.35	4,010,000	-	4,010,000	August 11, 2019	0.20
$	0.35	175,000	(175,000)	-	November 15, 2018	-
		16,205,000	(175,000)	16,030,000		2.30
		$ 0.21	$ 0.35	$ 0.21	Weighted average exercise prices	

As at May 31, 2019, all of the above warrants were exercisable.

e) 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. 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.

f) Loss per share

The Company has retroactively restated the weighted average number of shares outstanding and loss per share figures on the consolidated statements of loss and comprehensive loss based on a 5:1 share consolidation that took effect subsequent to year end.

9. Amounts Receivable

		Year ended May 31, 2019		Year ended May 31, 2018
GST receivable	$	4,268	$	91,826
Amounts due for shared rent and expenses (Note 10)		149,633		124,909
Net	$	153,901	$	216,735

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, 2019 and 2018 were as follows:

		Year ended May 31, 2019		Year ended May 31, 2018
Short-term benefits	$	289,897	$	156,658

Included in short term benefits are the following:

(i) $Nil (2018 - $16,800) in management fees paid to Floralynn Investments Inc., a company controlled by Glen Indra, the Company's former Chief Executive Officer.

(ii) $57,750 (2018 - $Nil) in consulting fees paid or accrued to a company controlled by Alain Voisin, the Company's Chief Financial Officer.

(Expressed in Canadian Dollars)

10. Related Party transactions (continued)

(iii) $59,647 (2018 - $41,358) in consulting fees recorded under E&E paid to Kerry Griffin, the former Vice President, Exploration.

(iv) $120,000 (2018-$85,000) in management fees paid or accrued to Jason Cubitt Holdings Inc., a company controlled by Jason Cubitt, a director of the Company.

(v) $Nil (2018-$8,000) in consulting fees paid to Jason Cubitt (director).

(vi) $52,500 (2018 - $Nil) in director fees accrued to Christopher Gale, a director of the Company.

Included in accounts receivable is $148,955 (2018 - $116,275) receivable from Jaxon Mining Inc., a Company which has a shared Chief Financial Officer and had shared common directors, for shared office space and administrative expenses (Note 9). During the year ended May 31, 2019, the Company received $16,731 (2018 - $180,848) from Jaxon Mining Inc. for shared office and administrative expenses. Included in accounts payable and accrued liabilities is $222,800 (2018- $30,494) 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:

	2019	2018
Net loss for the year	$ (2,739,641)	$ (2,336,708)
Canadian statutory tax rate	26%	26%
Income tax benefit computed at statutory rates	(712,307)	(607,544)
Items non-deductible for income tax purposes	506,222	319,251
Changes in timing differences	1,558	349,430
Foreign exchange effect on tax assets and liabilities	(9,860)	(29,096)
Unused tax losses not recognized in tax asset	214,387	32,040
	$ -	$ -

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:

	2019	2018
Tax value over book value of equipment	$ 193,679	$ 189,120
Tax value over book value of E&E assets	-	-
Non-refundable mining credit	67,464	67,464
Share issue costs	45,179	69,010
Non-capital losses	11,760,538	10,916,702
Capital losses	485,963	485,963
Unrecognized deferred tax amounts	$ 12,552,823	$ 11,728,259

As at May 31, 2019, the Company has approximately $11,383,000 of non-capital losses in Canada that may be used to offset future taxable income, expiring from 2027 to 2039.

In addition, as at May 31, 2019, 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.

(Expressed in Canadian Dollars)

12. Segmented Information

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

	2019				2018			
	Canada	Mexico	Peru	Total	Canada	Mexico	Peru	Total
Total assets	$ 279,722	$ -	$3,089,996	$ 3,369,718	$ 852,547	$ 1,814,334	$ -	$ 2,666,881

13. Commitments

The Company entered into a lease agreement for office premises in July 2017 and amended in April 2018, for a period of three years, ending April 30, 2021, for a monthly lease payment of $14,054 inclusive of GST. The lease commitments for the next two fiscal years are:

2020	$	172,836
2021		161,684
Total	$	334,520

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

- Subsequent to May 31, 2019, 4,010,000 share purchase warrants with an exercise price of $0.35 expired and 1,350,000 stock options with an exercise price of $0.31 expired unexercised.

- On June 26, 2019, the Company obtained a loan for $26,506 from a third party to be used as short-term working capital. The principal amount is to be repaid on or before 10 days after notice in writing of demand and such demand is not to be made before October 15, 2019. No repayments have been made to date.

- On July 22, 2019, as amended September 17, 2019 the Company obtained a loan for up to $16,000 from a third party to be used as short-term working capital. The principal amount plus accrued interest of 5% per annum is to be repaid on or before 10 days after notice in writing of demand and such demand is not to be made before October 15, 2019. No repayments have been made to date. The Company was advanced $4,500 on July 22, 2019, $6,450 on August 1, 2019 and $5,000 on September 17, 2019.

15. Subsequent Events (continued)

- On July 25, 2019 the Company announced its plans to consolidate the issued and outstanding common shares of the Company on a basis of one (1) new common share for every five (5) existing common shares. The share consolidation was approved and took effect on August 29, 2019. Prior to the share consolidation 47,270,495 common shares were issued and outstanding and following the share consolidation, 9,454,099 common shares were issued and outstanding.

- On September 12, 2019, the Company signed a loan agreement to borrow up to $35,000 from a third party (the "Lender") to be used as short-term working capital. The principal amount plus accrued interest of 10% per annum is to be repaid on or before 10 days after notice in writing of demand and such demand is not to be made before December 31, 2019. The loan is collateralized by shares in Westminster Peru SAC. On September 12, 2019, the Lender advanced $25,000 to the Company.