

# **WESTMINSTER RESOURCES LTD.**

(An Exploration Stage Company)

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**SIX MONTHS ENDED NOVEMBER 30, 2014**

(Unaudited)

## NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**WESTMINSTER RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian dollars)

	November 30, 2014 (unaudited) - \$ -	May 31, 2014 (audited) - \$ -
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	21,129	48,136
Accounts receivable	175,705	182,233
Marketable securities (Note 3)	193,082	360,631
Prepaid	5,289	5,444
	395,205	596,444
Deposits		
	58,359	58,359
Equipment and leaseholds		
	45,695	52,435
Mineral property interests (Note 4)		
	2,714,210	2,626,015
	3,213,469	3,333,253
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	903,338	712,873
Loan payable	256,995	203,995
	1,160,333	916,868
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 5)	14,936,055	14,637,045
Subscription funds received	-	284,010
Reserves (Note 5)	1,755,276	1,755,276
Deficit	(14,638,195)	(14,259,946)
	2,053,136	2,416,385
	3,213,469	3,333,253

Approved on Behalf of the Board of Directors:

"Glen Indra"  
Glen Indra  
Director

"Glen MacDonald"  
Glen MacDonald  
Director

**WESTMINSTER RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in Canadian dollars)

	Three months ended November 30,		Six months ended November 30,	
	2014	2013	2014	2013
	- \$ -	- \$ -	- \$ -	- \$ -
<b>Expenses</b>				
Consulting fees	46,564	55,754	115,062	107,018
Office	47,716	48,045	80,077	103,082
Accounting, audit, and legal	34,440	72,653	73,440	125,671
Management fees	30,000	30,000	60,000	60,000
Conferences and investor relations	18,240	7,950	36,480	30,329
Regulatory and filing fees	26,671	20,415	29,840	20,995
Amortization	3,370	15,671	6,740	31,343
Travel and entertainment	(415)	10,065	-	13,053
Bank charges and interest	397	534	689	1,139
	206,983	261,087	402,328	492,630
<b>Other items</b>				
Foreign exchange gain	9,831	203,820	(23,919)	(50,051)
Interest income	(160)	(5,659)	(160)	(5,659)
<b>Net loss and comprehensive loss</b>	216,654	459,248	378,249	436,920
<b>Basic and diluted loss per share</b>	0.02	0.05	0.03	0.05
<b>Weighted average common shares outstanding - basic and diluted</b>	11,327,292	8,692,293	11,306,473	8,692,293

See Notes to Consolidated Financial Statements

**WESTMINSTER RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM**  
**STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY**  
(Expressed in Canadian dollars)

	Share capital		Share-based payments reserve	Reserves		Sub- scription funds received	Deficit	Total share- holder's equity
	Number of shares	- \$ -		Warrants reserve	- \$ -			
Balance, May 31, 2013	8,692,292	13,497,045	1,116,906	638,370	-	(12,537,685)	2,714,636	
Comprehensive income	-	-	-	-	-	(436,920)	(436,920)	
Balance, November 30, 2013	8,692,292	13,497,045	1,116,906	638,370	-	(12,974,605)	2,277,716	
Balance, May 31, 2014	10,692,293	14,637,045	1,116,906	638,370	284,010	(14,259,946)	2,416,385	
Share issuances for cash, net of share issuance costs	635,000	299,010	-	-	(284,010)	-	15,000	
Comprehensive loss	-	-	-	-	-	(378,249)	(161,594)	
Balance, November 30, 2014	11,327,292	14,936,055	1,116,906	638,370	-	(14,638,195)	2,053,136	

See Notes to Consolidated Financial Statements

**WESTMINSTER RESOURCES LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)

	<b>Six months ended November 30,</b>	
	<b>2014</b>	<b>2013</b>
	- \$ -	- \$ -
Cash from (used in):		
Operating Activities		
Net loss	(378,249)	(436,920)
Items not involving cash:		
Amortization	6,740	31,343
Change in non-cash working capital items:		
Accounts receivable	6,528	259,850
Prepaid expenses and deposits	155	4,197
Accounts payable and accrued liabilities	190,465	(103,706)
Net cash used in operating activities	(174,361)	(245,236)
Investing Activities		
Proceeds from sale of marketable securities	167,549	-
Expenditures (recovery) on exploration and evaluation assets	(88,195)	142,500
Cash provided by (used in) investing activities	79,354	142,500
Financing activities		
Issuance of common shares, net of share issuance costs	15,000	-
Receipt of loans	53,000	-
Cash provided by (used in) financing activities	68,000	-
Increase (decrease) in cash and cash equivalents	(27,007)	(102,736)
Cash and cash equivalents, beginning	48,136	129,279
Cash and cash equivalents, ending	21,129	26,543
<b>Supplemental cash flow information:</b>	<b>- \$ -</b>	<b>- \$ -</b>
Exploration and evaluation assets accrued in accounts payable	412,118	390,072

See Notes to Consolidated Financial Statements

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**WESTMINSTER RESOURCES LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****Six Months Ended November 30, 2014 and 2013**(Expressed in Canadian dollars)

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**1. Nature and Continuance of Operations**

Westminster Resources Ltd. (the "Company" or "Westminster") was incorporated under the *Business Corporations Act* of British Columbia on December 1, 2005. The Company is involved in the acquisition, exploration and development of mineral properties.

The head office, registered address and records office of the Company are located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6.

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

For the six months ended November 30, 2014, the Company reported a net loss of \$378,249 (2013 – \$436,920) and a deficit of \$14,638,195 (May 31, 2014 - \$14,259,946). As at November 30 2014, the Company had a working capital deficiency of \$765,128 (May 31, 2014 - \$320,424). 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.

**2. Basis of Presentation****a) Statement of Compliance**

The Company is following the same accounting policies and methods of computation in these condensed interim financial statements as it did in the audited consolidated financial statements for the year ended May 31, 2014.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended May 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB. These condensed interim financial statements were authorized for issue by the Board of Directors on January 29, 2015.

**b) Basis of Consolidation**

These 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"). All significant inter-company balances and transactions have been eliminated upon consolidation.

**WESTMINSTER RESOURCES LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Six Months Ended November 30, 2014 and 2013

(Expressed in Canadian dollars)

**3. Marketable Securities**

The Company's marketable securities consist of:

	Number	Fair value - \$ -	Cost - \$ -
Balance - May 31, 2014	659,880	360,631	1,200,000
Disposition	(301,811)	(164,118)	(548,847)
Fair value adjustment	-	-	-
Foreign currency exchange adjustment	-	(3,431)	-
Balance - November 30, 2014	358,069	193,082	651,153

On March 7, 2014, the Company closed the securities exchange with Global Resources Investment Trust plc ("GRIT") and issued 2,000,000 common shares at a price of \$0.60 per share to GRIT, in exchange for 659,880 ordinary shares of GRIT (the "GRIT Shares"), at the deemed price of £1.00 per GRIT Share, with fair value of \$1,200,000. The GRIT shares are considered held-for-trading marketable securities and are classified as FVTPL.

During the six months 2014, the Company sold 301,811 GRIT shares at an average price of £0.30, or \$0.54, per share on the London Stock Exchange.

The fair value of the shares has been determined by reference to the closing price of the shares on the London Stock Exchange on November 30, 2014. At that date, the closing price of GRIT shares was £0.30 per share or \$0.54.

**4. Exploration and Evaluation Assets**

At November 31, 2014 and May 31, 2014 and 2013, the Company's interests in exploration and evaluation assets are located in Sonora, Mexico. Cumulative expenditures incurred are as follows:

	May 31, 2013	Addition (disposal)	May 31, 2014	Addition (disposal)	November 30, 2014
	-\$-	-\$-	-\$-	-\$-	-\$-
<b>Navojoa Project, Sonora, Mexico</b>					
Acquisition costs	600,472	-	600,472	-	600,472
Exploration expenditures:					
Property maintenance	83,225	-	83,225	-	83,225
Assays and reports	3,123	-	3,123	-	3,123
Consulting and engineering	21,620	16,804	38,424	200	38,624
Drilling	1,791	-	1,791	-	1,791
Field expenses	24,316	-	24,316	-	24,316
Geology and geophysics	10,246	-	10,246	-	10,246
Travel	6,030	-	6,030	-	6,030
	750,822	16,804	767,626	200	767,826



**WESTMINSTER RESOURCES LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Six Months Ended November 30, 2014 and 2013

(Expressed in Canadian dollars)

**4. Exploration and Evaluation Assets (continued)**

	May 31, 2013	Addition (disposal)	May 31, 2014	Addition (disposal)	November 30, 2014
<b>EI Cobre Project, Sonora, Mexico</b>					
Acquisition costs	151,731	-	151,731	-	151,731
Exploration expenditures:					
Property maintenance	280,836	-	280,836	25,080	305,916
Assays and reports	94,803	3,450	98,253	-	98,253
Consulting and engineering	173,543	55,780	229,323	40,556	269,879
Drilling	329,151	-	329,151	-	329,151
Field expenses	549,642	42,616	592,258	8,325	600,583
Geology and geophysics	121,969	-	121,969	-	121,969
Travel	54,868	-	54,868	-	54,868
	1,756,543	101,846	1,858,389	73,961	1,932,350
<b>Cumbral Project, Sonora, Mexico</b>					
Exploration expenditures:					
Assays and reports	310,049	-	310,049	-	310,049
Consulting and engineering	626,629	195,091	821,720	-	821,720
Drilling	751,419	38,794	790,213	-	790,213
Field expenses	642,821	44,293	687,114	-	687,113
Geology and geophysics	689,469	-	689,469	-	689,469
Project management	-	65,024	65,024	-	65,024
Property maintenance	-	11,198	11,198	14,034	25,232
Travel	133,170	1,991	135,161	-	135,161
Recovery of exploration costs (funds received from Capstone)	(2,800,000)	(709,947)	(3,509,947)	-	(3,509,947)
	353,557	(353,557)	-	14,034	14,034
	2,860,922	(234,907)	2,626,015	88,195	2,714,210

**5. Share Capital and Reserves**

- a) Authorized – Unlimited number of common shares without par value.

On October 20, 2014, the Company announced that it would be immediately filing for, and seeking approval of, documents relating to the consolidation of the company's issued and outstanding share capital with the TSX Venture Exchange. The TSX Venture Exchange approved this consolidation on November 7, 2014, and on November 10, 2014 the Company's common shares began trading on the basis of one post-consolidation common share for every 10 pre-consolidation common shares. This consolidation reduced the issued and outstanding shares of the company from 113,272,926 to 11,327,292 shares. The company's outstanding options and warrants were adjusted on the same basis (1 for 10) as the common shares, with proportionate adjustments being made to the exercise prices.

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**WESTMINSTER RESOURCES LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****Six Months Ended November 30, 2014 and 2013**(Expressed in Canadian dollars)

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**5.Share Capital and Reserves (continued)**

## b) Issued

- (i) On June 6, 2014, the Company closed a non-brokered private placement of 635,000 units at \$0.50 per unit to raise gross proceeds of \$317,500. Each unit comprises one common share and one-half of one common share purchase warrant. Each full common share warrant entitles holder to purchase one common share at \$1.00 per share until June 6, 2016. A finder's fee of \$19,600 was paid in connection with this transaction.
- (ii) On March 7, 2014, the Company closed the securities exchange with Global Resources Investment Trust plc ("GRIT") and issued its 2,000,000 common shares at deemed price of \$0.60 per share to GRIT, in exchange for 659,880 ordinary shares of GRIT (the "GRIT Shares"), at the deemed price of £1.00 per GRIT Share, with fair value of \$1,200,000.
- (iii) On November 19, 2012, the Company issued 5,664 common shares for the exercise of 5,664 warrants at \$1.00 per share for proceeds of \$5,664.
- (iv) On October 31, 2012 the Company completed a non-brokered private placement with Capstone of 1,000,000 common shares at \$1.00 per share to net the Company \$1,000,000.
- (v) On August 21, 2012, the Company issued 9,344 common shares for the exercise of 9,344 warrants at \$1.00 per share for proceeds of \$9,344.

## c) Stock Options

The Company has a stock option 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.

On June 8, 2012, the Company granted 244,000 share purchase options with an exercise price of \$1.50 per share to directors, consultants and employees of the Company, with the options vesting on the grant date. The options will expire on June 8, 2017.

Details of the status of the Company's stock options and changes during the years then ended are as follows:

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	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
Outstanding, May 31, 2013	532,000	\$2.30
Expired	(102,000)	\$3.50
Outstanding, May 31 and November 30, 2014	430,000	\$2.10

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**WESTMINSTER RESOURCES LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Six Months Ended November 30, 2014 and 2013**  
(Expressed in Canadian dollars)

**5. Share Capital and Reserves (continued)**

Stock options outstanding as at November 30 and May 31, 2014 are as follows:

Expiry Date	Exercise Price	November 30, 2014		May 31, 2014	
		Options Outstanding	Options Exercisable	Options Outstanding	Options Exercisable
20-Sep-15	\$2.50	151,000	151,000	151,000	151,000
18-Nov-15	\$4.00	35,000	35,000	35,000	35,000
08-Jun-17	\$1.50	244,000	244,000	244,000	244,000
Outstanding, end of year		430,000	430,000	430,000	430,000
Weighted average remaining contractual life of options			1.8 years		2.3 years

d) Warrants

Continuity of the warrants outstanding is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, May 31, 2013 and 2014	-	-
Issued	317,500	\$1.00
Outstanding, November 30, 2014	317,500	\$1.00

**6. Key Management Compensation**

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, 2014 and 2013 were as follows:

	2014	2013
	-\$-	-\$-
Short-term benefits	78,000	78,000
Share-based payments	-	-
Total	78,000	78,000

**7. Subsequent Events**

On November 28, 2014, the Company announced a non-brokered private placement of up to 15,000,000 units at \$0.05 per unit to raise gross proceeds of up to \$750,000 (the "Offering"). Each unit will be comprised of one common share and one common share purchase warrant. Each two common share purchase warrants will entitle the holder to purchase one common share at \$0.10 per share with an expiry date of two years from the closing of the private placement. A finders' fee commensurate with TSX.V policies will be paid where applicable. The funds raised will be used to conduct exploration on the Company's SIERRA Project in Sonora, Mexico and for general working capital.