WESTMINSTER RESOURCES LTD.

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended November 30, 2019

(Unaudited - expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

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

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars – Unaudited)

		November 30, 2019		May 31, 2019
Assets				
Current				
Cash	$	18,636	$	9,719
Accounts receivable (Note 6)		146,205		153,901
Prepaid expenses		-		750
		164,841		164,370
Non-Current				
Office lease (Note 3)		198,041		-
Deposits		28,843		28,843
Capital assets (Note 7)		15,006		16,672
Exploration and evaluation assets (Note 4)		3,186,339		3,159,833
	$	3,593,070	$	3,369,718
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable (Note 6)	$	274,216	$	442,988
Accrued liabilities (Note 6)		930,507		603,013
Lease liability (Note 3)		157,775		-
Short-term borrowing (Note 8)		105,941		-
		1,468,439		1,046,001
Long term lease (Note 3)		36,297		-
		1,504,736		1,046,001
Shareholders' equity				
Share Capital (Note 5)		22,506,606		22,506,606
Reserves (Note 5)		2,289,468		2,289,468
Deficit		(22,707,740)		(22,472,357)
		2,088,334		2,323,717
	$	3,593,070	$	3,369,718

Nature of Operations and Going Concern – Note 1
Subsequent Event – Note 12

Approved on behalf of the Board of Directors:

Signed *“Jason Cubitt”*, Director   Signed *“ Fred Tejada”*, Director

(Expressed in Canadian Dollars – Unaudited)

	Three Months Ended November 30, 2019	Three Months Ended November 30, 2018	Six Months Ended November 30, 2019	Six Months Ended November 30, 2018
Expenses				
Consulting fees	$ 48,874	$ 156,356	$ 147,122	$ 318,104
Management fees	-	30,000	30,000	60,000
Office	3,368	18,565	12,146	36,391
Rent	-	40,153	-	81,872
Accounting, audit and legal	7,191	17,179	8,791	26,195
Regulatory and filing fees	5,296	3,482	14,240	6,269
Travel and entertainment	-	1,011	-	16,616
Bank charges and interest	1,046	191	1,125	723
Conferences and investor relations	-	-	-	927
Amortization of right-of-use asset (Note 3)	34,949	-	69,897	-
Amortization of capital assets	833	1,140	1,666	2,280
Operating loss	(101,557)	(268,077)	(284,987)	(549,377)
Other income (expenses)				
Foreign exchange loss	(856)	(3,368)	(16,771)	(11,497)
Sublease office rent income	34,606	34,661	75,599	64,776
Accretion of office lease liability	(3,563)	-	(9,224)	-
Interest income	-	116	-	318
Total loss and comprehensive loss	$ (71,370)	$ (236,668)	$ (235,383)	$ (495,780)
Loss per common share, basic and diluted	$ (0.01)	$ (0.04)	$ (0.02)	$ (0.09)
Weighted average number of common shares outstanding	9,454,099	5,690,473	9,454,099	5,375,574

Certain comparative figures included in the interim consolidated statements of loss and comprehensive loss have been reclassified to conform with the financial statement presentation adopted for the current period. These reclassifications have no effect on the interim consolidated comprehensive loss for the six months ended November 30, 2018.

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

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars – Unaudited)

	Share Capital								
	Number		Amount		Reserves		Deficit		Total shareholder's equity
Balance - May 31, 2018	**5,064,099**	**$**	**19,843,106**	**$**	**2,289,468**	**$**	**(19,732,716)**	**$**	**2,399,858**
Shares issued for acquisition of exploration assets	3,800,000		2,470,000		-		-		2,470,000
Net loss and comprehensive loss for the period	-		-		-		(495,780)		(495,780)
Balance - November 30, 2018	**8,864,099**	**$**	**22,313,106**		**2,289,468**	**$**	**(20,228,496)**	**$**	**4,374,078**
Balance - May 31, 2019	**9,454,099**	**$**	**22,506,606**	**$**	**2,289,468**	**$**	**(22,472,357)**	**$**	**2,323,717**
Net loss and comprehensive loss for the period	-		-		-		(235,383)		(235,383)
Balance - November 30, 2019	**9,454,099**	**$**	**22,506,606**		**2,289,468**	**$**	**(22,707,740)**	**$**	**2,088,334**

The accompanying notes are an integral part of the condensed interim consolidated financial statements

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

Condensed Interim Consolidated Statement of Cash Flows

(Expressed in Canadian Dollars – Unaudited)

	For the Six Months Ended	
	November 30, 2019	**November 30, 2018**
Cash flows from operating activities		
Loss for the period	$ (235,383)	$ (495,780)
Items not affecting cash:		
Amortization of capital assets	1,666	2,280
Amortization of right-of-use asset	69,897	-
Accretion of office lease liability	9,224	-
Accrued interest on short-term borrowing	875	
Changes in non-cash working capital items:		
Decrease in receivables	7,696	45,978
Decrease/(Increase) in prepaid expenses and deposits	750	(4,354)
Increase in accounts payable/accrued liabilities/short-term borrowings	158,722	262,984
Net cash provided by (used in) operating activities	13,447	(188,892)
Cash flows from investing activities		
Exploration and evaluation assets	(26,506)	(255,449)
Net cash used in investing activities	(26,506)	(255,449)
Cash flows from ficancing activities		
Short-term borrowing	105,066	-
Lease payments	(83,090)	-
Net cash provided by financing activities	21,976	-
Net change in cash for the period	8,917	(434,341)
Cash - beginning of the period	9,719	486,879
Cash - end of the period	$ 18,636	$ 52,538
Supplemental cash flow information		
Shares issued for acquistions of mineral property	$ -	$ 2,470,000

1. Nature of Operations and Going Concern

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

Effective August 29, 2019, the Company consolidated its common shares on a 5:1 basis. These condensed interim consolidated financial statements reflect the share consolidation

These condensed interim consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. However, there are factors that management has identified that may cast significant doubt on the entities ability to continue as a going concern.

For the six months ended November 30, 2019, the Company reported a net loss of $235,383 (2018 – $495,780) and an accumulated deficit of $22,707,740 (May 31, 2019 - $22,472,357). As at November 30, 2019, the Company had negative working capital of $1,303,598 (May 31, 2019 – $881,631). The Company has no source of operating cash flow and relies on issuances of equity to finance operations, including exploration of its exploration and evaluation ("E&E") assets.

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

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

These condensed consolidated interim 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 and Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standards 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended May 31, 2019, except as noted below. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended May 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB.

(Expressed in Canadian Dollars – Unaudited)

2. Basis of Presentation and Statement of Compliance (continued)

These condensed interim consolidated financial statements were authorized for issue by the Company's Board of Directors on January 29, 2020.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The significant accounting judgements, estimates and assumptions in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 2 of the Company's audited financial statements as at and for the year ended May 31, 2019.

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

3. New Standards and Interpretations

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 Leases which replaces the previous leases standard, IAS 17 Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessors continue to classify leases as operating leases or finance leases, and account for those two types of leases differently. IFRS 16 is effective for periods beginning on or after January 1, 2019.

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments excluding renewal options as they are not expected to be exercised, discounted using the Company's incremental borrowing rate as of June 1, 2019. The weighted average incremental borrowing rate applied to the lease liabilities on June 1, 2019 was 9.24%.

The following is a reconciliation of total off-balance operating lease commitments at May 31, 2019 to the lease liabilities recognized at June 1, 2019:

Total operating lease commitments disclosed at May 31, 2019	$	289,693
Less: short-term leases		-
Current operating lease liabilities before discounting		289,693
Discounted using incremental borrowing rate		(21,755)
Total current lease liabilities recognized under IFRS 16 at June 1, 2019	$	267,938

The associated right-of-use asset for the property lease was measured on a retrospective basis as if the new rules had always been applied adjusted by the amount of any prepaid or accrued lease payments and deferred lease inducement relating to that lease recognized in the statement of financial position as at May 31, 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets to the date of initial application.

The recognized right-of-use asset relates to the lease on the Canadian facilities. The change in accounting policy affected the following items in the statement of financial position on June 1, 2019:

- Right-of-use assets – increased by $267,938
- Lease liabilities - increased by $267,938

(Expressed in Canadian Dollars – Unaudited)

3. New Standards and Interpretations (continued)

In applying IFRS 16 for the first time, the Company used the following practical expedients permitted by the standard:

- reliance on previous assessments on whether leases are onerous
- elected to account for the payments for short-term leases and leases of low-value assets as an expense in the statement of loss on a straight-line basis over the lease term
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

For the six months ending November 30, 2019 depreciation of the right of use asset was $69,897. The right of use asset is depreciated on a straight-line basis over the term of the lease.

Right of use asset, June 1, 2019	$	267,938
Depreciation of right of use asset		(69,897)
Right of use asset, November 30, 2019	$	198,041

For the six months ending November 30, 2019, finance charges on the lease liability were $9,224. The lease term matures on April 30, 2021.

Balance at May 31, 2019	$	-
Office Lease Liability recognized on adoption of IFRS 16		267,938
Office Lease payments		(83,090)
Accretion		9,224
Balance at November 30, 2019	$	194,072

Current lease liability		157,775
Long-term lease liability		36,297
Total office lease liability at November 30, 2019	$	194,072

(Expressed in Canadian Dollars – Unaudited)

4. Exploration and Evaluation Assets

The Company's interests in exploration and evaluation assets are located in Sonora, Mexico, Peru and Saskatchewan, Canada. The following table outlines the expenditures for the year ended May 31, 2019 and the ending balance as at November 30, 2019:

	Balance as at May 31, 2018	Additions	Balance as at May 31, 2019	Additions	Balance as at November 30, 2019
El Cobre Project, Sonora, Mexico:					
Acquisition costs	$ 151,731	$ -	$ 151,731	$ -	$ 151,731
Exploration expenditures					
Property maintenance	396,562	24,273	420,835	-	420,835
Assays and reports	109,514	-	109,514	-	109,514
Consulting and engineering	339,644	15,000	354,644	-	354,644
Drilling	329,642	-	329,642	-	329,642
Field expenses	672,809	-	672,809	-	672,809
Geology and geophysics	349,729	-	349,729	-	349,729
Travel	82,946	-	82,946	-	82,946
Write-down	(794,070)	(1,677,780)	(2,471,850)	-	(2,471,850)
	1,638,507	(1,638,507)	-	-	-
Ilo Norte/Ilo Este Project, Peru:					
Acquisition costs	219,525	2,872,779	3,092,304	26,506	3,118,810
Exploration expenditures					
Consulting and engineering	19,470	62,160	81,630	-	81,630
Write-down	-	(84,101)	(84,101)	-	(84,101)
	238,995	2,850,838	3,089,833	26,506	3,116,339
La Ronge, Saskatchewan:					
Acquisition costs	-	70,000	70,000	-	70,000
	-	70,000	70,000	-	70,000
	$ 1,877,502	$1,282,331	$ 3,159,833	$ 26,506	$ 3,186,339

4. Exploration and Evaluation Assets (continued)

a) 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 3.8 million common shares of the Company (issued with a fair value of $2,470,000), 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:

- 200,000 shares will be released 6 months from the date of the sale agreement;
- 600,000 shares will be released 12 months from the date of the sale agreement; and
- 3,000,000 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.

In connection with the agreement, 190,000 shares with a fair value of $123,500 were issued as finders fees on January 7, 2019 with a market value of $123,500.

In September 2019, 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.

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.

(Expressed in Canadian Dollars – Unaudited)

4. Exploration and Evaluation Assets (continued)

b) La Ronge, Saskatchewan

Pursuant to a Letter of Intent dated August 7, 2018, the Company acquired an option to purchase up to an 80% interest in two mineral claims located in the La Ronge district of Saskatchewan. The Company may acquire a 50% interest in the property by issuing 400,000 common shares of the Company upon receipt of TSX Venture Exchange approval of the transaction (issued December 11, 2018 (the "Approval Date") with a fair value of $70,000). The Company may earn an additional 10% interest by incurring $100,000 in exploration expenditures and issuing an additional 400,000 common shares by the first anniversary of the Approval Date; an additional 10% interest by incurring $100,000 in exploration expenditures by the second anniversary of the Approval Date; and a final 10% interest to bring its total ownership interest to 80% by incurring $200,000 in exploration expenditures by the third anniversary of the Approval Date.

5. Share Capital and Reserves

a) Authorized

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

On August 29, 2019, the Company completed a 5 for 1 share consolidation. The Company's outstanding options and warrants were adjusted on the same basis (1 for 5) as the common shares, with proportionate adjustments being made to the exercise prices. All share, option and warrant information have been retrospectively adjusted to reflect the share consolidation.

b) Private Placements and Share Issuances

During the year ended May 31, 2019, the Company:

i) issued 3,800,000 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 190,000 common shares with a fair value of $123,500 which were issuable as finders' fees pursuant to the acquisition.

ii) issued 400,000 common shares pursuant to the La Ronge acquisition with a fair market value of $70,000.

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.

A summary of the status of the Company's stock options as at November 30, 2019 is presented below:

Exercise Price	Balance at June 1, 2019	Expired	Balance at November 30, 2019	Expiry Date	Remaining contractual life in years	Number of options vested
$ 1.55	270,000	(270,000)	-	August 10, 2019	-	-
Totals:	270,000	(270,000)	-		-	-
	$ 1.55	$ 1.55	$ -	Weighted average exercise prices		$ -

(Expressed in Canadian Dollars – Unaudited)

5. Share Capital and Reserves (continued)

d) Share Purchase Warrants

Exercise Price	Balance at June 1, 2019	Expired	Balance at November 30, 2019	Expiry Date	Remaining contractual life in years
$ 0.80	1,630,000	-	1,630,000	May 24, 2022	2.48
$ 0.80	774,000	-	774,000	June 15, 2022	2.54
$ 1.75	802,000	(802,000)	-	August 11, 2019	-
	3,206,000	(802,000)	2,404,000		2.50
	$ 1.04	$ 1.75	$ 0.80	Weighted average exercise prices	

As at November 30, 2019, all of the above warrants were exercisable.

6. 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 six months ended November 30, 2019 and 2018 were as follows:

	Six months ended November 30, 2019	Six months ended November 30, 2018
Short-term benefits	$ 90,000	$ 166,897

Included in short term benefits are the following:

(i) $30,000 (2018 - $60,000) in management fees paid or accrued to a company controlled by Jason Cubitt, a director of the Company.

(ii) $30,000 (2018 - $24,750) in consulting fees paid or accrued to a company controlled by Alain Voisin, the Company's Chief Financial Officer.

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

(iv) $30,000 (2018-$22,500) in director fees accrued to Christopher Gale, a director of the Company.

Included in accounts receivable is $138,955 (May 31, 2019 - $148,955) receivable from Jaxon Mining Inc., a Company which formerly had a shared Chief Financial Officer and shared directors, for former shared office space and administrative expenses. During the six months ended November 30, 2019, the Company received $10,000 (2018 - $16,731) from Jaxon Mining Inc. for former shared office and administrative expenses.

Included in accounts payable and accrued liabilities is $303,550 (May 31, 2019 - $222,800) in key management compensation payable to directors and officers.

The Optionor of the La Ronge, Saskatchewan property described in Note 4(b) is a company with a common director.

(Expressed in Canadian Dollars – Unaudited)

7. Capital Assets

	Office furniture and equipment	Field equipment	Computer equipment	Total
	- $ -	- $ -	- $ -	- $ -
Cost:				
Balance, May 31, 2019	94,962	74,353	26,428	195,743
Additions	-	-	-	-
Balance, November 30, 2019	94,962	74,353	26,428	195,743
Accumulated amortization:				
Balance, May 31, 2019	92,613	61,627	24,831	179,071
Charge for the period	352	955	359	1,666
Balance, November 30, 2019	92,965	62,582	25,190	180,737
Net book value:				
Balance, May 31, 2019	2,349	12,726	1,597	16,672
Balance, November 30, 2019	1,997	11,771	1,238	15,006

8. Short-Term Borrowing

The Company has entered into arrangements with four lenders to provide funds on a short-term basis.

The arrangement with the first arm’s length lender is for up to $16,000, repayable on demand (not prior to October 15, 2019), with an annual interest rate of 5%. As at November 30, 2019, a total of $15,950 had been advanced.

The arrangement with the second arm’s length lender is for an amount of $26,506, repayable on demand (not prior to October 15, 2019) with no provision for interest and preferred creditor status. As at November 30, 2019, the amount of $26,506 was outstanding.

The arrangement with the third lender is with Ore Capital Partners Ltd., a shareholder of the Company with a common director, for an amount of $24,510, repayable on demand with no provision for interest. As at November 30, 2019, the amount of $24,510 was outstanding.

On September 12, 2019, as amended October 21, 2019, an arrangement was entered into with a fourth arm’s length lender to provide funds of up to $50,000, repayable on demand (not prior to December 31, 2019), with an annual interest rate of 10%, and preferred creditor status. As at November 30, 2019, a total of $38,100 had been advanced.

As at November 30, 2019, a combined total of $105,941 in short-term borrowing including accrued interest was outstanding.

9. Management of Capital

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

10. Financial Instruments and Financial Risk

The Company's financial instruments consist of cash, accounts receivable, deposits, accounts payable and accrued liabilities, and short-term borrowing. The fair values of these financial instruments approximate their carrying values.

An entity classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at November 30, 2019 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities.

Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(i) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(Expressed in Canadian Dollars – Unaudited)

10. Financial Instruments and Financial Risk (continued)

(ii) Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

11. Segmented Information

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. Summarized financial information for the geographic segments the Company operates in are as follows:

	Peru	Canada	Total
November 30, 2019			
Capital assets	$ -	$ 15,006	$ 15,006
Exploration and evaluation assets	3,116,339	70,000	3,186,339
	$ 3,116,339	$ 85,006	$ 3,201,345
May 31, 2019			
Capital assets	$ -	$ 16,672	$ 16,672
Exploration and evaluation assets	3,089,833	70,000	3,159,833
	$ 3,089,833	$ 86,672	$ 3,176,505

12. Subsequent Event

On December 11, 2019, the Company amended the Letter of Intent ("LOI") dated August 7, 2018 to acquire up to an 80% interest in two mineral claims in the La Ronge district of Saskatchewan as described in Note 4. The payment dates to acquire up to an additional 30% interest in the property were each extended by one year with the following schedule:

	Number of Common Shares	Exploration Expenditures	Ownership Interest
Approval Date (December 11, 2018) (issued)	400,000	$ -	50% (earned)
Second anniversary (December 11, 2020)	400,000	100,000	10%
Third anniversary (December 11, 2021)	-	100,000	10%
Fourth anniversary (December 11, 2022	-	200,000	10%
	800,000	$ 400,000	80%