



ORO X MINING CORP.

(FORMERLY WESTERN PACIFIC RESOURCES CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED FEBRUARY 28, 2021 and 2020

Expressed in Canadian Dollars

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Oro X Mining Corp. (formerly Western Pacific Resources Corp.)

Opinion

We have audited the accompanying consolidated financial statements of Oro X Mining Corp. (formerly Western Pacific Resources Corp.) (the "Company"), which comprise the consolidated statements of financial position as at February 28, 2021 and February 29, 2020, and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2021 and February 29, 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Guy Thomas.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

June 14, 2021

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	February 28, 2021	February 29, 2020
ASSETS			
Current assets			
Cash		\$ 1,517,135	\$ 46,849
Other receivables		12,375	12,361
Prepaid expenses and deposits		199,122	3,090
		<u>1,728,632</u>	<u>62,300</u>
Non-current assets			
Property and equipment		-	2,354
Exploration and evaluation assets	5	7,474,073	-
		<u>7,474,073</u>	<u>2,354</u>
TOTAL ASSETS		\$ 9,202,705	\$ 64,654
LIABILITIES and SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable and accrued liabilities		\$ 333,384	\$ 257,303
Due to related parties	8	2,500	401,003
Total liabilities		<u>335,884</u>	<u>658,306</u>
Shareholders' equity (deficiency)			
Share capital	7	24,777,582	11,590,317
Obligation to issue shares		-	40,000
Other equity reserves		3,877,299	2,585,185
Deficit		(19,788,060)	(14,809,154)
Total shareholders' equity (deficiency)		<u>8,866,821</u>	<u>(593,652)</u>
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY (DEFICIENCY)		\$ 9,202,705	\$ 64,654

Nature of operations and going concern (notes 1 & 2)

Subsequent events (note 13)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON JUNE 14, 2021:

_____ "Luis Zapata" Director _____ "Darryl Cardey" Director

See accompanying notes to the consolidated financial statements

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

	Note	February 28, 2021	February 29, 2020
EXPLORATION EXPENDITURES			
Exploration expenses	6	\$ (825,574)	\$ -
Income from leasing exploration and evaluation assets		26,592	26,518
Impairment of exploration and evaluation assets		-	(102,800)
		(798,982)	(76,282)
GENERAL AND ADMINISTRATIVE EXPENSES			
Amortization		(2,354)	(588)
Consulting fees	8	(1,337,019)	(223,350)
Directors fees	8	(30,031)	(25,000)
Investor relations		(768,197)	(915)
Office and administration		(128,441)	(1,857)
Professional fees	8	(391,885)	(34,151)
Salaries and benefits	8	(143,479)	(200)
Share-based payments	7,8	(1,264,818)	-
Transfer agent and regulatory fees		(104,170)	(19,670)
		(4,170,394)	(305,731)
		(4,969,376)	(382,013)
Finance (expense) income		(6,711)	242
Foreign exchange (loss) gain		(2,819)	4,255
		(9,530)	4,497
Loss and comprehensive loss for the year		\$ (4,978,906)	\$ (377,516)
Loss per share, basic and diluted		\$ (0.20)	\$ (0.14)
Weighted average number of common shares outstanding		24,671,413	2,612,895

See accompanying notes to the consolidated financial statements

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Share- based payments	Share purchase warrants	Shares to be issued	Deficit	Total
Balance, February 29, 2020	4,282,318	\$ 11,590,317	\$ 1,270,255	\$ 1,314,930	\$ 40,000	\$ (14,809,154)	\$ (593,652)
Loss for the year	-	-	-	-	-	(4,978,906)	(4,978,906)
Share issuance – warrants exercised	2,262,984	476,034	-	-	(40,000)	-	436,034
Share issuance – private placements	22,743,891	7,414,515	-	27,296	-	-	7,441,811
Share issuance – acquisition of mineral properties	13,679,836	5,296,716	-	-	-	-	5,296,716
Share-based payments	-	-	1,264,818	-	-	-	1,264,818
Balance, February 28, 2021	42,969,029	\$ 24,777,582	\$ 2,535,073	\$ 1,342,226	\$ -	\$ (19,788,060)	\$ 8,866,821
Balance, February 28, 2019	1,575,584	\$ 11,112,697	\$ 1,270,255	\$ 1,314,930	\$ 92,800	\$ (14,431,638)	\$ (640,956)
Loss for the year	-	-	-	-	-	(377,516)	(377,516)
Share issued for private placement, net	2,326,734	349,010	-	-	-	-	349,010
Exercise of warrants	220,000	44,000	-	-	-	-	44,000
Share issuance cost	-	(8,190)	-	-	-	-	(8,190)
Shares to be issued for the exercise of warrants	-	-	-	-	40,000	-	40,000
Share issuance – acquisition of mineral properties	160,000	92,800	-	-	(92,800)	-	-
Balance, February 29, 2020	4,282,318	\$ 11,590,317	\$ 1,270,255	\$ 1,314,930	\$ 40,000	\$ (14,809,154)	\$ (593,652)

See accompanying notes to the consolidated financial statements

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**CONSOLIDATED STATEMENTS OF CASH FLOW**

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

	February 28, 2021	February 29, 2020
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Loss for the year	\$ (4,978,906)	\$ (377,516)
Items not affecting cash:		
Amortization	2,354	588
Share-based payments	1,264,818	-
Impairment of exploration and evaluation assets	-	102,800
Foreign exchange	2,819	-
	(3,708,915)	(274,128)
Changes in non-cash working capital items:		
Receivables and prepaid	(196,046)	(3,498)
Accounts payable and accrued liabilities	73,261	(54,054)
Due to related parties	(398,503)	(38,377)
Net cash outflow from operating activities	(4,230,203)	(370,057)
FINANCING ACTIVITIES		
Proceeds from exercise of warrants	436,034	44,000
Cash received in advance for the exercise of warrants	-	40,000
Proceeds from private placement, net of issuance cost	7,441,811	340,820
Net cash flow from financing activities	7,877,845	424,820
INVESTING ACTIVITIES		
Exploration and evaluation	(2,177,356)	(10,000)
Net cash outflow from investing activities	(2,177,356)	(10,000)
Net change in cash	1,470,286	(44,763)
Cash, beginning of year	46,849	2,086
Cash, end of year	\$ 1,517,135	\$ 46,849
SUPPLEMENTAL CASHFLOW INFORMATION		
Income from leasing exploration and evaluation assets	\$ 26,592	\$ 26,518
Shares issued for acquisition of mineral properties - Ecuador	1,380,000	-
Shares issued for acquisition of mineral properties – Peru	3,916,716	-
Shares issued for obligation	40,000	-

See accompanying notes to the consolidated financial statements

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

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 consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

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 February 28, 2021, the Company had an accumulated deficit of \$19,788,060 (February 29, 2020 \$14,809,154) since inception, and the Company’s working capital was \$1,392,748 (February 29, 2020: 596,006 working capital deficit). 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 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. The Company estimates it has sufficient funds to operate for the ensuing 12 months.

COVID-19

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Corporation. The

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

extent to which the COVID-19 pandemic impacts the Corporation's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Corporation's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Corporation. Even after the COVID-19 pandemic has subsided, the Corporation may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Corporation cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

3. SIGNIFICANT ACCOUNTING POLICIES**Basis of Consolidation**

The consolidated financial statements include the accounts and results of operations of the Company and its wholly owned subsidiaries listed in the following table below.

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.

Name of Parent	Place of Incorporation
Oro X Mining Corp.	Canada
Name of Subsidiary	Place of Incorporation
Western Pacific Resources (U.S.) Corp.	USA
Quilla Canada Mining Corp.	Canada
Talla Canada Mining Corp.	Canada
Greengold Canada Mining Corp.	Canada
Quilla Mining SAC	Peru
Corporacion Minera Talla SAC	Peru
Green Gold Resources	Ecuador

Foreign Currency Translation

The Company has determined that the functional currency of the Company and its foreign subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the consolidated statement of financial position date. Non-monetary items are translated at the rate of exchange in effect when the assets were acquired, or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction. Exchange differences arising from the translations are recorded as a gain or loss on foreign exchange in profit or loss.

Income Taxes

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognized in profit or loss, except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income/loss.

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for those taxable temporary differences arising on the initial recognition of goodwill or on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Property and Equipment

Recognition and Measurement

Property and equipment are recorded at cost less accumulated amortization and any impairment losses.

Amortization

Amortization is recognized in profit or loss over the estimated useful lives of property and equipment using the following rates and methods:

Computer equipment	30% declining-balance
Furniture and office equipment	20% declining-balance

Additions during the year are amortized on a pro-rated basis.

Exploration and Evaluation Assets and Expenditures

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs may include cash consideration, the value of common shares issued based on fair values, and the fair value of share purchase warrants and options issued based on amounts determined using the Black-Scholes option pricing model, for mineral property interests pursuant to the terms of the agreement.

Exploration expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially feasible (it is first tested for impairment and thereafter), development expenditures on the property are capitalized.

The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

Exploration and evaluation assets acquired under an option agreement where payments are made at the sole discretion of the Company are capitalized at the time of payment. Property interests granted to others under an option agreement where payments to be made to the Company are at the sole discretion of the optionee, are recorded as recoveries at the time of receipt. Where recoveries exceed costs, such amounts are recognized in profit or loss.

The Company is in the exploration stage and the recoverability of amounts recorded as exploration and

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

evaluation assets is dependent upon the discovery of economically recoverable reserves, maintenance of the Company's legal interests in its mineral claims, obtaining further financing for exploration and development of its mineral claims and commencement of future profitable production, or receiving proceeds from the sale of all or an interest in its mineral properties. Management reviews the carrying value of exploration and evaluation assets on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property, or upon recognition of other indicators of impairment. Amounts shown for exploration and evaluation assets represent costs incurred, net of write-downs and recoveries, and are not intended to represent present or future values.

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income/loss.

Provisions

Rehabilitation Provision

The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reliable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

At February 28, 2021 and February 29, 2020, the Company is not aware of any obligation related to rehabilitation costs.

Other Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

Loss per Share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The weighted average number of common shares outstanding used for the calculation of the diluted per common share amount assumes that the proceeds to be received on the exercise of dilutive share options are used to repurchase common shares at the average market price during the period. In a loss year, potentially dilutive equity instruments are excluded from the loss per share calculation, as the effect would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit") and entitle the warrant holder to exercise the warrants for a stated price for a stated number of common shares in the Company. The Company uses the residual approach when allocating the fair value of the share purchase warrants issued in conjunction with the offering of units through a private placement. The Company determines the fair value of the common share and the residual value is allocated to the share purchase warrant for unit offerings that contain a common share and a share purchase warrant.

Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where terms and conditions of options are modified before they vest, any incremental increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to employees or others providing similar services, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received or at the fair value of the equity instruments issued (if it is determined the fair value of goods or services cannot be reliably measured), and are recorded at the date the goods or services are received.

All equity-settled share-based payments are reflected in other equity reserve until exercised. Upon exercise, shares are issued, and the amount reflected in other equity reserve is credited to share capital, adjusted for any consideration paid.

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

Where a grant of options is cancelled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Financial Instruments

Classification

Financial assets are classified at initial recognition as either: measured at amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ("OCI").

Fair value through profit or loss ("FVTPL") - Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed to profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Fair value through other comprehensive income ("FVTOCI") - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

The Company has classified its financial instruments as follows:

Financial instrument	IFRS 9 Classification
Cash	FVTPL
Receivables	Amortized cost
Deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost, contract assets and debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

New accounting standards and interpretations adopted during the year

There are no new standards that would have significant impact on the consolidated 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 carrying value and recoverability of exploration and evaluation assets
- The inputs in accounting for share-based payments;

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.

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

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.

- Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The Company uses the Black-Scholes valuation model to determine the share-based compensation.

5. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests during the year ended February 28, 2021:

	Ecuador Property (a)	Peru Properties (b)	Total
Balance, February 29, 2020	\$ -	\$ -	\$ -
Share issuance – acquisition cost (note 7(i)(b)(e))	1,380,000	3,916,716	5,296,716
Cash component – acquisition cost (b)	-	1,988,450	1,988,450
Other acquisition costs	96,300	92,607	188,907
Balance February 28, 2021	\$ 1,476,300	\$ 5,997,773	\$ 7,474,073

a) 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 known as the Julian Property. The Julian Property is located in the Province of Azuay in the canton of Oña.

On June 11, 2020, the Company acquired the Julian Property through the issuance of 6,000,000 common shares valued at \$1,380,000, to Green Oil and its nominees. The Company also paid direct transaction costs of \$96,300.

b) Coriorcco & Las Antas Property, Peru

On October 8, 2020, the Company purchased the option rights to acquire a 100% interest in the Coriorcco property and up to an 85% legal and beneficial interest in the Las Antas property located in Peru.

As consideration for the acquisition of the option rights, the Company paid cash of \$1,988,450 (USD \$1,500,000), issued 7,050,000 common shares valued at \$3,595,500 and paid a finder’s fee with 629,836 common shares valued at \$321,216.

The Coriorcco property is subject to a 1% net smelter royalty.

Additionally, as part of the amending agreement, the Company will pay USD \$200,000 (upon completion of registering the amended agreement with the Peruvian Public Registry, which had not occurred as at February 28, 2021 and will be required to pay up to \$850,000 (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

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

the Coriorcco property in a technical report prepared in accordance with National Instrument 43-101 on the following conditions:

- US\$350,000 if a measured and indicated resource of 500,000 to 999,999 ounces of gold is established;
- US\$450,000 if a measured and indicated resource of 1,000,000 to 1,499,999 ounces of gold is established; or
- US\$850,000 if a measured and indicated resource in excess of 1,500,000 ounces of gold is established

The Company was required to commence small scale mining by April 2021, however, that has been extended to April 2022 with the option to extend a further twelve months to April 2023 by incurring US\$200,000 in exploration expenditures.

c) Other projects*Rock Springs, Nevada, USA*

The Rock Springs Property ("Rock Springs") consists of certain staked claims in Elko County, Nevada. Pursuant to an agreement with Newmont the Company will receive ongoing lease payments of US\$20,000 to US\$25,000 until the lease is terminated. During the year ended February 28, 2021, the Company received \$26,592 (2020 – \$26,518). The Company retains a 1.5% NSR on future production on the property.

Nizi Property, Canada

The Company had an option agreement to earn a 100% interest in the Nizi property located in British Columbia, Canada. During the year ended February 29, 2020 the Company paid \$10,000 and issued 160,000 common shares valued at \$92,800 pursuant to the agreement. During the year ended February 29, 2020 the Company decided to terminate the agreement and wrote off \$102,800.

6. EXPLORATION EXPENDITURES

	Ecuador	Peru	Other	Total
Geological consulting	117,240	425,017	384	542,641
Concessions payments	32,041	68,711	-	100,752
Other	182,181	-	-	182,181
Year ended February 28, 2021	\$ 331,462	\$ 493,728	\$ 384	\$ 825,574

	Ecuador	Peru	Other	Total
Geological consulting	-	-	-	-
Year ended February 29, 2020	\$ -	\$ -	\$ -	\$ -

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) *During the year ended February 28, 2021, the Company*

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

- a) Issued 2,262,984 shares on the exercise of warrants for the total proceeds of \$476,034, of which \$40,000 was collected in the prior year ended February 29, 2020.
- b) On June 11, 2020, issued 6,000,000 common shares to acquire the Julian Property (See Note 5(a)).
- c) On June 11, 2020, 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 consisted 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 in net proceeds of \$1,374,830.

The Company also issued 523,350 broker warrants as with the same terms of the unit. The broker 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.

- d) On October 7, 2020, 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. The Company also paid direct transaction costs of \$30,831.
- e) On October 7, 2020, issued 7,679,836 common shares to acquire the option rights on the Coriorcco and Las Antas properties (See Note 5(b)).

ii) *During the year ended February 29, 2020, the Company:*

- a) Issued 160,000 shares with a value of \$92,800 in relation to the Nizi Property option agreement.
- b) 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.
- c) Issued 220,000 common shares upon warrant exercise for proceeds of \$44,000.

Warrants

The continuity of warrants for the years presented 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 (note 7(ii)(c))	4,273,350	\$0.35
Exercised (note 7(ii)(a))	(2,262,984)	\$0.21
Outstanding warrants, February 28, 2021	4,117,100	\$0.35

As at February 28, 2021, warrants enabling the holders to acquire common shares are as follows:

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

Expiry date	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
June 11, 2021	4,117,100	0.28	\$0.35
	4,117,100	0.28	\$0.35

As at February 29, 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
October 16, 2024	2,106,734	4.63	\$0.20
	2,106,734	4.63	\$0.20

Options

Option Plan

The Company has 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 continuity of share purchase options for the years presented is as follows:

	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	2,575,000	0.38
Cancelled	(84,625)	2.73
Expired	(5,000)	15.20
Outstanding options, February 28, 2021	2,525,000	\$0.38

As at February 28, 2021, options enabling the holders to acquire common shares are as follows:

Expiry date	Number of options	Number of vested options	Weighted average remaining life in years	Weighted average exercise price
June 24, 2025	1,850,000	1,337,500	4.32	\$ 0.27
November 2, 2025	675,000	337,500	4.68	\$ 0.70
	2,525,000	1,675,000	4.42	\$ 0.38

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

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

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

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 were estimated at \$682,519 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.

On November 2, 2020, the Company granted 675,000 stock options to the Company's management, directors and service providers. The fair value of the share options was estimated at \$483,589 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 251%, dividend yield of 0%, risk free interest rate 0.38%, weighted average exercise price \$0.70, weighted average fair value per option \$0.36, weighted average share price \$0.72. All options have a 12-month vesting provision.

The weighted average assumptions used in the Black-Scholes option pricing model are:

	February 28 2021	February 29, 2020
Expected option life	5 years	-
Stock price volatility	265%	-
Dividend yield	0%	-
Fair value of shares	\$0.45	-
Option exercise price	\$0.38	-

The weighted average remaining contractual life of the options outstanding at February 28, 2021 is 4.42 years (2020: 1.72).

For the year ended February 28, 2021, the stock-based compensation expense was \$959,311 (2020 - \$nil).

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

Restricted Share Units ("RSU")

On July 8, 2020, the Company adopted the RSU Plan. The RSU Plan is a fixed plan which reserves for issuance of maximum of 2,000,000 common shares. RSUs issued are to be settled through common shares only.

On November 2, 2020, 1,750,000 restricted share units ("RSUs") were awarded to officers and directors pursuant to the Company's restricted share unit plan. 50% of the RSUs vest on November 2, 2021 and the remaining 50% on November 2, 2022.

The share-based expense related to the RSU grant for the period ended February 28, 2020 was \$305,507 (2020 - \$nil).

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

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

8. RELATED PARTY TRANSACTIONS

The Company's related parties with transactions during the year ended February 28, 2021 and February 29, 2020 consist of directors, officers and the following companies with common directors:

Related party	Nature of transactions
J Dare Consulting Ltd. (Director)	Director fees
Sundar Consulting (Director)	Director fees
Roma Capital Corp. (Director, Officer)	Consulting fees
JR Management Corp. (Director)	Consulting fees
CDM Capital Partners Inc. (Director)	Consulting fees
A15 Capital Corp. (Director, Officer)	Consulting fees
Green Oil S.A. (Director)	Consulting fees

As at February 28, 2021, the Company had \$2,500 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:

	February 28, 2021	February 29, 2020
Professional fees	\$ -	\$ 63,000
Salaries and benefits	134,167	-
Consulting fees	455,628	77,000
Directors' fees	30,031	25,000
Share based payment	511,402	-
	\$ 1,131,228	\$ 165,000

As at February 28, 2021, the Company also had \$29,167 (2020 - \$nil) of prepaid employee advances to a Company controlled by an officer.

9. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. For the year ended February 28, 2021, the mineral property interests are located in Ecuador and Peru, 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

The Company is exposed to risks that arise from its use of financial instruments. The Company's objectives, policies and processes for managing those risks and the methods used to measure them are as follows:

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

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

policies to the Company's management.

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, Ecuador and Peru 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, a 10% change in foreign exchange rates would have a nominal effect to the Company's operations.

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 February 28, 2021, 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 nominal.

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

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.

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.

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 receivables, accounts payable and accrued liabilities and due to related parties approximate fair values due to their short-term nature. Cash is measured using level one of the fair value hierarchy.

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 (deficiency). The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties.

The properties in which the Company currently has an interest are 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. There have been no changes to the Company's approach to capital management during the year ended February 28, 2021. 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 expect its current capital resources to be sufficient to cover its operating costs through the next twelve months. However, to mitigate such risk, the Company will 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 condition.

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

12. DEFERRED INCOME TAXES

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

	2021	2020
Loss for the year	\$ (4,978,906)	\$ (377,516)
Canadian statutory tax rate	27.00%	27.00%
Income tax recovery computed at statutory rates	(1,344,000)	(102,000)
Change in statutory, foreign tax, foreign exchange rates and other	(2,000)	(3,000)
Permanent differences	601,000	-
Share issue costs	(83,000)	(2,000)
Adjustments to prior years provision versus	(304,000)	107,000
Unused tax losses and tax offsets	1,132,000	-
	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2021	2020
Non-capital losses	\$ 12,091,000	\$ 9,088,000
Capital loss	1,755,000	-
Exploration and evaluation assets	336,000	343,000
Share issue costs	251,000	7,000
Equipment and others	80,000	21,000
Unrecognized future deductible amounts	\$ 14,513,000	\$ 9,459,000

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

	Canada	US	Total
2030	\$ 298,308	\$ -	298,308
2031	701,358	-	701,358
2032	754,444	-	754,444
2033	903,717	-	903,717
2034	1,397,006	-	1,397,006
2035	615,642	834,056	1,449,698
2036	579,544	1,402,032	1,981,576
2037	375,502	-	375,502
2038	401,626	120,182	521,808
2039	375,571	19,250	394,821
2040	309,438	61,026	370,464
2041	2,941,963	-	2,941,963
	\$ 9,654,119	\$ 2,436,546	\$ 12,090,665

13. SUBSEQUENT EVENTS

- a) On February 11, 2021, the Company and Mines and Metals Trading (Peru) PLC ("MMTP", also commercially known as "Latitude Silver") announced the signing of a business combination agreement (the "Agreement"). Pursuant to the terms of the Agreement, the Company will acquire all of the MMTP common shares (the "MMTP Shares") as part of a merger of equals. Each MMTP Share will be exchanged for 28.828 common shares of the Company (an "Oro X Share"), resulting in an aggregate of approximately 42,969,000 Oro X Shares to be issued to the MMTP shareholders pursuant to the Transaction.

ORO X MINING CORP. (FORMERLY WESTERN PACIFIC RESOURCES CORP.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

The transactions contemplated by the Agreement are subject to, among other things:

- (i) the completion of a financing for minimum gross proceeds of \$14,000,000. On April 16, 2021, this condition was met through the completion of a subscription receipt financing of \$14,189,571 at \$0.60 per subscription receipt.
- (ii) the approval of MMTP shareholders;
- (iii) the receipt of all necessary consents, approvals, authorizations (including Exchange approval) for the Transaction;
- (iv) certain changes to the board of directors and management of the Company; and
- (v) other conditions which are customary for a transaction of this type.

A termination fee of \$2,500,000 is payable by the Company or MMTP, as applicable, if the Agreement terminates under certain circumstances.

The Company also anticipates paying a finder's fee consisting of 1,250,000 common shares in connection with the transaction to an arm's length third party.

The Transaction remains subject to the Exchange acceptance.

- b) On May 19, 2021, the Company agreed to advance an US\$120,000 bridge loan to MMTP. The loan ("Loan") will be secured through a pledge of all the shares of a wholly-owned MMTP subsidiary.

The maturity date ("Maturity Date") is earlier of:

- i) May 19, 2022, or
- ii) 60 days from the termination of the Transaction (see note 13(a)).

The Loan is non-interest bearing except in the event of a default, judgment or the Loan reached its Maturity Date (together as "Termination Event"). At which point, MMTP will be charged interest on the Loan at 10% per annum, compounded monthly, beginning on the day of Termination Event.

- c) Subsequent to year ended February 28, 2021, 4,117,100 share purchase warrants (with an exercise price of \$0.35) were exercised and the Company received total proceeds of \$1,440,957.