



**ORO X MINING CORP.**

**(FORMERLY WESTERN PACIFIC RESOURCES CORP.)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**SIX MONTHS ENDED AUGUST 31, 2020 and 2019**

**(Unaudited – Prepared by Management)**

**Expressed in Canadian Dollars**

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

	Note	August 31, 2020	February 29, 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 165,648	\$ 46,849
Other receivables		43,417	12,361
Prepaid expenses and deposits		256,791	3,090
		465,856	62,300
<b>Non-current assets</b>			
Deposits		269,908	-
Property and equipment		-	2,354
Exploration and evaluation assets	5	1,476,300	-
		1,746,208	2,354
<b>TOTAL ASSETS</b>		<b>\$ 2,212,064</b>	<b>\$ 64,654</b>
<b>LIABILITIES and SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8	\$ 473,972	\$ 658,306
<b>Total liabilities</b>		473,972	658,306
<b>Shareholders' equity</b>			
Share capital	7	14,739,198	11,590,317
Obligation to issue shares		-	40,000
Other equity reserves		3,002,996	2,585,185
Deficit		(16,004,102)	(14,809,154)
<b>Total shareholders' equity</b>		1,738,092	(593,652)
<b>TOTAL LIABILITIES and SHAREHOLDERS' EQUITY</b>		<b>\$ 2,212,064</b>	<b>\$ 64,654</b>

Nature of operations and going concern (notes 1 & 2)  
Subsequent events (note 12)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON OCTOBER 29, 2020:

\_\_\_\_\_ "Luis Zapata" Director      \_\_\_\_\_ "Darryl Cardey" Director

*See accompanying notes to the condensed consolidated interim financial statements*

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

	Note	Three months ended August 31,		Six months ended August 31,	
		2020	2019	2020	2019
<b>EXPLORATION EXPENDITURES</b>	6	\$ (51,329)	\$ (2,469)	\$ (110,732)	\$ (2,469)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>					
Amortization		-	(147)	(2,354)	(294)
Consulting fees	8	(323,330)	(91,000)	(369,980)	(175,000)
Directors fees	8	(3,000)	(9,000)	(6,000)	(18,000)
Investor relations		(85,237)	(300)	(85,817)	(555)
Office and administration		(30,384)	(96)	(31,606)	(185)
Professional fees	8	(121,446)	(8,000)	(130,446)	(9,095)
Salaries and benefits	8	(21,462)	-	(21,462)	-
Share-based payments	7,8	(390,515)	-	(390,515)	-
Transfer agent and regulatory fees		(44,047)	(2,878)	(49,979)	(3,655)
		(1,019,421)	(111,421)	(1,088,159)	(206,784)
<b>Loss before other items</b>		<b>(1,070,750)</b>	<b>(113,890)</b>	<b>(1,198,891)</b>	<b>(209,253)</b>
<b>OTHER ITEMS</b>					
Interest income		-	12	22	40
Other income		-	26,518	-	26,518
Foreign exchange gain		3,984	4,423	3,921	4,430
		3,984	30,953	3,943	30,988
<b>Net loss and comprehensive loss for the year</b>		<b>\$ (1,066,766)</b>	<b>\$ (82,937)</b>	<b>\$ (1,194,948)</b>	<b>\$ (178,265)</b>
<b>Loss per share, basic and diluted</b>		<b>\$ (0.10)</b>	<b>\$ (0.05)</b>	<b>\$ (0.11)</b>	<b>\$ (0.10)</b>
<b>Weighted average number of common shares outstanding</b>		<b>18,334,821</b>	<b>1,728,627</b>	<b>11,376,763</b>	<b>1,728,627</b>

*See accompanying notes to the condensed consolidated interim financial statements*

**ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**  
For the six months ended August 31, 2020 and 2019  
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Other equity reserves		Shares to be issued	Deficit	Total
			Share- based payments	Share purchase warrants			
Balance, February 29, 2020	4,282,318	\$ 11,590,317	\$ 1,270,255	\$ 1,314,930	\$ 40,000	\$ (14,809,154)	\$ (593,652)
Net loss for the period	-	-	-	-	-	(1,194,948)	(1,194,948)
Share issuance – warrants exercised (note 7(ii)(a))	2,106,734	421,347	-	-	(40,000)	-	381,347
Share issuance – private placements (note 7(ii)(c))	7,500,000	1,347,534	-	27,296	-	-	1,374,830
Share issuance – acquisition of mineral properties (note 5, note 7(ii)(b))	6,000,000	1,380,000	-	-	-	-	1,380,000
Share-based payments (note 7)	-	-	390,515	-	-	-	390,515
<b>Balance, August 31, 2020</b>	<b>19,889,052</b>	<b>\$ 14,739,198</b>	<b>\$ 1,660,770</b>	<b>\$ 1,342,226</b>	<b>\$ -</b>	<b>\$ (16,004,102)</b>	<b>\$ 1,738,092</b>
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	-	-	-	-	-	(178,265)	(178,265)
Share issuance – acquisition of mineral properties	160,000	92,800	-	-	(92,800)	-	-
<b>Balance, August 31, 2019</b>	<b>1,735,584</b>	<b>\$ 11,205,497</b>	<b>\$ 1,270,255</b>	<b>\$ 1,314,930</b>	<b>\$ -</b>	<b>\$ (14,609,903)</b>	<b>\$ (819,221)</b>

*See accompanying notes to the condensed consolidated interim financial statements*

**ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW**  
(Unaudited – Prepared by Management) (Expressed in Canadian Dollars)

		Three months ended August 31,		Six months ended August 31,	
	Note	2020	2019	2020	2019
<b>CASH PROVIDED BY (USED IN):</b>					
<b>OPERATING ACTIVITIES</b>					
Net loss for the period		\$ (1,066,766)	\$ (82,937)	\$ (1,194,948)	\$ (178,265)
Items not affecting cash:					
Amortization		-	147	2,354	294
Share-based payments	7,8	390,515	-	390,515	-
Foreign exchange		(3,921)	-	(3,921)	-
		(680,172)	(82,790)	(806,000)	(177,971)
Changes in non-cash working capital items:					
Other receivables and prepaid		(556,429)	(8,631)	(554,665)	(3,731)
Accounts payable and accrued liabilities		152,603	48,702	220,590	58,725
Due to related parties		(386,504)	63,160	(401,003)	149,310
<b>Net cash (outflow) flow from operating activities</b>		<b>(1,470,502)</b>	<b>20,441</b>	<b>(1,541,078)</b>	<b>26,333</b>
<b>FINANCING ACTIVITIES</b>					
Proceeds from exercise of warrants	7(ii)(a)	235,667	-	381,347	-
Proceeds from private placement, net of issuance cost	7(ii)(c)	1,369,830	-	1,374,830	-
<b>Net cash flow from financing activities</b>		<b>1,605,497</b>	<b>-</b>	<b>1,756,177</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
Mineral properties acquisition cost	5	(96,300)	-	(96,300)	-
<b>Net cash outflow from investing activities</b>		<b>(96,300)</b>	<b>-</b>	<b>(96,300)</b>	<b>-</b>
<b>Net change of cash</b>		<b>38,695</b>	<b>20,441</b>	<b>118,799</b>	<b>26,333</b>
Cash, beginning of period		126,953	7,978	46,849	2,086
<b>Cash, end of period</b>		<b>\$ 165,648</b>	<b>\$ 28,419</b>	<b>\$ 165,648</b>	<b>\$ 28,419</b>
<b>Supplemental cash flow information:</b>					
Shares issued for acquisition of mineral properties		\$ 1,380,000	\$ -	\$ 1,380,000	\$ 92,800

*See accompanying notes to the condensed consolidated interim financial statements*

**ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**For the six months ended August 31, 2020**  
(Expressed in Canadian Dollars)

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**1. CORPORATE INFORMATION**

Oro X Mining Corp. (formerly Western Pacific Resources Corp.) (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on June 4, 2009. On October 8, 2020, the Company changed its name to "Oro X Mining Corp." and its trading symbol to "OROX".

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 1430 – 800 West Pender Street, Vancouver, BC, V6C 2V6.

**2. BASIS OF PREPARATION**

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

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended February 29, 2020.

Other than as stated below, these unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of applications as the most recent audited consolidated financial statements of the Company.

The Company's interim results are not necessarily indicative of its results for a full year.

**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.

**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 August 31, 2020, the Company has an accumulated deficit of \$ (16,004,102) (February 29, 2020 \$14,809,154) since inception, and the Company's working capital deficit was at \$8,116 (February 29, 2020: 596,006). The Company is expected to incur further losses in the development of its business. 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

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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.

**COVID-19**

On May 15, 2020, Ecuador's national government issued COVID-19 protocols that set out health and safety guidelines for the mining industry in order to enable mining operations to restart. In addition, the government established logistics corridors that facilitate transportation for the mining industry. This allowed the Company to slowly return business activities to normal.

**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 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 29, 2020.

**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.

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.

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- 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.

**5. EXPLORATION AND EVALUATION ASSETS**

The Company has capitalized the following acquisition costs of its mineral property interests during the period from March 1, 2020 to August 31, 2020:

		<b>Ecuador Julian Property</b>	<b>Total</b>
Balance, February 29, 2020	\$	-	\$ -
Share issuance – acquisition cost (note 7(ii)(b))		1,380,000	1,380,000
Other acquisition costs		96,300	96,300
<b>Balance August 31, 2020</b>	<b>\$</b>	<b>1,476,300</b>	<b>\$ 1,476,300</b>

**Julian Property, Ecuador**

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 the Company from Green Oil of certain mineral claims located in Ecuador (the “Transaction”) known as the Julian Property. The Julian Property is located in the Province of Azuay in the canton of Oña, overlapping the Parishes Oña Yacuambi and Nabón, approximately 64km southwest of the city of Cuenca and 100km southeast of Machala in the Cordillera Real de los Andes Ecuador.

On June 11, 2020, the Company closed the acquisition of the Julian Property and distributed a total of 6,000,000 common shares (\$1,380,000) to Green Oil and its nominees in connection with the transaction. The Company also paid direct transaction costs of \$96,300.



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**6. EXPLORATION EXPENDITURES**

		<b>Julian Property</b>		<b>Other</b>		<b>Total</b>
Geological consulting		74,558		36,174		110,732
<b>Period ended August 31, 2020</b>	<b>\$</b>	<b>74,558</b>	<b>\$</b>	<b>36,174</b>	<b>\$</b>	<b>110,732</b>

		<b>Julian Property</b>		<b>Other</b>		<b>Total</b>
Other		-		2,469		2,469
<b>Period ended August 31, 2019</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>2,469</b>	<b>\$</b>	<b>2,469</b>

**7. 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.

*i) Prior period ended August 31, 2019*

During the period ended August 31, 2019 160,000 shares were issued in relation to the Nizi Property option agreement. This property has been fully written off during the year ended February 29, 2020.

*ii) Current period ended August 31, 2020*

- a) During the period ended August 31, 2020, 2,106,734 shares were issued in relation to the exercise of warrants with an exercise price of \$0.20 for total proceeds of \$421,347. \$40,000 was collected in the prior year ended February 29, 2020. Total proceeds received for the period ended August 31, 2020 was \$381,347.
- b) On June 11, 2020, the Company issued a total of 6,000,000 common shares to acquire the Julian Property (See Note 5).
- c) On June 11, 2020, the Company completed a private placement of 7,500,000 units of the Company at a price of \$0.20 per unit for gross proceeds of \$1,500,000. Each unit consists of one common share and one-half of one common share purchase warrant (3,750,000 warrants issued) with each whole warrant being exercisable by the holder to purchase one additional common share at a price of \$0.35 per common share. These warrants expire on June 11, 2021. Total cash transaction cost was \$125,170, resulting a net proceed of \$1,374,830.

The Company also issued 523,350 warrants as finder's fee with the same terms of the unit. The finder's fees warrants were valued at \$27,296 using the Black-Scholes valuation model with the following assumptions: expected life of 1 year, expected stock price volatility 91.52%, dividend yield of 0%, risk free interest rate 0.27%, and the fair value of common shares at date of grant \$0.23.

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**Warrants**

As at August 31, 2020, the number and weighted average exercise price of the warrants are as follows:

	Number of warrants	Weighted average exercise price
Outstanding warrants, February 28, 2019	-	-
Granted	2,326,734	\$0.20
Exercised	(220,000)	\$0.20
<b>Outstanding warrants, February 29, 2020</b>	<b>2,106,734</b>	<b>\$0.20</b>
Granted (note 7(ii)(c))	4,273,350	\$0.35
Exercised (note 7(ii)(a))	(2,106,734)	\$0.20
<b>Outstanding warrants, August 31, 2020</b>	<b>4,273,350</b>	<b>\$0.35</b>

As at August 31, 2020, warrants enabling the holders to acquire common shares are as follows:

Expiry date	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
June 11, 2021	4,273,350	0.78	\$0.35
	<b>4,273,350</b>	0.78	\$0.35

**Options**

*Option Plan Details*

The Company has adopted a share purchase option plan (“the Plan”), which allows the Company to issue options to directors, officers, employees, and consultants of the Company. The maximum aggregate number of securities reserved for issuance is 10% of the number of common shares issued and outstanding. Options granted under the Plan may have a maximum term of ten years. Vesting restrictions may be imposed at the discretion of the directors.

*Share Purchase Options*

The following is a summary of outstanding share purchase options as at August 31, 2020:

	Number of options	Weighted average exercise price
Outstanding options, February 28, 2019	72,875	\$7.38
Expired	(33,250)	7.34
Outstanding options, February 29, 2020	39,625	\$7.41
Granted	1,900,000	0.27
Expired	(5,000)	15.20
<b>Outstanding options, August 31, 2020</b>	<b>1,934,625</b>	<b>\$0.38</b>

As at August 31, 2020, options enabling the holders to acquire common shares are as follows:

Expiry date	Number of options	Weighted average remaining life in years	Weighted average exercise price
July 12, 2021	7,125	0.86	\$22.80
March 21, 2022	27,500	1.55	\$ 2.00
June 24, 2025	1,900,000	4.82	\$ 0.27
	<b>1,934,625</b>	<b>4.76</b>	<b>\$ 0.38</b>

As at February 29, 2020, options enabling the holders to acquire common shares are as follows:

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<b>Expiry date</b>	<b>Number of options</b>	<b>Weighted average remaining life in years</b>	<b>Weighted average exercise price</b>
July 25, 2020	5,000	0.40	\$15.20
July 12, 2021	7,125	1.37	\$22.80
March 21, 2022	27,500	2.06	\$ 2.00
	<b>39,625</b>	<b>1.72</b>	<b>\$ 7.41</b>

On June 24, 2020, the Company granted 1,900,000 stock options to the Company's management, directors and service providers. The fair value of the share options was estimated at \$682,530 on the date of grant using the Black-Scholes option pricing model, with the following assumptions: expected option life of 5 years with an expected stock price volatility 270%, dividend yield of 0%, risk free interest rate 0.38%, weighted average exercise price \$0.27, weighted average fair value per option \$0.36, weighted average share price \$0.36. All options have a 12-month vesting provision.

The weighted average remaining contractual life of the options outstanding at August 31, 2020 is 4.76 years (2019: 1.72).

For the period ended August 31, 2020, the stock-based compensation expense was \$ 390,516 (2019 - \$nil).

There were no options granted for the prior year ended February 29, 2020.

**8. RELATED PARTY TRANSACTIONS**

The Company's related parties with transactions during the periods ended August 31, 2020 and 2019 consist of directors, officers and the following companies with common directors:

<b>Related party</b>	<b>Nature of transactions</b>
J Dare Consulting Ltd. (Director)	Director fees
Roma Capital Corp. (Officer)	Consulting fees
JR Management Corp. (Director)	Consulting fees
A15 Capital Corp. (Officer)	Consulting fees
Green Oil S.A. (Director)	Consulting fees

As at August 31, 2020, the Company had \$135,450 outstanding in accounts payables (February 29, 2020 - \$401,003) associated with related parties.

**i) 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, is comprised of:

	<b>Six months ended August 31,</b>	
	<b>2020</b>	<b>2019</b>
Professional fees	\$ -	\$ 54,000
Salaries and benefits	20,000	-
Consulting fees	200,512	61,000
Directors' fees	6,000	18,000
Share based payment	215,811	-
	<b>\$ 442,323</b>	<b>\$ 133,000</b>

**9. SEGMENTED INFORMATION**

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. For the period ended August 31, 2020, the mineral property interests are located in Ecuador, and substantially all of the exploration expenditures are incurred in the Americas. Please see note 5 and note 6 for mineral property acquisition costs and related exploration expenses.

**10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

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.

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

**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.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

**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.

### **Foreign Currency Risk**

The Company's operations in Canada and the United States creates exposure to foreign currency fluctuation. Some of the Company's operating expenditures are incurred in US dollars, and the fluctuation of the US dollar in relation to the Canadian dollar will have an impact upon the profitability of the Company and may also affect the value of the Company's financial assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

A portion of the Company's cash, receivables and accounts payable and accruals are denominated in the US dollar and are therefore subject to fluctuation in exchange rates, however these balances are not large enough to expose the Company to significant foreign exchange risk.

### **Interest Rate Risk**

Interest rate risk consists of two components:

- i) 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.
- ii) 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 August 31, 2020, 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.

### **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**

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 cash, receivables, 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.

## **11. 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 August 31, 2020. 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.

## **12. SUBSEQUENT EVENTS**

- i) On October 8, 2020, the Company completed an acquisition from Titan Minerals Ltd. of their legal and beneficial right, title and interest in options to acquire: (a) 100% of the legal and beneficial interest in and to a 2,000 hectare concession known as the Coriorcco property pursuant to a cession and option agreement; and (b) up to 85% of the legal and beneficial interest in and to a 1,400 hectare concession known as the Las Antas Property pursuant to an earn in agreement.

As consideration for the acquisition of the option rights over the properties, the Company paid (a) cash consideration of USD \$1,500,000 and (b) issued to Titan and its nominees 7,050,000 Oro X common shares.

If the Company exercises its option to acquire the Coriorcco property, Oro X will grant to Titan a 1% net smelter royalty (the "NSR") over the Coriorcco property.

Additionally, the Company has agreed to make a conditional payment to Titan (in cash or Shares at the Company's option) based on the size of the mineral resource (in the measured and indicated category) that is established on the Coriorcco property in a technical report prepared in accordance with National Instrument 43-101.

Titan will receive:

- i. USD \$1,000,000 if a measured and indicated resource of 500,000 to 999,999 ounces of gold is established
- ii. USD \$1,500,000 if a measured and indicated resource of 1,000,000 to 1,499,000 ounces of gold is established
- iii. USD \$2,000,000 if a measured and indicated resource in excess of 1,500,000 ounces of gold is established

**ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**For the six months ended August 31, 2020**  
(Expressed in Canadian Dollars)

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- ii) On October 8, 2020, the Company completed a Private Placement of 15,243,891 common shares at \$0.41 per common share for gross proceeds of \$6,250,000. The Company paid finders fees of \$152,188 to eligible finders in connection with the Private Placement.
- iii) On September 1, 2020, 34,625 stock options were cancelled.