WESTMINSTER RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

MAY 31, 2015 AND 2014

(Expressed in Canadian dollars)

SmytheRatcliffe
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WESTMINSTER RESOURCES LTD.

We have audited the accompanying consolidated financial statements of Westminster Resources Ltd., which comprise the consolidated statements of financial position as at May 31, 2015 and 2014, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Westminster Resources Ltd. as at May 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe Ratcliffe LLP

Chartered Professional Accountants

Vancouver, British Columbia
September 25, 2015

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WESTMINSTER RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
May 31
(Expressed in Canadian dollars)

	2015 - $ -	2014 - $ -
ASSETS		
Current assets		
Cash	29,598	48,136
Amounts receivable (Note 11)	10,962	182,233
Marketable securities (Note 5)	42,153	360,631
Prepaids	5,224	5,444
	87,937	596,444
Deposits (Note 6)	58,359	58,359
Equipment and leaseholds (Note 7)	39,890	52,435
Amounts receivable (Note 11)	166,669	-
Exploration and evaluation assets (Note 8)	2,067,749	2,626,015
	2,420,604	3,333,253
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,067,887	712,873
Loan payable (Note 9)	84,631	203,995
	1,152,518	916,868
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	15,600,705	14,637,045
Subscription funds received	-	284,010
Reserves (Note 10)	1,789,826	1,755,276
Deficit	(16,122,445)	(14,259,946)
	1,268,086	2,416,385
	2,420,604	3,333,253

Approved on Behalf of the Board of Directors:

"Glen Indra"
Glen Indra
Director

"Glen MacDonald"
Glen MacDonald
Director

See Notes to Consolidated Financial Statements

WESTMINSTER RESOURCES LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
Years Ended May 31
(Expressed in Canadian dollars)

	2015	2014
	- $ -	- $ -
Expenses		
Accounting, audit and legal	218,775	153,956
Management fees	210,000	214,974
Office	149,051	193,404
Conferences and investor relations	76,280	116,112
Consulting fees	56,714	53,739
Regulatory and filing fees	36,058	46,835
Amortization	12,545	13,481
Interest and finance costs on loan	11,531	26,426
Travel and entertainment	4,141	39,335
Bank charges and interest	1,342	1,974
	776,437	860,236
Fair value adjustment on marketable securities (Note 5)	40,309	839,369
Loss on sale of marketable securities (Note 5)	63,368	-
Foreign exchange loss	36,146	28,456
Interest income	(160)	(5,800)
Write-off of exploration and evaluation assets (Note 8)	946,399	-
Net loss and comprehensive loss	1,862,499	1,722,261
Basic and diluted loss per share	0.09	0.19
Weighted average common shares outstanding - basic and diluted	21,617,908	9,201,882

See Notes to Consolidated Financial Statements

WESTMINSTER RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years Ended May 31
(Expressed in Canadian dollars)

	Share capital		Reserves				
	Number of shares	- $ -	Share-based payments reserve - $ -	Warrants reserve - $ -	Sub-scription funds received - $ -	Deficit - $ -	Total share-holder's equity - $ -
Balance, May 31, 2013	8,692,292	13,497,045	1,116,906	638,370	-	(12,537,685)	2,714,636
Shares issued for marketable securities	2,000,000	1,140,000	-	-	-	-	1,140,000
Share subscription funds received	-	-	-	-	284,010	-	284,010
Net loss	-	-	-	-	-	(1,722,261)	(1,722,261)
Balance, May 31, 2014	10,692,292	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	15,235,000	963,660	-	34,550	(284,010)	-	714,200
Net loss	-	-	-	-	-	(1,862,499)	(1,862,499)
Balance, May 31, 2015	25,927,292	15,600,705	1,116,906	672,920	-	(16,122,445)	1,268,086

See Notes to Consolidated Financial Statements

WESTMINSTER RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended May 31
(Expressed in Canadian dollars)

	2015 - $ -	2014 - $ -
Cash from (used in):		
Operating Activities		
Net loss	(1,862,499)	(1,722,261)
Items not involving cash:		
Fair value adjustment on marketable securities	40,309	839,369
Loss on sale of marketable securities	63,368	-
Accrued interest and finance costs	19,794	26,426
Amortization	12,545	13,481
Unrealized foreign exchange gain	(1,843)	(21,649)
Write-off of exploration and evaluation assets	946,399	-
Change in non-cash working capital items:		
Amounts receivable	4,602	242,155
Prepaids	220	9,116
Accounts payable and accrued liabilities	289,942	190,731
Net cash used in operating activities	(487,163)	(422,632)
Investing Activities		
Purchase of equipment and leaseholds	-	(2,124)
Expenditures on exploration and evaluation assets	(323,061)	(56,306)
Proceeds from sale of marketable securities	216,644	-
Cash provided by (used in) investing activities	(106,417)	(58,430)
Financing Activities		
Issuance of common shares, net of share issuance costs	714,200	(79,600)
Subscriptions received	-	303,610
Receipt of loans	78,225	177,569
Repayment of loans	(217,383)	-
Cash provided by financing activities	575,042	401,579
Decrease in cash	(18,538)	(79,483)
Foreign exchange effect on cash	-	(1,660)
Cash, beginning of year	48,136	129,279
Cash, end of year	29,598	48,136

Supplemental cash flow information:	- $ -	- $ -
Exploration and evaluation assets accrued in accounts payable	338,484	273,412
Shares issued for marketable securities	-	1,200,000

See Notes to Consolidated Financial Statements

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 year ended May 31, 2015, the Company reported a net loss and comprehensive loss of $1,862,499 (2014 - $1,722,261) and a deficit of $16,122,445 (2014 - $14,259,946). As at May 31, 2015, the Company had a working capital deficiency of $1,064,581 (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. These matters indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

These audited 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 annual 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 25, 2015.

2. Basis of Presentation (continued)

b) Basis of Consolidation

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

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") or available-for-sale, 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 Company's functional currency.

d) Sources of Estimation Uncertainty

Significant assumptions about the future and the other sources of estimation uncertainty that management has made at the consolidated 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 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) Site restoration obligations

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.

Restoration liabilities include an estimate of the future cost associated with the reclamation of property and equipment, discounted to its present value, and capitalized as part of the cost of that asset. 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 a corresponding adjustment to equipment. The accretion on the reclamation provision is included in the statements of comprehensive loss. Actual expenditures incurred are charged against the reclamation liability.

As at May 31, 2015, the Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

2. Basis of Presentation (continued)

d) Sources of Estimation Uncertainty (continued)

(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 granted and warrants.

(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 consolidated 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) Fair value of marketable securities
The fair value of marketable securities is determined with reference to quoted bid prices. In situations where the quoted price is not considered reliable or when the security is thinly traded, management will consider other available information in determining the fair value, including on transactions both before and after the financial position reporting date.

(iii) Recoverability of amounts receivable
The balance in amounts receivable includes value added taxes to be recovered in Mexico. At each financial position reporting date, the carrying amounts of the Company's amounts receivable are reviewed to determine whether there is any indication that those assets are impaired. The Company uses judgment in determining whether there are facts and circumstances suggesting that the carrying amounts of its amounts receivable may exceed the recoverable amount.

The Company is corresponding with the Mexican government to recover the Mexican value added tax. At May 31, 2015, there are no indicators that suggest that the Company's Mexican value added tax is not recoverable.

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

2. Basis of Presentation (continued)

e) Critical Accounting Judgments (continued)

(v) Assessment of functional currency

The Company uses judgment in determining its functional currency. IAS 21 *The Effects of Changes in Foreign Exchange Rates* defines the functional currency as the currency of the primary economic environment in which an entity operates. IAS 21 requires the determination of functional currency to be performed on an entity by entity basis, based on various primary and secondary factors. In identifying the functional currency of the parent and of its subsidiaries, management considered the currency that mainly influences the cost of undertaking the business activities in each jurisdiction in which the Company operates.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The consolidated financial statements, in management's opinion, have been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Financial Instruments

Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or FVTPL. Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Regular way purchases and sales of FVTPL financial assets are accounted for at trade date. The Company has classified its cash and marketable securities as FVTPL.

Financial assets classified as held-to-maturity are initially recognized at fair value and subsequently are measured at amortized cost using the effective interest rate method. Any changes to the carrying amount, including impairment losses, are recognized through profit or loss. The Company has classified its deposits as held-to-maturity.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income/loss, except for losses in value that are considered other than temporary. The Company has no assets classified as available-for-sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as financial liabilities at FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities and loans payable are classified as other financial liabilities.

(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

a) Financial Instruments (continued)

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss. The Company has not classified any financial liabilities as FVTPL.

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.

The Company's measurement of fair value of financial instruments as at May 31, 2015 in accordance with the fair value hierarchy is as follows:

	Total - $ -	Level 1 - $ -	Level 2 - $ -	Level 3 - $ -
Assets				
Cash	29,598	29,598	-	-
Marketable securities	42,153	42,153	-	-

The Company's measurement of fair value of financial instruments as at May 31, 2014 in accordance with the fair value hierarchy is as follows:

	Total - $ -	Level 1 - $ -	Level 2 - $ -	Level 3 - $ -
Assets				
Cash	48,136	48,136	-	-
Marketable securities	360,631	-	360,631	-

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. The costs are accumulated by exploration area and are not depleted pending determination of technical feasibility and commercial viability.

3. Significant Accounting Policies (continued)

c) Exploration and Evaluation Assets (continued)

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 the consolidated statement of comprehensive income/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 and Leaseholds

Equipment and leaseholds are recorded at cost, less accumulated amortization and accumulated impairment losses. These assets are amortized using the following annual rates:

Office furniture and equipment	15% - 45% declining-balance
Leasehold improvements	5 years straight-line over term of the lease

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 the 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 immediately 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 consolidated 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.

3. Significant Accounting Policies (continued)

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 reserves.

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 profit or loss over the remaining vesting period. 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 reserves, 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.

3. Significant Accounting Policies (continued)

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 consolidated 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. 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 consolidated 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 9 *Financial Instruments* (2014)

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a “fair value through other comprehensive income” category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

3. Significant Accounting Policies (continued)

n) New Standards and Interpretations (continued)

- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to annual periods beginning on or after June 1, 2018.

Accounting for Acquisition of Interests in Joint Operations (Amendments to IFRS 11)

Amends IFRS 11 *Joint Arrangements* to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 *Business Combinations*) to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRS, except for those principles that conflict with the guidance in IFRS 11
- disclose the information required by IFRS 3 and other IFRS for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not re-measured).

Note: The amendments apply prospectively to acquisitions of interests in joint operations in which the activities of the joint operations constitute businesses, as defined in IFRS 3, for those acquisitions occurring from the beginning of the first period in which the amendments apply. Amounts recognized for acquisitions of interests in joint operations occurring in prior periods are not adjusted.

Applicable to annual periods beginning on or after June 1, 2017.

Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)

Amends IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* to:

- clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment
- introduce a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated
- add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Applicable to annual periods beginning on or after June 1, 2017.

(Expressed in Canadian dollars)

4. Financial Instruments

The Company has designated its cash and marketable securities as FVTPL; deposits, as held-to-maturity; and accounts payable and loan payable, as other financial liabilities.

The carrying values of current deposits and accounts payable approximate their fair values due to the short-term maturity of these financial instruments. The fair value of the non-current deposits also approximates its carrying value.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk with respect to its cash, amounts receivable and deposits. The Company limits exposure to credit risk by maintaining its cash and deposits with major financial institutions. The Company is not exposed to significant credit risk on its amounts receivable as the entire balance is due from government agencies.

b) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

(i) Interest rate risk

Interest rate is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The company has cash and loans payable. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities. In addition, loan payable is stated at fixed interest rates and therefore is not subject to fluctuations in the market interest rates.

(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:

			2015			2014
	Great British Pounds	Mexican pesos	Canadian dollars equivalent	Great British Pounds	Mexican pesos	Canadian dollars equivalent
Cash	-	49,600	4,032	-	75,314	6,363
Amounts receivable	-	2,399,474	166,669	-	2,017,344	170,446
Marketable securities	25,078	-	42,153	197,964	-	360,631
Accounts payable	-	(10,855,854)	(659,928)	-	(4,986,824)	(421,337)
Net	25,078	(8,406,780)	(447,074)	197,964	(2,894,166)	116,103

(Expressed in Canadian dollars)

4. Financial Instruments (continued)

b) Market Risk (continued)

(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 has held-for-trading marketable securities that (Note 5) that are traded on the London Stock Exchange.

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, 2015, the cash balance of $29,598 (2014 - $48,136) 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.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2015:

	Within 60 days -$-	Between 61-90 days -$-	More than 90 days -$-
Accounts payable and accrued liabilities	1,067,887	-	-
Loan payable	84,631	-	-
	1,152,518	-	-

5. Marketable Securities

The Company's marketable securities consist of:

	Number	Fair value - $ -	Cost - $ -
Balance - May 31, 2014	659,880	360,631	1,200,000
Proceeds of disposition	(512,365)	(216,644)	(931,742)
Loss on disposition		(63,368)	-
Write-down	-	(40,309)	-
Foreign currency exchange gain	-	1,843	-
Balance - May 31, 2015	147,515	42,153	268,258

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. The GRIT shares are considered held-for-trading marketable securities and classified as FVTPL.

(Expressed in Canadian dollars)

5. Marketable Securities (continued)

The valuation of the shares has been determined by reference to the closing price of the shares on the London Stock Exchange on May 31, 2015. At that date, the closing price of GRIT shares was £0.15 per share or $0.29.

6. Deposits

The Company has pledged a $16,530 (2014 - $16,530) guaranteed investment certificate ("GIC") as site reclamation deposit pursuant to a condition of receiving consent from a government agency to explore its mineral property interest. The GIC earns interest at a rate of 1.35% per annum and is due June 30, 2015. The deposit is refundable if there is no environmental disturbance to the property. The carrying value approximates the fair value of the GIC. It is management's opinion that there is minimal disturbance to the property to date, and accordingly, has not recorded an asset retirement obligation.

The Company has also pledged a $20,000 (2014 - $20,000) GIC as collateral for one corporate Visa credit card issued by a major Canadian bank. The GIC earns interest at a rate of 0.75% per annum and is due October 1, 2015. The carrying value approximates the fair value of the GIC.

The Company has an office premises lease agreement, which requires a security deposit of $21,829 (2014 - $21,829).

7. Equipment and Leaseholds

	Office furniture and equipment	Field equipment	Computer equipment	Leasehold improvements	Total
	- $ -	- $ -	- $ -	- $ -	- $ -
Cost					
Balance, May 31, 2013	94,962	72,229	23,404	12,173	202,768
Additions	-	2,124	-	-	2,124
Balance, May 31, 2014	94,962	74,353	23,404	12,173	204,892
Additions	-	-	-	-	-
Balance, May 31, 2015	94,962	74,353	23,404	12,173	204,892
Accumulated amortization					
Balance, May 31, 2013	74,992	33,569	21,744	8,671	138,976
Charge for year	5,991	5,958	747	785	13,481
Balance, May 31, 2014	80,983	39,527	22,491	9,456	152,457
Charge for year	4,193	5,224	411	2,717	12,545
Balance, May 31, 2015	85,176	44,751	22,902	12,173	165,002
Net book value					
At May 31, 2014	13,979	34,826	913	2,717	52,435
At May 31, 2015	9,786	29,602	502	-	39,890

(Expressed in Canadian dollars)

8. Exploration and Evaluation Assets

	May 31, 2013 -$-	Addition (disposal) -$-	May 31, 2014 -$-	Addition (disposal) -$-	May 31, 2015 -$-
Navojoa Project, Sonora, Mexico:					
Acquisition costs	600,472	-	600,472	-	600,472
Exploration expenditures					
Property maintenance	83,225	-	83,225	178,573	261,798
Assays and reports	3,123	-	3,123	-	3,123
Consulting and engineering	21,620	16,804	38,424	200	38,624
Drilling	1,790	-	1,790	-	1,790
Field expenses	24,316	-	24,316	-	24,316
Geology and geophysics	10,246	-	10,246	-	10,246
Travel	6,030	-	6,030	-	6,030
Write-down	-	-	-	(946,399)	(946,399)
	750,822	16,804	767,626	(767,626)	-
El Cobre Project, Sonora, Mexico:					
Acquisition costs	151,731	-	151,731	-	151,731
Exploration expenditures					
Property maintenance	280,836	-	280,836	80,298	361,134
Assays and reports	94,803	3,450	98,253	2,041	100,294
Consulting and engineering	173,543	55,780	229,323	94,309	323,632
Drilling	329,151	-	329,151	491	329,642
Field expenses	549,642	42,616	592,258	5,508	597,766
Geology and geophysics	121,969	-	121,969	-	121,969
Travel	54,868	-	54,868	26,713	81,581
	1,756,543	101,846	1,858,389	209,360	2,067,749
Cumbral Project, Sonora, Mexico:					
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	-	687,114
Geology and geophysics	689,469	-	689,469	-	689,469
Project management	-	65,024	65,024	-	65,024
Property maintenance	-	11,198	11,198	-	11,198
Travel	133,170	1,991	135,161	-	135,161
Recovery of exploration costs (funds received from Capstone)	(2,800,000)	(709,948)	(3,509,948)	-	(3,509,948)
	353,557	(353,557)	-	-	-
	2,860,922	(234,907)	2,626,015	(558,266)	2,067,749

8. Exploration and Evaluation Assets (continued)

Navojoa Project, Sonora, Mexico

The Company, through its wholly-owned Mexican subsidiary, Minera Westminster, has acquired a number of mineral concessions through option agreements and by staking.

(i) La Kala Concessions

On June 23, 2009 (amended on June 23, 2010 and February 23, 2012), an assignment, exploration and exploitation agreement with purchase option to acquire a 75% interest in both concessions was entered into with Minera Van Gold, S. de R.L. de C.V. ("Minera VG") whereby Minera Westminster has the right to explore the La Kala Concessions and the La Kala 2 Concessions and by completing the following cash payments and exploration expenditures in US dollars:

	La Kala Concession	La Kala 2 Concession
(a)	$2,000 on December 1, 2009 (paid)	$25,000 on signing (paid)
(b)	$6,000 on June 1, 2010 (paid) and each six-month anniversary thereafter*	$25,000 on June 23, 2010 (paid)

* cash payments will be extinguished if and when Minera Westminster elects to exercise the purchase option for the La Kala Concessions and pay the optionor US $1,000,000.

Property expenditures (combined La Kala and La Kala 2 Concessions) as follows:

(a) US $250,000 on or before June 1, 2010 (completed);
(b) US $100,000 on or before March 1, 2012 (completed);
(c) US $250,000 on or before March 1, 2013 (completed);
(d) US $300,000 on or before March 1, 2014*;
(e) US $400,000 on or before March 1, 2015*; and
(f) US $400,000 on or before March 1, 2016*.

* the property expenditures were terminated by the amended agreement dated December 18, 2012 with Minera VG for US $25,000 (paid) for a purchase option to acquire a 100% interest in both concessions for payment of US $100,000 due by December 18, 2013. On November 15, 2013, Minera VG agreed to extend the due date of the US$100K payment to December 31, 2015.

(ii) Tres Hermanos Concessions

The Company has acquired by staking the La Mora claims and the Tres Hermanos claims contiguous to the La Kala and Fafy-Yorigiobe concessions.

(iii) Encenada Concessions

The Company has acquired by staking the Encenada concessions.

(iv) El Puerto Concessions

The Company has acquired by staking the El Puerto concessions.

During the year ended May 31, 2015, the Company decided not to pursue the Navojoa Project and has written down the property to $nil.

8. Exploration and Evaluation Assets (continued)

El Cobre Project, Sonora, Mexico

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

(i) El Cobre concession

On March 17, 2010, an assignment, exploration and exploitation agreement with purchase option to acquire a 100% interest in the above concession was entered into with Manuel Coronel Beltran whereby Minera Westminster has the right to explore the El Cobre concessions by completing cash payments. During the year ended May 31, 2012, the Company formally terminated the purchase option and recognized a $2,400,000 property write-down.

There is a 2% net smelter return royalty on this concession with a 1% buy-back option for US $1,000,000.

(ii) Douglas, Douglas 1, Douglas 2, Douglas 3, Douglas 4, Douglas 5, Douglas 6, El Cobre 1 and El Cobre 2, El Guayacan 2, San Bartolo 1, San Bartolo 2, La Mula and La Mula 1 concessions were staked by Minera Westminster and are owned 100%.

(iii) Lya 2, Los Amigos, San Bartolo, El Guayacan, Los Alamos and El As3 were purchased outright for cash, for a total of US $70,000. The Lya 2 concession has a 1% net smelter return royalty, which can be purchased for US $500,000.

Cumbral – San Bartolo Option Project

On April 17, 2012 the Company signed an option agreement with Capstone Mining Corp. ("Capstone") (TSX:CS) granting Capstone the right to acquire up to a 70% interest in the Cumbral – San Bartolo prospect area of the El Cobre Project through staged exploration expenditures totaling $9.3 million by December 31, 2015, and delivering a scoping study by June 30, 2016. Capstone is required to finance a total of $3,300,000 by December 31, 2013 (completed - $3,509,947 was funded at May 31, 2014) to earn a 49% interest with Westminster to be the operator (Stage One); it can then earn a further 11% interest by expending an additional $3,000,000 on or before December 31, 2014 and a further additional 10% interest by expending $3,000,000 on or before December 31, 2015. Following completion of the $9,300,000 in expenditures each party will be responsible for their portion of funding going forward on a proportionate basis. Should the Company elect not to participate beyond the $9,300,000, Capstone will have the exclusive right and option to earn an additional 5% (for a total of 75%) undivided interest in the property by delivering a preliminary economic assessment on the property. On July 8, 2014, Capstone terminated the option agreement and at May 31, 2015 holds a 49% interest on the property.

On February 12, 2015, the Capstone sold its 49% interest in the property back to the Company in exchange for a 2% NSR. The Company has the right to purchase 1.7% of the 2% for $14,000,000.

Realization of Assets

The investment in and expenditures on E&E assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

(Expressed in Canadian dollars)

8. Exploration and Evaluation Assets (continued)

Realization of Assets (continued)

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are allowed to lapse.

Title to Mineral Property Interests

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is unaware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

9. Loan Payable

On November 1, 2013, the Company received a loan from an arm's length party in the principal amount of $177,569. The loan bear interest at 10% calculated on the outstanding daily principal amounts and are to be used for working capital of the Company. Under the terms of the loan, finance costs of 10% of the principal amount advanced are payable by the Company. Repayment of the loan is to be made from future equity financings as markets permit. During the year ended May 31, 2015, the Company received an additional principal amount of $78,225 and accrued $11,971 (2014 - $8,669) and $7,823 (2014 - $17,757) in interest and finance costs, respectively, on the loan. The Company also made repayments of the loan and interest and finance costs of $217,383 (2014 - $nil) during the year.

	- $ -
Balance - May 31, 2013	-
Receipt of loans	177,569
Accrued interest and finance costs	26,426
Repayment of loans and interest and finance costs	-
Balance - May 31, 2014	203,995
Receipt of loans	78,225
Accrued interest and finance costs	19,794
Repayment of loans and interest and finance costs	(217,383)
Balance - May 31, 2015	84,631

10. Share Capital and Reserves

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

The Company filed for the consolidation of the Company's issued and outstanding share capital with the TSX Venture Exchange. The TSX Venture Exchange approved this consolidation on November 7, 2014, and on November 10, 2014 the Company's common shares began trading on the basis of 1 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. All shares, options and warrants have been retrospectively adjusted to reflect the share consolidation.

b) Issued

(i) On February 2, 2015, the Company closed a non-brokered private placement of 14,600,000 units at $0.05 per unit to raise gross proceeds of $730,000. Each unit comprises one common share and one-half of one common share purchase warrant. Each full common share warrant entitles the holder to purchase one common share at $0.10 until February 2, 2017. Using the residual method, $nil was allocated to the value of the warrants. A finder's fee of $32,490 was paid and 64,000 finder's fee warrants valued at $2,800 were issued in connection with this transaction. Each finder's fee warrant entitles the holder to purchase one common share at $0.10 until February 2, 2017.

(ii) 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 the holder to purchase one common share at $0.10 until June 6, 2016. Using the residual value, $31,750 was allocated to the warrants. A finder's fee of $19,600 was paid in connection with this transaction.

(iii) On March 7, 2014, the Company closed the securities exchange with 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, at the deemed price of £1.00 per GRIT Share, with fair value of $1,200,000. A finder's fee of $60,000 was paid in connection with this transaction.

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.

(Expressed in Canadian dollars)

10. Share Capital and Reserves (continued)

c) Stock Options (continued)

Details of the status of the Company's stock options and changes during the years ended May 31, 2015 and 2014 are as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, May 31, 2013	532,000	$2.33
Expired	(102,000)	$3.50
Outstanding, May 31, 2014	430,000	$2.05
Expired	-	-
Outstanding, May 31, 2015	430,000	$2.05

Continuity of the stock options outstanding as at May 31 is as follows:

		2015		2014	
Expiry Date	Exercise Price	Options Outstanding	Options Exercisable	Options Outstanding	Options Exercisable
September 20, 2015*	$2.50	151,000	151,000	151,000	151,000
November 18, 2015	$4.00	35,000	35,000	35,000	35,000
June 8, 2017	$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			1.3 years		2.3 years

*Expired subsequent to May 31, 2015

d) Share Purchase Warrants

Continuity of the warrants outstanding is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, May 31, 2014	-	-
Issued	7,681,500	$0.10
Outstanding, May 31, 2015	7,681,500	$0.10

(Expressed in Canadian dollars)

10. Share Capital and Reserves (continued)

d) Share Purchase Warrants (continued)

Continuity of the warrants outstanding as at May 31 is as follows:

Expiry Date	Exercise Price	2015 Number of warrants	2014 Number of warrants
June 6, 2016	$0.10	317,500	-
February 2, 2017	$0.10	7,300,000	-
February 2, 2017	$0.10	64,000	-
Outstanding, end of year		7,681,500	-
Weighted average remaining contractual life of options		1.65	-

11. Amounts Receivable

The Company is corresponding with the Mexican government to recover the Mexican value added tax. During the year ended May 31, 2015, the Company recovered $nil (2014 - approximately $263,000) of the Mexican value added tax. At May 31, 2015, there are no indications that suggest that the Company's Mexican value added tax is not recoverable.

12. 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 years ended May 31, 2015 and 2014 were as follows:

	2015 -$-	2014 -$-
Short-term benefits	238,000	262,850
Share-based payments	-	-
Total	238,000	262,850

Included in accounts payable is $165,900 (2014 - $54,000) in key management compensation payable to directors and officers.

(Expressed in Canadian dollars)

13. Income taxes

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision is provided as follows:

		2015		2014
Loss for the year	$	(1,862,499)	$	(1,722,261)
Canadian statutory tax rate		26.00%		26.00%
Income tax benefit computed at statutory rates		(484,250)		(447,788)
Foreign tax rates different from statutory rates		(2,294)		(1,210)
Items non-deductible for income tax purposes		38		2,371
Effect of change in tax rate		-		(3,228)
Change in timing differences		(34,649)		142,649
Foreign exchange effect on tax assets and liabilities		(24,328)		(32,591)
Unused tax losses and tax offsets not recognized in tax asset		545,483		339,797
	$	-	$	-

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:

		2015		2014
Tax value over book value of equipment	$	142,347	$	154,892
Tax value over book value of E&E assets		1,262,543		1,262,542
Non-refundable mining credit		66,837		66,836
marketable securities		226,105		839,369
Share issue costs		108,626		140,712
Non-capital losses		8,213,594		7,331,156
Unrecognized deferred tax amounts	$	10,020,052	$	9,795,507

The Company's unrecognized unused non-capital losses have the following expiry dates:

		Canada		Mexico		Total
2026	$	56,000	$	-	$	56,000
2027		228,000		-		228,000
2028		507,000		-		507,000
2029		692,000		2,000		694,000
2030		871,000		24,000		895,000
2031		1,523,000		289,000		1,812,000
2032		1,162,000		40,000		1,202,000
2033		1,152,000		22,000		1,174,000
2034		934,000		30,000		964,000
2035		838,000		57,000		895,000
	$	7,963,000	$	464,000	$	8,427,000

(Expressed in Canadian dollars)

14. Segmented Information

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

			2015 - $ -			2014 - $ -
	Canada	Mexico	Total	Canada	Mexico	Total
Total assets	186,187	2,234,417	2,420,604	523,418	2,809,835	3,333,253

15. Commitment

The Company is committed to pay monthly office lease payments of $5,597 per month from August 1, 2013 to July 31, 2016. The lease commitments for the next two fiscal years are:

	- $ -
2016	67,166
2017	11,194
	78,360

16. Capital Management

The Company defines its capital as shareholders' equity and loan payable. It 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.

17. Subsequent Events

The Company has evaluated the events occurring subsequent to May 31, 2015 and determined that there were no reportable events.