WESTERN PACIFIC
RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED NOVEMBER 30, 2019

(Unaudited – Prepared by Management)
Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed consolidated interim financial statements for the nine months ended November 30, 2019. These financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

WESTERN PACIFIC RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Note	November 30, 2019	February 28, 2019
ASSETS			
Current assets			
Cash		$ 18,254	$ 2,086
Other receivables		10,818	11,953
		29,072	14,039
Non-current assets			
Property and equipment	5	2,501	2,942
Exploration and evaluation assets	6	102,800	102,800
		105,301	105,742
TOTAL ASSETS		**$ 134,373**	**$ 119,781**
LIABILITIES and SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable and accrued liabilities		$ 243,158	$ 321,357
Due to related parties	10	420,553	439,380
Total liabilities		663,711	760,737
Shareholders' equity (deficiency)			
Share capital	8	11,546,317	11,112,697
Shares to be issued for property	6	-	92,800
Other equity reserves	9	2,585,185	2,585,185
Deficit		(14,660,840)	(14,431,638)
Total shareholders' equity (deficiency)		(529,338)	(640,956)
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY (DEFICIENCY)		**$ 134,373**	**$ 119,781**

Nature of operations and going concern (Notes 1 & 2)
Subsequent event (Note 14)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON January 28, 2020:

"Jeff Dare", Director
Jeff Dare

"Darryl Cardey", Director
Darryl Cardey

See accompanying notes to the condensed consolidated interim financial statements

WESTERN PACIFIC RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

		Three months ended November 30,		Nine months ended November 30,	
	Note	**2019**	**2018**	**2019**	**2018**
EXPLORATION EXPENDITURES	7	$ -	$ (2,277)	$ 2,469	$ -
GENERAL AND ADMINISTRATIVE EXPENSES					
Amortization		147	184	441	552
Consulting fees	10	19,000	57,000	140,000	57,000
Directors fees	10	3,000	9,000	21,000	20,550
Investor relations and shareholder information		180	1,299	735	1,804
Management fees	10	9,000	27,000	63,000	71,275
Office and administration		722	4,160	907	15,187
Professional fees	10	12,700	29,415	21,795	47,350
Salaries and benefits	10	-	2,250	-	11,250
Share-based payments	9,10	-	434	-	4,656
Transfer agent and regulatory fees		6,334	12,857	9,989	16,027
		51,083	143,599	257,867	245,651
Loss before other items		**(51,083)**	**(141,322)**	**(260,336)**	**(245,651)**
OTHER ITEMS					
Interest income		141	6	181	81
Foreign exchange gain (loss)		5	732	4,435	(8,849)
Income from leasing of exploration and evaluation assets	6	-	-	26,518	-
Gain on sale of net smelter royalty		-	33,911	-	54,490
		146	34,649	31,134	45,722
Net loss and comprehensive loss for the year		**$ (50,937)**	**$ (106,673)**	**$ (229,202)**	**$ (199,929)**
Loss per share, basic and diluted		**$** (0.02)	**$** (0.07)	**$** (0.11)	**$** (0.13)
Weighted average number of common shares outstanding		2,886,167	1,575,584	2,111,668	1,575,584

See accompanying notes to the condensed consolidated interim financial statements

WESTERN PACIFIC RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
For the nine months ended November 30, 2019 and 2018
(Expressed in Canadian Dollars)

				Other equity reserves										
	Number of common shares		**Share capital**		**Share-based payments**		**Share purchase warrants**		**Shares to be issued**		**Deficit**		**Total**
Balance, February 28, 2018	1,575,584	$	11,112,697	$	1,265,599	$	1,314,930	$	-	$	(14,099,761)	$	(406,535)
Net loss for the period	-		-		-		-		-		(199,929)		(199,929)
Share-based payments	-		-		4,656		-		-		-		4,656
Balance, November 30, 2018	1,575,584	**$**	**11,112,697**	**$**	**1,270,255**	**$**	**1,314,930**	**$**	**-**	**$**	**(14,299,690)**	**$**	**(601,808)**
Balance, February 28, 2019	1,575,584	$	11,112,697	$	1,270,255	$	1,314,930	$	92,800	$	(14,431,638)	$	(640,956)
Net loss for the period	-		-		-		-		-		(229,202)		(229,202)
Shares issued for private placements	2,326,734		349,010		-		-		-		-		349,010
Shares issued for property acquisition	160,000		92,800		-		-		(92,800)		-		-
Share issuance costs	-		(8,190)		-		-		-		-		(8,190)
Balance, November 30, 2019	**4,062,318**	**$**	**11,546,317**	**$**	**1,270,255**	**$**	**1,314,930**	**$**	**-**	**$**	**(14,660,840)**	**$**	**(529,338)**

See accompanying notes to the condensed consolidated interim financial statements

WESTERN PACIFIC RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Note		Nine months ended November 30, 2019		2018
CASH PROVIDED BY (USED IN):					
OPERATING ACTIVITIES					
Net loss for the period		$	(229,202)	$	(199,929)
Items not affecting cash:					
Amortization	5		441		552
Share-based payments	9,10		-		4,656
Gain on sale of net smelter royalty			-		(54,490)
			(228,761)		(249,211)
Changes in non-cash working capital items:					
Other receivables			1,135		998
Prepaid expenses and deposits					4,750
Accounts payable and accrued liabilities			(78,199)		177,282
Due to related parties	10		(18,827)		(25,811)
Net cash used in operating activities			(324,652)		(91,992)
INVESTING ACTIVITIES					
Proceeds from sale of Net Smelter Royalty			-		54,490
Exploration and evaluation asset cost recoveries			-		16,229
Net cash provided by investing activities			-		70,719
FINANCING ACTIVITIES					
Proceeds from share issuance			349,010		-
Share issue costs			(8,190)		-
Net cash provided by financing activities			340,820		-
Net inflow (outflow) of cash			16,168		(21,273)
Cash, beginning of period			2,086		22,171
Cash, end of period		**$**	**18,254**	**$**	**898**

Supplemental disclosures with respect to cash flows:

Non-Cash investing & financing activities:				
Shares issued for property	$	92,800	$	-

See accompanying notes to the condensed consolidated interim financial statements

1. CORPORATE INFORMATION

Western Pacific Resources Corp. (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on June 4, 2009. The Company's principal business activities are directed towards the exploration and development of mineral properties in the Americas.

The address of the Company's corporate office and principal place of business is Suite 550 – 800 West Pender Street, Vancouver, BC, V6C 2V6.

2. BASIS OF PREPARATION

Statement of Compliance with International Financial Reporting Standards ("IFRS")

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") on a basis consistent with the significant accounting policies disclosed in Note 3 of audited consolidated financial statements of the Company for the year ended February 28, 2019. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements.

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain assets and liabilities measured at fair value.

The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

During the year ended February 28, 2019, the Company completed a consolidation of the issued shares and stock options outstanding on a one (1) new for ten (10) old basis at September 20, 2018 and on a one (1) new for four (4) old basis at November 6, 2018. As a result, the Company's issued shares were reduced to 1,575,584. All references to common shares and stock options in these consolidated financial statements reflect the share consolidation (Note 8).

Going Concern and Continuance of Operations

These consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At November 30, 2019, the Company has an accumulated deficit of $14,660,840 (February 28, 2019: $14,431,638) since inception, and the Company's current liabilities exceed its current assets by $634,639 (February 28, 2019: $746,698). The Company is expected to incur further losses in the development of its business, and will need to raise additional capital in order to fund its operations through the next twelve months, all of which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary capital to meet its obligations and repay its liabilities arising from normal business operations when they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

2. BASIS OF PREPARATION *(cont'd…)*

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned Nevada, U.S.A. subsidiary, Western Pacific Resources (U.S.) Corp. A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation.

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND AMENDMENTS

The accounting policies in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended February 28, 2019, except for the adoption, on March 1, 2019, of IFRS 16, Leases and IFRIC 23, Uncertainty over Income Tax Treatments, which has an initial application as at this date.

The newly adopted IFRS 16, Leases standard establishes principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company has not entered into any lease agreements as lessee; therefore, the adoption of the above standard has had no impact on the results and financial position of the Company.

The newly adopted IFRIC 23, Uncertainty over Income Tax Treatments clarifies the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The adoption of the above standard, amendments and interpretations has not had an impact on the financial statements of the Company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in the consolidated financial statements in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and 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 assumptions made, relate to, but are not limited to, the following:

- The completeness of accounts payable and accrued liabilities.
- The inputs in accounting for share-based payments.
- The recoverability and measurement of deferred income tax assets.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(cont'd…)*

Management must make judgments given the various options available as per accounting standards for items included in the consolidated financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

- The determination of the Company's and its subsidiary's functional currency requires management's judgment of the underlying transactions, events and conditions relevant to the entity.

- The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

  Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

  In respect of costs incurred for its investment in exploration and evaluation assets, management has determined the acquisition costs that have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economics assessment/ studies, accessible facilities and existing permits.

  Although the Company has taken steps to identify any decommissioning liabilities related to exploration and evaluation assets in which it has an interest, there may be unidentified decommissioning liabilities present.

- The determination of the categories in which financial assets and liabilities are classified.

- The assessment of the Company's ability to continue as a going concern involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

		Furniture and office equipment
Cost		
Balance, February 28, 2018	$	10,745
Balance, February 28, 2019 and November 30, 2019	**$**	**10,745**
Accumulated amortization		
Balance, February 28, 2018	$	7,067
Change for year		736
Balance, February 28, 2019		7,803
Change for period		441
Balance, November 30, 2019	**$**	**8,244**
Carrying amounts		
At February 28, 2019	$	2,942
At November 30, 2019	**$**	**2,501**

6. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests during the period from March 1, 2019 to November 30, 2019:

		British Columbia, Canada Nizi Property		Nevada, USA Rock Springs		Total
Balance, February 28, 2018	$	-	$	16,229	$	16,229
Recoveries		-		(16,229)		(16,229)
Acquisition		102,800		-		102,800
Balance, February 28 and November 30, 2019	**$**	**102,800**	**$**	**-**	**$**	**102,800**

Nizi Property

In January 2019, the Company negotiated an option agreement with an arm's-length third party to earn a 100% interest in the Nizi Property ("Nizi") located northeast of the community of Dease Lake in British Columbia.

The following are the terms of the signed Nizi option agreement:

Due Date	Cash Payment	Shares
On or before February 28, 2019	$10,000 (paid)	160,000 (issued)
On or before June 15, 2020	$100,000	
On or before June 15, 2021	$100,000	
On or before June 15, 2022	$100,000	
Total	**$310,000**	**160,000 (issued)**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

Nizi Property *(cont'd…)*

As part of the agreement, the Company has committed to incur a total of $2,000,000 by October 15, 2023, broken down by date as follows:

Due Date	Expenditure Commitment
On or before October 15, 2020	$250,000
On or before October 15, 2021	$250,000
On or before October 15, 2022	$500,000
On or before October 15, 2023	$1,000,000
Total Commitment	**$2,000,000**

The Nizi property is subject to a 2.5% Net Smelter Royalty ("NSR"), of which 1% may be re-purchased for a cash payment of $2,000,000. This property is also subject to an Annual Royalty Payment commencing June 15th, 2022.

Rock Springs, Nevada

The Rock Springs Property ("Rock Springs") consisted of 120 claims, which the Company staked in Elko County, Nevada. During the year ended February 28, 2018, the Company reduced the number of claims held to 10.

During the year ended February 28, 2019, the Company granted lease rights to Rock Springs to Newmont USA Limited ("Newmont") for a term of ten years. As per the agreement, Newmont shall make the following payments:

Due Date	Payment Amount (US$)
October 18, 2018 (Effective date of the agreement)	$40,000 (received)
October 18, 2019 (First anniversary of the agreement)	$20,000 (received)
October 18, 2020 (Second anniversary of the agreement)	$20,000
October 18, 2021 (Third anniversary of the agreement)	$20,000
October 18, 2022 (Fourth anniversary of the agreement)	$20,000
October 18, 2023 and each anniversary thereafter until the lease terminates	$25,000

As per the agreement, the Company also retains a 1.5% Net Smelter Royalty ("NSR") on the production and sale of minerals from the Rock Springs Property. At any time prior to October 18, 2025, Newmont has the option to purchase one-third of the NSR for US$1,000,000 reducing the royalty payable to the Company to 1%.

7. EXPLORATION EXPENDITURES

There was $2,469 in exploration expenditure during the nine month period ended November 30, 2019 (2018 - $Nil), relating to annual claim fees for the Rock Springs Property.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL AND RESERVES

Common and Preferred Shares

The Company is authorized to issue an unlimited number of common and preferred shares without par value. The Company has not issued any preferred shares.

During the year ended February 28, 2019, the Company completed a consolidation of the issued shares and stock options outstanding on a one (1) new for ten (10) old basis at September 20, 2018 and on a one (1) new for four (4) old basis at November 6, 2018. As a result, the Company's issued shares were reduced to 1,575,584. All references to common shares and stock options in these consolidated financial statements reflect the share consolidation.

During the period ended November 30, 2019, 160,000 shares were issued in relation to the Nizi Property option agreement (Note 6).

During the period ended November 30, 2019, the Company completed a non-brokered private placement, consisting of 2,326,734 units at a price of $0.15 per unit, raising aggregate gross proceeds of $349,010. Each unit consists of one common share and one common share purchase warrant; permitting the holder to purchase one additional common share at a price of $0.20 for five years. The Company paid cash finders' fees in the aggregate amount of $8,190.

9. SHARE-BASED PAYMENTS

Option Plan Details

In November 2009, the Company adopted a share purchase option plan, which allows the Company to issue options to directors, officers, employees and consultants of the Company. A revised share option plan (the "Plan") was adopted in December 2013 and was ratified by the shareholders on January 14, 2014. The maximum aggregate number of securities reserved for issuance is 10% of the number of common shares issued and outstanding from time to time. The Plan provides that the number of options held by any one individual may not exceed 5% of the number of issued and outstanding common shares. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the discounted market price of the Company's shares on the last day shares are traded prior to the grant date. Vesting restrictions may be imposed at the discretion of the directors.

Share Purchase Options

The Company has granted share purchase options to its directors, officers, employees and consultants.

The following is a summary of outstanding share purchase options as at November 30, 2019:

Expiry date	Exercise price	Opening balance	Expired	Closing balance	Vested and exercisable
June 16, 2019	$5.40	25,750	(25,750)	-	-
Jan 27, 2020	$14.00	7,500	-	7,500	7,500
Jul 25, 2020	$15.20	5,000	-	5,000	5,000
Jul 12, 2021	$22.80	7,125	-	7,125	7,125
Mar 21, 2022	$2.00	27,500	-	27,500	27,500
		72,875	**(25,750)**	**47,125**	**47,125**
Weighted average exercise price		**$7.38**	**$5.40**	**$8.46**	**$8.46**

All outstanding options were exercisable as at November 30, 2019. 7,500 options expired, unexercised on January 27, 2020.

(Expressed in Canadian Dollars)

9. SHARE-BASED PAYMENTS *(cont'd…)*

Fair Value of Options Issued During the Period

There were no options granted during the period ended November 30, 2019.

The weighted average remaining contractual life of those options outstanding at November 30, 2019 is 1.69 (February 28, 2019: 1.93) years.

Expenses Arising from Share-Based Payment Transactions

Total expenses arising from the share-based payment transactions recognized during the period ended November 30, 2019 was $Nil (2018: $4,656).

As of November 30, 2019, there were no unrecognized compensation costs (February 28, 2019: $Nil) related to share-based payment awards not yet exercisable, as all the stock options had previously vested.

10. RELATED PARTY TRANSACTIONS

The Company's related parties with transactions during the periods ended November 30, 2019 and 2018 consist of directors, officers and the following companies with common directors:

Related party	Nature of transactions
FT Management Ltd.	Short-term loan
J Dare Consulting Ltd.	Director and consulting fees
Sundar Consulting	Management and director fees
CDM Capital Partners Inc.	Management, director and consulting fees

Balances and transactions with related parties not disclosed elsewhere in these consolidated financial statements are described below:

i) A total of $420,553 was owed to the related parties as at November 30, 2019 (February 28, 2019 $439,380). Those amounts consisted of the following:

		Period ended November 30, 2019	Period ended February 28, 2019
Current officers*	Management fees and expense reimbursements	$ -	$ 57,039
Former officers and directors	Professional fees	-	7,938
Current officers and directors	Directors', consulting fees and loans	$ 420,553	$ 374,403

*During the nine months ended November 30, 2019, a change in the Company's directors and officers took place.

The amount of $420,553 representing directors', management and consulting fees, and loans includes the debt owed to former officers and directors. The debt was re-acquired from current and former officers and an advisor by a current director.

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS *(cont'd…)*

ii) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company, and include certain directors and officers. Key management compensation, including amounts discussed above, comprises:

	Nine months ended November 30, 2019	2018
Management and professional fees	$ 63,000	$ 87,775
Salaries and benefits	-	11,250
Consulting fees	70,000	27,000
Directors' fees	21,000	20,550
Share-based payments	-	4,656
	$ 154,000	**$ 151,231**

11. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. The mineral property interests are located in the United States and Canada, and substantially all of the exploration expenditures are incurred in North America. Substantially all of the Company's other assets and expenditures are located and incurred in Canada.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The Board of Directors receives periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd…)*

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 of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and other receivables. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash invested in asset-based commercial paper.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At November 30, 2019, the Company had cash of $18,254 (February 28, 2019: $2,086) and a working capital deficiency of $634,639 (February 28, 2019: $746,698). At November 30, 2019, current liabilities totalled $663,711 (February 28, 2019: $760,737) of which $420,553 (February 28, 2019: $439,380) was due to related parties. All of the Company's other short-term financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms. The company is exposed to liquidity risk.

(c) 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 market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

i) Currency Risk

The Company is exposed to financial risk related to the fluctuation of foreign currency rates. The Company operates in Canada and the United States. A substantial portion of the Company's expenses are incurred in US dollars. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at November 30, 2019, the Company had the Canadian dollar equivalent of $276 in cash held in US dollars (February 28, 2019: $367) and the Canadian dollar equivalent of $25,000 in liabilities owed in US dollars (February 28, 2019 $25,000).

Based on the above net exposure as at November 30, 2019, and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in a $2,500 increase/decrease in the Company's net income (loss) and comprehensive income (loss) for the period ended November 30, 2019.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd…)*

c) Market Risk *(cont'd…)*

ii) Interest Rate Risk

Interest rate risk consists of two components:

A. To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

B. To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

As at November 30, 2019, the Company does not have any interest-bearing borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with Canadian financial institutions. The Company considers this risk to be immaterial.

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, currency risk, or equity price risk. The Company is not exposed to any other price risk.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for accounts payable and accrued liabilities and due to related parties approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

13. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral property and pursue growth opportunities. The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties.

The property in which the Company currently has an interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to pay for limited property care and maintenance and general administrative costs, the Company will spend its existing capital resources. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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 Company monitors its cash, investments, common shares, and stock options as capital. There have been no changes to the Company's approach to capital management during the period ended November 30, 2019. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

The Company does not expect its current capital resources to be sufficient to cover its operating costs through the next twelve months and as such, will need to obtain additional capital resources. Actual funding requirements may vary from those previously planned due to a number of factors, including the progress of the Company's business activities and economic conditions.

14. SUBSEQUENT EVENT

On January 27, 2020, the Company entered into an asset purchase agreement (the "Asset Purchase Agreement") with Green Oil S.A. ("Green Oil") with respect to the acquisition by Western Pacific from Green Oil of certain mineral claims located in Ecuador (the "Transaction"). The Transaction, if completed, is anticipated to be a Fundamental Acquisition, as defined under the policies of the TSX Venture Exchange (the "Exchange"). The Transaction is an arm's length transaction and shareholder approval from Western Pacific's shareholders will not be required. Pursuant to Exchange policy, Western Pacific's common shares have been halted. Western Pacific's common shares will remain halted until such time as all required documentation has been filed with and accepted by the Exchange and permission to resume trading has been obtained from the Exchange.

Pursuant to the terms of the Asset Purchase Agreement, Western Pacific will acquire Green Oil's legal and beneficial right, title and interest to a 2,312 hectare concession known as the Julian Property ("Property") located in Ecuador. As consideration for the acquisition of the Property, Western Pacific will issue to Green Oil and its nominees 6,000,000 common shares in the capital of Western Pacific (the "Shares") at a deemed price of $0.20 per Share.

Pursuant to the terms of the Asset Purchase Agreement, concurrent with the closing of the Transaction Western Pacific is required to complete a private placement of no less than 7,500,000 units ("Units") of Western Pacific at a price of $0.20 per Unit for gross proceeds of $1,500,000. Each Unit will consist of one share and one-half of one share purchase warrant (a "**Warrant**") with each whole Warrant being exercisable by the holder to purchase one additional share at a price of $0.35 per share at any time within one year of the issuance of the Warrant.