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# **Fireswirl Technologies Inc.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED  
JUNE 30, 2020**

**(Expressed in Canadian Dollars)**

**(UNAUDITED)**

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## **Notice to Reader**

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three and six months ended June 30, 2020 have not been reviewed by the Company's auditors.

# Fireswirl Technologies Inc.

Condensed Interim Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)  
(Unaudited)

	June 30, 2020	December 31, 2019
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 31,340	\$ 8,586
Trade and other receivables (note 4)	12,955	17,534
<b>Total Assets</b>	<b>\$ 44,295</b>	<b>\$ 26,120</b>
<b>Liabilities and shareholders' deficiency</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 33,455	\$ 242,741
<b>Total liabilities</b>	<b>33,455</b>	<b>242,741</b>
<b>Shareholders' equity</b>		
Common shares (note 5)	8,914,477	8,588,528
Contributed surplus (note 5)	3,671,365	3,671,365
Accumulated other comprehensive loss	(25,000)	(25,000)
Deficit	(12,550,002)	(12,451,514)
<b>Total shareholders' equity (deficiency)</b>	<b>10,840</b>	<b>(216,621)</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>	<b>\$ 44,295</b>	<b>\$ 26,120</b>

Going concern assumption (note 2 (b))

Approved by the Board of Directors:

Director: Gurdeep Bains \_\_\_\_\_

Director: Ji Yoon \_\_\_\_\_

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

# Fireswirl Technologies Inc.

Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income  
(Expressed in Canadian Dollars)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
<b>Operating expenses</b>				
General administration	\$ 51,091	\$ 96,107	\$ 75,893	\$ 179,673
<b>Operating loss before below item</b>	(51,091)	(96,107)	(75,893)	(179,673)
Foreign exchange gain	-	876	-	1,757
(Loss) gain on settlement of debt	(22,595)	63,126	(22,595)	63,126
Loss on disposition of investment	-	(25,000)	-	(25,000)
<b>Net loss for the period from continuing operations</b>	(73,686)	(57,105)	(98,488)	(139,790)
<b>Net income for the period from discontinued operations</b> (note 3)	-	70,499	-	29,129
<b>Net (loss) income for the period</b>	\$ (73,686)	\$ 13,394	\$ (98,488)	\$ (110,661)
<b>Other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax):</b>				
Exchange differences on translation of foreign operations	-	156,084	-	154,029
<b>Net comprehensive (loss) income for the period</b>	\$ (73,686)	\$ 169,478	\$ (98,488)	\$ 43,368
<b>Net (loss) income for the period attributable to:</b>				
Common shareholders of the Company	\$ (73,686)	\$ 33,513	\$ (98,488)	\$ (80,604)
Non-controlling interest	-	(20,119)	-	(30,057)
	(73,686)	13,394	(98,488)	(110,661)
<b>Net comprehensive (loss) income for the period attributable to:</b>				
Common shareholders of the Company	\$ (73,686)	\$ 187,721	\$ (98,488)	\$ 69,495
Non-controlling interest	-	(18,243)	-	(26,127)
	(73,686)	169,478	(98,488)	43,368
<b>Basic and diluted (loss) income per share of:</b>				
Loss from continuing operations attributable to common shareholders of the Company	\$ (0.04)	\$ (0.03)	\$ (0.03)	\$ (0.10)
Income (loss) from discontinued operations attributable to common shareholders of the Company	\$ (0.00)	\$ 0.04	\$ (0.00)	\$ 0.02
<b>Weighted average number of shares outstanding, basis and diluted</b>	1,920,629	1,743,409	3,261,772	1,410,570

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

# Fireswirl Technologies Inc.

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars)

(Unaudited)

	Number of shares issued and outstanding	Share capital	Contribution surplus	Accumulated other comprehensive loss	Accumulated other comprehensive relating to assets held for sale	Accumulated deficit	Total	Non- controlling interest	Total shareholders' equity
Balance, December 31, 2018	1,070,252	\$ 8,233,881	\$ 3,671,365	\$ (150,000)	\$ 272,033	(12,865,857)	(838,578)	(90,700)	(929,278)
Shares issued for settlement of debt	1,612,034	217,625	-	-	-	-	217,625	-	217,625
Net loss for the period	-	-	-	-	-	(80,604)	(80,604)	(30,057)	(110,661)
Exchange differences on translation of foreign operations	-	-	-	158,059	(7,960)	-	150,099	3,930	154,029
Balance, June 30, 2019	2,682,286	\$ 8,451,506	\$ 3,671,365	\$ 8,059	\$ 264,073	(12,946,461)	(551,458)	(116,827)	(668,285)
Balance, December 31, 2019	2,682,286	\$ 8,588,528	\$ 3,671,365	\$ (25,000)	\$ -	(12,451,514)	(216,621)	-	(216,621)
Shares issued in private placement	1,212,121	100,000	-	-	-	-	100,000	-	100,000
Shares issued for settlement of debt	1,506,328	225,949	-	-	-	-	225,949	-	225,949
Net loss for the period	-	-	-	-	-	(98,488)	(98,488)	-	(98,488)
Balance, June 30, 2020	5,400,735	\$ 8,914,477	\$ 3,671,365	\$ (25,000)	\$ -	(12,550,002)	10,840	-	10,840

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

# Fireswirl Technologies Inc.

Condensed Interim Consolidated Statements of Cash Flows  
(Expressed in Canadian Dollars)  
(Unaudited)

	Six Months Ended June 30,	
	2020	2019
<b>Operating Activities</b>		
Net loss for the period	\$ (98,488)	\$ (139,790)
Add (deduct) items not affecting cash:		
Depreciation and amortization	-	806
Loss on disposition of investment	22,595	25,000
Changes in non-cash working capital items:		
Trade and other receivable	4,579	(8,639)
Deposits and prepayments	-	(2,825)
Accounts payable and accrued liabilities	(5,932)	75,747
<b>Net cash flows used in operating activities of continuing operations</b>	<b>(77,246)</b>	<b>(49,701)</b>
<b>Investing Activities</b>		
Proceeds from disposition of investment	-	125,000
Advances from discontinued operations	-	(25,000)
<b>Cash provided by (used in) investing activities of continuing operations</b>	<b>-</b>	<b>100,000</b>
<b>Financing Activities</b>		
Shares issued for cash	100,000	-
<b>Cash provided by financing activities of continuing operations</b>	<b>100,000</b>	<b>-</b>
<b>Change in cash during the period of continuing operations</b>	<b>22,754</b>	<b>50,299</b>
<b>Cash, beginning of the period of continuing operations</b>	<b>8,586</b>	<b>4,553</b>
<b>Cash, end of the period</b>	<b>\$ 31,340</b>	<b>\$ 54,852</b>
<b>Net cash flows used in operating activities of discontinued operations</b>	<b>\$ -</b>	<b>\$ (66,140)</b>
<b>Cash provided by financing activities of discontinued operations</b>	<b>-</b>	<b>25,000</b>
<b>Effect of exchange rate changes on cash and cash equivalents discontinued operations</b>	<b>-</b>	<b>4,030</b>
<b>Change in cash during the year discontinued operations</b>	<b>-</b>	<b>(37,110)</b>
<b>Cash, beginning of the period discontinued operations</b>	<b>-</b>	<b>43,836</b>
<b>Cash, end of the period, discontinued operations</b>	<b>\$ -</b>	<b>\$ 6,726</b>

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

# Fireswirl Technologies Inc.

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

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### 1. Reporting Entity

Fireswirl Technologies Inc. (the "Company") was founded in 1999 and became publicly listed in 2006. The Company through its subsidiaries focused on conducting e-commerce, including operating official online stores for international brands in China and reselling branded products on these online stores and online store content development and deployment. Starting in February 2017, the Company also commenced the business of providing multimedia and interactive marketing solutions, specializing in three dimensional visualizations, computer graphics and digital design.

The address of the Company's registered office is 1200 - 750 West Pender Street, Vancouver, British Columbia. The Company's shares are listed on the NEX under the symbol FSW.H.

On January 15, 2019, the Company consolidated its common shares on a basis of 50 old shares to 1 new share. As part of the share consolidation, the stock options were also consolidated and the exercise price adjusted to reflect the consolidation. The consolidation has been reflected in these unaudited condensed interim financial statements and all applicable references to the number of shares and stock options and their strike price and per share information has been adjusted.

In accordance with TSX Venture Exchange Policy 2.5, the company has not maintained the requirements for a TSX Venture Exchange Tier 2 company. Therefore, effective July 22, 2019, the company's listing transferred to the NEX. As of July 22, 2019, the company is subject to restrictions on share issuances and certain types of payments as set out in the NEX policies. The trading symbol for the company changed from FSW to FSW.H.

### 2. Basis of Preparation and significant accounting policies

#### a) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 31, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent audited consolidated financial statements as at and for the period ended December 31, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

#### b) Going concern assumption

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. If the going concern assumptions were not appropriate for these financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statement to financial position classifications.

For the six months ended June 30, 2020, the Company incurred an operating loss of \$98,488. As at June 30, 2020, the Company had an accumulated deficit of 12,550,002 since inception.

# Fireswirl Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements  
June 30, 2020 and 2019  
(Expressed in Canadian Dollars)  
(Unaudited)

## 2. Basis of Preparation and significant accounting policies (continued)

### b) Going concern assumption (continued)

The continuation of the Company as a going concern is dependent upon its ability to raise additional financing and ultimately attain and maintain profitable operations. There can be no assurance that such financing and profitability will occur in the amounts and with terms expected. In the event that cash flow from operations, if any, together with the proceeds of any future financings, are insufficient to meet the Company's current operating needs, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the Board of Directors and management deems to be in the Company's best interest.

There is material uncertainty that the Company will be able to achieve profitable operations or continue raising funds in the future. These factors raise significant doubt about the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not give effect to adjustments to the carrying value and classification of assets and liabilities and related expense that would be necessary should the Company be unable to continue as a going concern.

### c) New accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current and future reporting periods.

## 3. Discontinued operations

As at June 30, 2020 and December 31, 2019, the discontinued operations have been disposed of for no considerations and the assets held for sale and liabilities relating to assets held for sale were \$nil.

The Company didn't have any discontinued operations results for the three and six months ended June 30, 2020.

The operating results of Asia and HK for the three months ended June 30, 2019 have been presented as discontinued operations as below:

	Asia	HK	Shenzhen	Total
<b>Operating revenue</b>	\$ -	\$ 23	\$ -	\$ 23
<b>Cost of sales</b>	-	16	-	16
	-	7	-	7
<b>Operating expenses</b>				
General administration	104	50,249	-	50,353
Sales and marketing	-	53	-	53
	104	50,302	-	50,406
	(104)	(50,295)	-	(50,399)
Gain on settlement of debt	120,833	-	-	120,833
Foreign exchange loss	65	-	-	65
<b>Net income (loss) from discontinued operations</b>	\$ 120,794	\$ (50,295)	\$ -	\$ 70,499

# Fireswirl Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements  
 June 30, 2020 and 2019  
 (Expressed in Canadian Dollars)  
 (Unaudited)

## 3. Discontinued operations (continued)

The operating results of Asia and HK for the six months ended June 30, 2019 have been presented as discontinued operations as below:

	Asia	HK	Shenzhen	Total
<b>Operating revenue</b>	\$ -	\$ 6,561	\$ -	\$ 6,561
<b>Cost of sales</b>	-	4,710	-	4,710
	-	1,851	-	1,851
<b>Operating expenses</b>				
General administration	333	61,691	16,077	78,101
Sales and marketing	-	15,302	157	15,459
	333	76,993	16,234	93,560
	(333)	(75,142)	(16,234)	(91,709)
Gain on settlement of debt	120,833	-	-	120,833
Interest income	-	-	5	5
<b>Net loss from discontinued operations</b>	\$ 120,500	\$ (75,142)	\$ (16,229)	\$ 29,129

The net cash flows from discontinued operations for the six months ended June 30, 2020 and 2019 are as follows:

Six months ended June 30,	2020	2019
<b>Net cash used in operating activities</b>	\$ -	\$ (66,140)
<b>Net cash provided by financing activities</b>	-	25,000
<b>Effect of exchange rate changes on cash and cash equivalents</b>	-	4,030
<b>Change in cash during the year for discontinued operations</b>	-	(37,110)
<b>Cash, beginning of the year for discontinued operations</b>	-	43,836
<b>Cash, end of the period, discontinued operations</b>	\$ -	\$ 6,726

## 4. Trade and Other Receivables

	June 30, 2020	December 31, 2019
VAT/GST receivable	\$ 12,955	\$ 17,534
	\$ 12,955	\$ 17,534



# Fireswirl Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements  
June 30, 2020 and 2019  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 5. Share Capital

### a) Share capital

(i) Authorized:

Unlimited number of common shares, voting, without par value.

Unlimited number of preferred shares, issuable in series.

(ii) Issued and outstanding:

The Company had 2,682,286 common shares issued and outstanding as at March 31, 2020.

On May 23, 2019, the Company completed the debt settlement described in its news release of April 18, 2019. The Company issued an aggregate of 1,612,034 common shares to settle outstanding debt totaling \$217,625.

On May 15, 2020, the Company completed a non-brokered private placement of 1,212,121 common shares at a price of \$0.0825 per share for gross proceeds of \$100,000. The shares issued in connection with the private placement are subject to a four-month hold period expiring on September 15, 2020.

On May 28, 2020, the Company settled \$203,354 of debt with creditors by issuing 1,506,328 common shares of the Company valued at \$225,949 based on the Company's share price of \$0.15 on the date of settlement. The shares issued in connection with the debt settlement are subject to a four-month hold period expiring on September 29, 2020.

### b) Stock option plan

The Company has established the stock option plan under which stock options to purchase common shares may be granted to directors, officers and employees of the Company and to any other person or Company permitted by the applicable regulatory authorities to purchase unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the plan shall not exceed 10% of the common shares of the corporation.

A summary of the share option activity during the periods is presented below:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2018, June 30, 2019, December 31, 2019	46,000	\$ 2.50
Expired	(4,000)	5.25
Balance, June 30, 2020	42,000	\$ 2.50

# Fireswirl Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements  
June 30, 2020 and 2019  
(Expressed in Canadian Dollars)  
(Unaudited)

## 5. Share Capital (continued)

### b) Stock option plan (continued)

The following table summarizes information about stock options outstanding at June 30, 2020:

Exercise Price (\$)	Number of options	Remaining contractual life (years)
2.50	16,000	1.94
2.50	26,000	0.91
2.50	42,000	1.30

## 6. Related Party Transactions

The related party transactions are in the normal course of operations and are measured and recorded at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these consolidated financial statements are listed below:

### Key management compensation

Key management includes directors (executive and non-executive), chief executive officer and chief financial officer of the Company. The compensation paid or payable to key management personnel during the periods ended June 30, 2020 and 2019 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Salaries and fees:				
-Salaries and consulting fees	\$ 15,750	\$ 39,000	\$ 38,250	\$ 39,000

Key management personnel were not paid post employment benefits or other long-term benefits during the period ended June 30, 2020. As at June 30, 2020, the Company owed \$15,387 (December 31, 2019 - \$85,500) to a director which was included in the accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing with no fixed term of repayment.

# Fireswirl Technologies Inc.

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

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### 7. Financial Instruments

#### a) Fair value

Fair value is the amount at which a financial instrument could be exchanged between willing parties based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the observable inputs used to value the instrument:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The Company's financial assets include cash and cash equivalents which are classified as amortized cost. The Company's financial liabilities include accounts payable and accrued liabilities which are all classified as financial liabilities at amortized cost.

The fair values of cash and cash equivalents and accrued liabilities, and due to related parties approximate their carrying values due to the short-term nature of these instruments. As at June 30, 2020, the Company did not have financial liabilities measured at fair value on a recurring basis.

#### b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalent, restricted cash, trade receivable and due from a related party.

The Company limits its exposure to credit risk on cash and cash equivalents by depositing only with reputable financial institutions. Maximum credit risk related to cash and cash equivalents amounted to \$31,340 at June 30, 2020 (December 31, 2019 - \$8,586).

# Fireswirl Technologies Inc.

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

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### 7. Financial Instruments (continued)

#### c) Currency risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company uses the Canadian dollar as its reporting currency for these consolidated financial statements. The Company's operations may give rise to exposure to market risks from changes in foreign exchange rates. The Company is exposed to foreign exchange rates when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currency. The Company currently does not use derivative instruments to hedge its exposure to those risks. As at June 30, 2020, the Company is subject to immaterial currency risk as it did not have material assets or liabilities held in currencies other than its functional currency.

#### d) Interest risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest risk as at June 30, 2020.

#### e) Liquidity risk

The purpose of liquidity risk management is to maintain a sufficient amount of cash and cash equivalents. Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost.

As at June 30, 2020, the Company had total debt in the amount of \$33,455 due within 12 months (December 31, 2019 - \$242,741) and \$10,840 of working capital deficiency (December 31, 2019 - working capital deficiency of \$216,620).

### 8. Capital Management

The Company has defined its capital as common shares, contributed surplus, accumulated other comprehensive income and accumulated deficit.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to maintain appropriate cash reserves on hand to support continued operations and shareholder returns, maintain capital structure while keeping capital costs at a minimum, and to invest cash on hand in highly liquid, highly rated financial instruments.

The Company is not exposed to externally imposed capital restrictions, and the Company's objectives and strategies described above have not changed since last year. These objectives and strategies are reviewed on a continuous basis.

# Fireswirl Technologies Inc.

Notes to Condensed Interim Consolidated Financial Statements  
June 30, 2020 and 2019  
(Expressed in Canadian Dollars)  
(Unaudited)

## 9. Expenses by Nature

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
<b>General administrative expense</b>				
Salaries and benefits	\$ -	\$ 13,500	\$ -	\$ 27,000
Professional fees, insurance and public company cost	38,532	41,445	60,807	106,595
Other office expenses	15,059	40,759	15,086	45,273
Depreciation and amortization	-	403	-	805
	\$ 53,591	\$ 96,107	\$ 75,893	\$ 179,673

## 10. Subsequent event

On August 17, 2020, the Company announced that further to its news release dated June 15, 2020, it has entered into a share exchange agreement with West Pacific Ventures Corp. ("West Pacific"), the shareholders of West Pacific, and Revelo Resources Corp. ("Revelo") dated July 31, 2020, pursuant to which the Company agreed to acquire 100% of the outstanding shares of West Pacific in consideration for common shares of the Company (the "Transaction").

Pursuant to the share exchange agreement, the Company will on closing acquire 100% of the outstanding shares of West Pacific in consideration for issuing 14,300,200 common shares of the Company to existing West Pacific Shareholders, plus that number of common shares equal to 19.9% of the total issued shares of the Company on closing of the transaction, which are issuable to Revelo. Revelo will also have an anti-dilution right that will maintain Revelo's interest in the Company at 19.9% until such time as the Company has raised an aggregate of \$6,000,000 in equity financings, including any financing closing in connection with the transaction. Thereafter, Revelo will have the right to maintain its percentage interest in the Company for a further two years. The Company has also agreed to provide Revelo with the right to appoint one director to the board of directors.

The Company is further pleased to announce that the Company and West Pacific have engaged Canaccord Genuity Corp. to act as lead agent for a private placement offering of a minimum of \$4 million and a maximum of \$6 million of subscription receipts of West Pacific on a commercially reasonable efforts basis. A total of 15 million subscription receipts will be offered at a price of \$0.40 per subscription receipt. Each subscription receipt will automatically convert into a unit of West Pacific and be exchanged for a unit of the Company on closing of the Transaction. Each unit of the Company will consist of a share of the Company and half of a share purchase warrant, with each whole warrant being exercisable to acquire a further share of the Company at a price of \$0.60 for a period of two years from the Transaction closing date. Pursuant to the engagement letter Canaccord was also granted an over-allotment option to offer for sale up to an additional 15% of the number of subscription receipts sold in the offering.

The gross proceeds of the offering, less certain fees and expenses of the agent will be placed in escrow on behalf of the purchasers of Subscription Receipts and will be released to West Pacific upon satisfaction of certain escrow release conditions, which will include the completion of the Transaction. Should the escrow release conditions not be satisfied, the Subscription Receipts will be cancelled and the proceeds from the sale of Subscription Receipts will be returned to subscribers.

Use of proceeds of the private placement will be allocated to advancing exploration activities on the Chilean projects and general working capital.

Completion of the Transaction is subject to completion of the private placement, approval for listing on the CSE and other customary conditions