

WESTMINSTER RESOURCES LTD.

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended February 29, 2020

(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)

	February 29, 2020	May 31, 2019
Assets		
Current		
Cash	\$ 12,000	\$ 9,719
Accounts receivable (Note 6)	128,912	153,901
Prepaid expenses	-	750
	140,912	164,370
Non-Current		
Office lease (Note 3)	163,093	-
Deposits	28,843	28,843
Capital assets (Note 7)	14,172	16,672
Exploration and evaluation assets (Note 4)	3,186,339	3,159,833
	\$ 3,533,359	\$ 3,369,718
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable (Note 6)	\$ 340,369	\$ 442,988
Accrued liabilities (Note 6)	943,536	603,013
Lease liability (Note 3)	153,202	-
Short-term borrowing (Note 8)	117,090	-
	1,554,197	1,046,001
Shareholders' equity		
Share Capital (Note 5)	22,505,856	22,506,606
Reserves (Note 5)	2,289,468	2,289,468
Deficit	(22,816,162)	(22,472,357)
	1,979,162	2,323,717
	\$ 3,533,359	\$ 3,369,718

Nature of Operations and Going Concern – Note 1

Approved on behalf of the Board of Directors:

Signed "Jason Cubitt", DirectorSigned "Fred Tejada", Director

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

WESTMINSTER RESOURCES LTD. *(An Exploration Stage Company)*
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars – Unaudited)

	Three Months Ended		Nine Months Ended	
	February 29, 2020	February 28, 2019	February 29, 2020	February 28, 2019
Expenses				
Consulting fees (Note 6)	\$ 62,378	\$ 237,225	\$ 209,500	\$ 555,329
Management fees (Note 6)	-	30,000	30,000	90,000
Office	14,781	9,943	26,927	46,334
Rent	-	40,424	-	122,296
Accounting, audit and legal	21,588	6,754	30,379	32,949
Regulatory and filing fees	7,325	7,335	21,565	13,604
Travel and entertainment	-	79	-	16,695
Bank charges and interest	642	141	1,767	864
Conferences and investor relations	-	-	-	927
Amortization of right-of-use asset (Note 3)	34,948	-	104,845	-
Amortization of capital assets (Note 7)	834	1,139	2,500	3,419
Operating loss	(142,496)	(333,040)	(427,483)	(882,417)
Other income (expenses)				
Foreign exchange loss	6,247	35,826	(10,524)	24,329
Sublease office rent income	28,547	23,277	104,146	88,053
Accretion of office lease liability (Note 3)	(720)	-	(9,944)	-
Interest income	-	155	-	473
Total loss and comprehensive loss	\$ (108,422)	\$ (273,782)	\$ (343,805)	\$ (769,562)
Loss per common share, basic and diluted	\$ (0.01)	\$ (0.04)	\$ (0.04)	\$ (0.12)
Weighted average number of common shares outstanding				
	9,454,099	9,324,989	9,454,099	6,677,579

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 nine months ended February 28, 2019.

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

WESTMINSTER RESOURCES LTD. *(An Exploration Stage Company)*
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars – Unaudited)

	Share Capital				Total shareholder's equity
	Number	Amount	Reserves	Deficit	
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	4,390,000	2,663,500	-	-	2,663,500
Net loss and comprehensive loss for the period	-	-	-	(769,562)	(769,562)
Balance - February 28, 2019	9,454,099	\$ 22,506,606	\$ 2,289,468	\$ (20,502,278)	4,293,796
Balance - May 31, 2019	9,454,099	\$ 22,506,606	\$ 2,289,468	\$ (22,472,357)	2,323,717
Share issuance costs	-	(750)	-	-	(750)
Net loss and comprehensive loss for the period	-	-	-	(343,805)	(343,805)
Balance - February 29, 2020	9,454,099	\$ 22,505,856	\$ 2,289,468	\$ (22,816,162)	1,979,162

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 Nine Months Ended	
	February 29, 2020	February 28, 2019
Cash flows from operating activities		
Loss for the period	\$ (343,805)	\$ (769,562)
Items not affecting cash:		
Amortization of capital assets	2,500	3,419
Amortization of right-of-use asset	104,845	-
Accretion of office lease liability	9,944	-
Accrued interest on short-term borrowing	1,524	-
Changes in non-cash working capital items:		
Decrease in receivables	24,989	61,470
Decrease in prepaid expenses and deposits	750	34,941
Increase in accounts payable/acrued liabilities/short-term borrowings	237,904	452,568
Net cash provided by (used in) operating activities	38,651	(217,164)
Cash flows from investing activities		
Exploration and evaluation assets	(26,506)	(245,449)
Net cash used in investing activities	(26,506)	(245,449)
Cash flows from financing activities		
Share issuance costs	(750)	-
Short-term borrowing	115,566	-
Lease payments	(124,680)	-
Net cash used in financing activities	(9,864)	-
Net change in cash for the period	2,281	(462,613)
Cash - beginning of the period	9,719	486,879
Cash - end of the period	\$ 12,000	\$ 24,266
Supplemental cash flow information		
Shares issued for acquisitions of mineral property	\$ -	\$ 2,663,500

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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended February 29, 2020

(Expressed in Canadian Dollars – Unaudited)

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 nine months ended February 29, 2020, the Company reported a net loss of \$343,805 (2019 – \$769,562) and an accumulated deficit of \$22,816,162 (May 31, 2019 - \$22,472,357). As at February 29, 2020, the Company had negative working capital of \$1,413,285 (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.

Subsequent to February 29, 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business, including potential delays to its business plans and activities, and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These uncertainties raise substantial doubt upon the Company's ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

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.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended February 29, 2020

(Expressed in Canadian Dollars – Unaudited)

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.

These condensed interim consolidated financial statements were authorized for issue by the Company’s Board of Directors on April 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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended February 29, 2020

(Expressed in Canadian Dollars – Unaudited)

3. New Standards and Interpretations (continued)

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

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 nine months ending February 29, 2020 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		(104,845)
Right of use asset, February 29, 2020	\$	163,093

For the nine months ending February 29, 2020, finance charges on the lease liability were \$9,944. 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		(124,680)
Accretion		9,944
Balance at February 29, 2020	\$	153,202

Current lease Liability	\$	153,202
Long-term lease Liability		-
Total office lease liability at February 29, 2020	\$	153,202

WESTMINSTER RESOURCES LTD. (An Exploration Stage Company)**Notes to the Condensed Interim Consolidated Financial Statements**

For the nine months ended February 29, 2020

(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 February 29, 2020:

	Balance as at May 31, 2018		Balance as at May 31, 2019		Balance as at February 29, 2020	
		Additions		Additions		
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	

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended February 29, 2020

(Expressed in Canadian Dollars – Unaudited)

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:

As consideration, during the year ended May 31, 2019, the Company issued 3,800,000 common shares with a fair value of \$2,470,000, which were 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 (released);
- 600,000 shares will be released 12 months from the date of the sale agreement (released); and
- 3,000,000 shares will be released 18 months from the date of the sale agreement (released).

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.

b) La Ronge, Saskatchewan

During the year ended May 31, 2019, the Company earned a 50% interest in two mineral claims located in the La Ronge district of Saskatchewan by issuing 400,000 common shares with a fair value of \$70,000. The Company has the option to earn an additional 30% in the property by making the following payments:

	Number of Common Shares	Exploration Expenditures	Ownership Interest
On or before December 11, 2020	400,000	\$ 100,000	10%
On or before December 11, 2021	-	100,000	10%
On or before December 11, 2022	-	200,000	10%

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended February 29, 2020

(Expressed in Canadian Dollars – Unaudited)

5. Share Capital and Reserves

a) Authorized

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

b) Private Placements and Share Issuances

During the period ended February 29, 2020, the Company did not have any share activities.

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 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 February 29, 2020 is presented below:

Exercise Price	Balance at June 1, 2019	Expired	Balance at February 29, 2020	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	\$	-

d) Share Purchase Warrants

Exercise Price	Balance at June 1, 2019	Expired	Balance at February 29, 2020	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 February 29, 2020, all of the above warrants were exercisable.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended February 29, 2020

(Expressed in Canadian Dollars – Unaudited)

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 nine months ended February 29, 2020 and February 28, 2019 were as follows:

	Nine months ended February 29, 2020	Nine months ended February 28, 2019
Short-term benefits	\$ 115,355	\$ 228,397

Included in short term benefits are the following:

- (i) \$30,000 (February 28, 2019 - \$90,000) in management fees paid or accrued to a company controlled by Jason Cubitt, a director of the Company.
- (ii) \$1,355 (February 28, 2019 - \$Nil) in consulting fees paid or accrued to Rachel Chae, the Company's Chief Financial Officer.
- (iii) \$39,000 (February 28, 2019 - \$41,250) in consulting fees paid or accrued to a company controlled by Alain Voisin, the Company's former Chief Financial Officer.
- (iv) \$Nil (February 28, 2019 - \$59,647) in consulting fees recorded under E&E paid to Kerry Griffin, the former Vice President, Exploration.
- (v) \$45,000 (February 28, 2019 - \$37,500) in director fees accrued to Christopher Gale, a director of the Company.

Included in accounts receivable is \$123,955 (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 nine months ended February 29, 2020, the Company received \$25,000 (February 28, 2019 - \$16,731) from Jaxon Mining Inc. for former shared office and administrative expenses.

Included in accounts payable and accrued liabilities is \$179,053 (May 31, 2019 - \$222,800) in key management compensation payable to directors, officers and a former officer.

Included in accounts payable and accrued liabilities is \$298,627 (May 31, 2019 - \$279,359) due to Latin Resources Limited, a company with a common director.

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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended February 29, 2020

(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, February 29, 2020	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	529	1,432	539	2,500
Balance, February 29, 2020	93,142	63,059	25,370	181,571
Net book value:				
Balance, May 31, 2019	2,349	12,726	1,597	16,672
Balance, February 29, 2020	1,820	11,294	1,058	14,172

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, with an annual interest rate of 5%. As at February 29, 2020, a total of \$16,190 had been advanced.

The arrangement with the second arm's length lender is for an amount of \$26,506, repayable on demand with no provision for interest and preferred creditor status. As at February 29, 2020, 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 February 29, 2020, 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, with an annual interest rate of 10%, and preferred creditor status. As at February 29, 2020, a total of \$49,884 had been advanced.

As at February 29, 2020, a combined total of \$117,090 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. The strategy is unchanged from prior year.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended February 29, 2020

(Expressed in Canadian Dollars – Unaudited)

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 February 29, 2020 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.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended February 29, 2020

(Expressed in Canadian Dollars – Unaudited)

10. Financial Instruments and Financial Risk (continued)

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.

(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
February 29, 2020			
Capital assets	\$ -	\$ 14,172	\$ 14,172
Exploration and evaluation assets	3,116,339	70,000	3,186,339
	<u>\$ 3,116,339</u>	<u>\$ 84,172</u>	<u>\$ 3,200,511</u>
May 31, 2019			
Capital assets	\$ -	\$ 16,672	\$ 16,672
Exploration and evaluation assets	3,089,833	70,000	3,159,833
	<u>\$ 3,089,833</u>	<u>\$ 86,672</u>	<u>\$ 3,176,505</u>