WESTERN PACIFIC RESOURCES CORP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MAY 31, 2020 and 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 three months ended May 31, 2020. 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		**May 31, 2020**		**February 29, 2020**
ASSETS					
Current assets					
Cash		$	126,953	$	46,849
Other receivables			13,687		12,361
Prepaid expenses and deposits			-		3,090
			140,640		62,300
Non-current assets					
Property and equipment			-		2,354
Exploration and evaluation assets	5		-		-
			-		2,354
TOTAL ASSETS		**$**	**140,640**	**$**	**64,654**
LIABILITIES and SHAREHOLDERS' EQUITY (DEFICIENCY)					
Current liabilities					
Accounts payable and accrued liabilities		$	325,290	$	257,303
Due to related parties	8		386,504		401,003
Total liabilities			711,794		658,306
Shareholders' equity (deficiency)					
Share capital	7		11,665,317		11,590,317
Obligation to issue shares	7		115,680		40,000
Other equity reserves	7		2,585,185		2,585,185
Deficit			(14,937,336)		(14,809,154)
Total shareholders' equity (deficiency)			(571,154)		(593,652)
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY (DEFICIENCY)		**$**	**140,640**	**$**	**64,654**

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

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

"Jeff Sundar", Director
Jeff Sundar

"Darryl Cardey", Director
Darryl Cardey

See accompanying notes to the condensed consolidated interim financial statements

(Expressed in Canadian Dollars)

	Note	Three months ended May 31, 2020	2019
EXPLORATION EXPENDITURES	6	$ 59,403	$ -
GENERAL AND ADMINISTRATIVE EXPENSES			
Amortization		2,354	147
Consulting fees	8	20,350	57,000
Directors fees	8	6,000	9,000
Investor relations and shareholder information		580	255
Management fees	8	26,300	27,000
Office and administration		1,222	89
Professional fees	8	6,000	1,095
Salaries and benefits	8	-	-
Share-based payments	8	-	-
Transfer agent and regulatory fees		5,932	777
Loss before other items		**(128,141)**	**(95,363)**
OTHER ITEMS			
Interest income		22	28
Foreign exchange (loss) gain		(63)	7
		(41)	35
Net loss and comprehensive loss for the year		**$ (128,182)**	**$ (95,328)**
Loss per share, basic and diluted		**$ (0.03)**	**$ (0.06)**
Weighted average number of common shares outstanding		**4,567,372**	**1,721,671**

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 periods ended May 31, 2020 and 2019
(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, 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	-		-		-		-		-		(95,328)		(95,328)
Shares issued for property	160,000		92,800		-		-		(92,800)		-		-
Share-based payments	-		-		-		-		-		-		-
Balance, May 31, 2019	**1,735,584**	**$**	**11,205,497**	**$**	**1,270,255**	**$**	**1,314,930**	**$**	**-**	**$**	**(14,526,966)**	**$**	**(736,284)**
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	-		-		-		-		-		(128,182)		(128,182)
Shares to be issued for private placement	-		-		-		-		5,000		-		5,000
Shares issued for exercise of warrants	375,000		75,000		-		-		(40,000)		-		35,000
Shares to be issued for the exercise of warrants	-		-		-		-		110,680		-		110,680
Balance, May 31, 2020	**4,657,318**	**$**	**11,665,317**	**$**	**1,270,255**	**$**	**1,314,930**	**$**	**115,680**	**$**	**(14,937,336)**	**$**	**(571,154)**

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

	Note	Three months ended May 31, 2020	2019
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss for the period		$ (128,182)	$ (95,328)
Items not affecting cash:			
Amortization		2,354	147
Share-based payments	7	-	-
Gain on sale of exploration and evaluation asset		-	-
		(125,828)	(95,181)
Changes in non-cash working capital items:			
Other receivables		(1,326)	4,900
Prepaid expenses and deposits		3,090	-
Accounts payable and accrued liabilities		67,987	10,023
Due to related parties	8	(14,499)	86,150
Net cash (used in) provided by operating activities		(70,576)	5,892
FINANCING ACTIVITIES			
Proceeds from the exercise of warrants	7	35,000	-
Deposit received for the exercise of warrants	7	110,680	-
Cash received in advance of private placement	7	5,000	-
Net cash provided by investing activities		150,680	-
Net inflow of cash		80,104	5,892
Cash, beginning of period		46,849	2,086
Cash, end of period		**$ 126,953**	**$ 7,978**

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 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 condensed 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 May 31, 2020, the Company has an accumulated deficit of $14,937,336 (February 29, 2020 $14,809,154) since inception, and the Company's current liabilities exceed its current assets by $571,154 (February 29, 2020: 596,006). 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.

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.
- 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.

(Expressed in Canadian Dollars)

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 May 31, 2020:

		British Columbia, Canada Nizi Property		Total
Balance, February 28, 2019	$	102,800	$	102,800
Impairment		(102,800)		(102,800)
Balance, February 29 & May 31, 2020	**$**	**-**	**$**	**-**

Nizi Property, British Columbia

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**

(Expressed in Canadian Dollars)

As part of the agreement, the Company 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.

During the year ended February 29, 2020 the Company elected to terminate the Nizi Property Option agreement and wrote off the property to the value of $nil.

Rock Springs, Nevada

The Rock Springs Property ("Rock Springs") consists of 10 claims, which the Company staked in Elko County, Nevada.

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

During the year ended February 28, 2019, the Company received the first payment of $52,944 (US$40,000), $16,229 (US$12,669) of which was recorded as recovery of the exploration and evaluation assets balance. $2,277 (US$1,755) offset exploration and evaluation expenditure incurred during the year ended February 28, 2019 and $33,911 (US$25,576) was recorded as income in profit or loss with $527 representing a foreign exchange adjustment.

During the year ended February 29, 2020, the Company received the second payment of $26,518 (US$20,000), which was recorded as income in profit or loss.

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%.

Mineral Gulch, Idaho

The Mineral Gulch Property consisted of certain claims in southeastern Cassia County in southern Idaho. In June 2016, the Company sold 100% of its interest in the Mineral Gulch Property to Liberty Gold Corp. ("Liberty"). Part of the consideration received was 0.5% net smelter returns ("NSR") royalty on all future gold produced from the Mineral Gulch claims acquired. In conjunction with the sale of the Mineral Gulch Property, the Company assigned a 50% interest in the NSR royalty (0.25%) up to a maximum of US$2,300,000 to the Deer Trail Mining Company LLC ("DTMC"). During the year ended February 28, 2019, the Company sold its remaining NSR of 0.25% to DTMC for proceeds of $20,579 (US$16,000).

Julian Property, Ecuador

On January 23, 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 is an arm's length transaction and shareholder approval from Western Pacific's shareholders will not be required.

Pursuant to the terms of the Asset Purchase Agreement, Western Pacific will acquire Green Oil's legal and beneficial right, title and interest to the Julian Property (the "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 the Company. A finder fee of $92,500 is payable upon completion of the transaction.

Pursuant to the terms of the Asset Purchase Agreement, concurrent with the closing of the Transaction the Company is required to complete a financing for $1,500,000.

6. EXPLORATION EXPENDITURES

There were no exploration expenditures incurred during the three-month period ended May 31, 2020 (2019 - $Nil).

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.

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 May 31, 2020 375,000 shares were issued in relation to the exercise of warrants with an exercise price of $0.20 for total proceeds of $75,000. During the period ended May 31, 2019 160,000 shares were issued in relation to the Nizi Property option agreement (See Note 5).

Warrants

During the period ended May 31, 2020, 375,000 common shares were issued related to warrants exercised with an exercise price of $0.20 per warrant. In addition, the Company received cash proceeds of $110,680 in advance of issuing 553,400 common shares and is presented as an obligation to issue shares. The common shares were issued subsequent to May 31, 2020.

(Expressed in Canadian Dollars)

During the year ended February 29, 2020, the Company received cash proceeds of $40,000 in advance of issuing 200,000 common shares and is presented as an obligation to issue shares. The common shares were issued March 2, 2020.

During the year ended February 28, 2019, no warrants were exercised.

As at May 31, 2020, the number and weighted average exercise prices of 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
Outstanding warrants, February 29, 2020	**2,106,734**	**$0.20**
Granted	-	-
Exercised	(375,000)	$0.20
Outstanding warrants, May 31, 2020	**1,731,734**	**$0.20**

As at May 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
10/16/2024	1,731,734	4.38	$0.20
	1,731,734	4.38	$0.20

All outstanding warrants were exercisable as at May 31, 2020. 1,731,734 warrants were exercised subsequent to May 31, 2020.

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 from time to time. 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 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 May 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
Expired	-	-
Outstanding options, May 31, 2020	39,625	**$7.41**

(Expressed in Canadian Dollars)

As at May 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
Jul 25, 2020	5,000	0.15	$15.20
Jul 12, 2021	7,125	1.12	$22.80
Mar 21, 2022	27,500	1.81	$2.00
	39,625	**1.72**	**$7.41**

There were no options granted for the period ended May 31, 2020, or the years ended February 29, 2020, and February 28, 2019.

The weighted average remaining contractual life of the options outstanding at May 31, 2020 is 1.72 (2019: 1.43) years.

8. RELATED PARTY TRANSACTIONS

The Company's related parties with transactions during the periods ended May 31, 2020 and 2019 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 fees
Sundar Consulting	Management fees
Jnr Management Corp.	Consulting fees
CDM Capital Partners Inc.	Management fees and loans

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

i) Amounts due to related parties are as follows:

			Period ended May 31, 2020		Period ended February 29, 2020
Current officers	Management fees and expense reimbursements	$	-	$	2,000
Current officers and directors	Directors', consulting fees and loans	$	386,504	$	399,003
Total		$	386,504	$	401,003

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, is comprised of:

		Three months ended May 31, 2020		2019
Management and professional fees	$	-	$	27,000
Salaries and benefits		-		-
Consulting fees		7,000		27,000
Directors' fees		6,000		9,000
	$	**13,000**	**$**	**63,000**

9. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. For the period ended May 31, 2020, 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 the Company's other assets and expenditures are located and incurred in Canada.

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 May 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 will make adjustments to effectively support the acquisition and exploration of mineral properties.

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 May 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.

12. SUBSEQUENT EVENTS

On June 11, 2020, the Company completed a non-brokered private placement for gross proceeds of $1,500,000. The Company issued 7,500,000 units at a price of $0.20 per unit. Each unit is comprised of one common share, one-half of one Common Share purchase warrant exercisable at $0.35 for one year. The Company incurred $104,670 in cash finders' fees and issued 523,350 in finders' warrants.

On June 12, 2020, the Company announced it has completed an asset purchase agreement with Green Oil S.A., acquiring the legal and beneficial right, title and interest to the Julian Property, located in Ecuador. As consideration, Western Pacific issued to Green Oil and its nominees 6,000,000 common shares. The Company also paid a cash finder's fee of $92,500 to an arm's length third party.