PAMPA METALS CORPORATION
(FORMERLY FIRESWIRL TECHNOLOGIES INC.)

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2021
(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pampa Metals Corporation (Formerly Fireswirl Technologies Inc.)

Opinion

We have audited the consolidated financial statements of Pampa Metals Corporation (Formerly Fireswirl Technologies Inc.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020 and June 30, 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended December 31, 2021, the six months ended December 31, 2020 and the year ended June 30, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020 and June 30, 2020, and its financial performance and its cash flows for the year ended December 31, 2021, the six months ended December 31, 2020 and the year ended June 30, 2020 is in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit 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 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 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 David Goertz.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 4, 2022

MOORE

An independent firm
associated with Moore
Global Network Limited

PAMPA METALS CORPORATION

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	**December 31, 2021**	**December 31, 2020**	**June 30, 2020**
Assets			
Current assets			
Cash	$ 1,333,960	$ 3,290,262	$ 322,136
HST receivable	70,458	20,284	8,000
Prepaid	31,948	123,358	-
Loan receivables	-	-	5,800
Total current assets	1,436,366	3,433,904	335,936
Equipment	44,415	-	-
Mineral property interests (note 6)	5,147,059	3,131,555	191,909
Total Assets	$ 6,627,840	$ 6,565,459	$ 527,845
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities (note 3)	$ 47,292	$ 329,883	$ 28,786
Total Liabilities	47,292	329,883	28,786
Shareholders' Equity			
Share capital (note 5)	9,858,337	7,892,540	535,100
Warrants reserve (note 5)	995,314	903,937	-
Contributed surplus (note 5)	628,464	15,015	-
Accumulated deficit	(4,901,567)	(2,575,916)	(36,041)
Total shareholders' equity	6,580,548	6,235,576	499,059
Total Liabilities and Shareholders' Equity	$ 6,627,840	$ 6,565,459	$ 527,845

Nature of operations and going concern (note 1)
Subsequent events (note 11)

Approved by the Board of Directors:

Director: Julian R.F Bavin

Director: Adrian Manger

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

PAMPA METALS CORPORATION

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Expenses			
Consulting fees	$ 138,750	$ 34,446	$ -
Depreciation	4,176	-	-
Director and management fees (note 9)	639,376	9,711	-
General and administration	57,855	1,925	318
Investor relations and communication	586,324	60,286	-
Professional fees	277,684	183,025	27,322
Stock-based compensation (notes 5 and 9)	613,449	15,015	-
Shareholder information	72,451	28,664	-
Net loss for before other items:	(2,390,065)	(333,072)	(27,640)
Other items:			
RTO transaction costs (note 4)	-	2,201,003	-
Write-off of loan receivable	-	5,800	
Interest income	5,020	-	-
Foreign exchange	59,394	-	-
Net loss and comprehensive loss for the year	$ (2,325,651)	$ (2,539,875)	$ (27,640)
Basic and diluted loss per share	$ (0.05)	$ (0.12)	$ 0.02
Weighted average number of shares outstanding - basic and diluted	43,714,387	20,327,605	1,593,626

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

PAMPA METALS CORPORATION

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital Number	Share Capital Amount	Warrants reserve	Contributed surplus	Deficit	Accumulated Total
Balance, June 30, 2019	201	$ 100	$ 20,000	$ -	$ (8,401)	$ 11,699
Issuance of common shares in private placements	14,300,000	535,000	(20,000)	-	-	515,000
Net loss and comprehensive loss	-	-	-	-	(27,640)	(27,640)
Balance, June 30, 2020	14,300,201	535,100	-	-	(36,041)	499,059
Issuance of common shares for property	7,798,747	2,417,612	-	-	-	2,417,612
Issuance of common shares in private placement	10,061,250	4,024,500	-	-	-	4,024,500 `
Common shares issued to broker	93,750	29,063	-	-	-	29,063
Share issuance costs	-	(422,773)	-	-	-	(422,773)
Fair value of warrants issued	-	(764,072)	764,072	-	-	-
Fair value of broker warrants issued	-	(76,968)	76,968	-	-	-
Conversion of Fireswirl shares and consideration for RTO	6,935,735	2,150,078	62,897	-	-	2,212,975
Stock-based compensation	-	-	-	15,015	-	15,015
Net and comprehensive loss	-	-	-	-	(2,539,875)	(2,539,875)
Balance, December 31, 2020	39,189,683	7,892,540	903,937	15,015	(2,575,916)	6,235,576
Issuance of common shares for property	1,090,649	556,231	-	-	-	556,231
Issuance of common shares in private placement	6,115,062	2,751,778	-	-	-	2,751,778
Share issuance costs	-	(213,739)	-	-	-	(213,739)
Fair value of broker warrants issued	-	(91,377)	91,377	-	-	-
Cancellation of common shares as consideration for option on properties interest	(2,963,132)	(1,037,096)	-	-	-	(1,037,096)
Stock-based compensation	-	-	-	613,449	-	613,449
Net loss and comprehensive loss	-	-	-	-	(2,325,651)	(2,325,651)
Balance, December 31, 2021	43,432,262	$ 9,858,337	$ 995,314	$ 628,464	$ (4,901,567)	$ 6,580,548

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

PAMPA METALS CORPORATION

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Operating Activities			
Net loss	$ (2,325,651)	$ (2,539,875)	$ (27,640)
Items not affecting cash:			
Stock-based compensation	613,449	15,015	-
RTO transaction costs	-	2,201,003	-
Write-off of loan receivable	-	5,800	-
Depreciation of equipment	4,176	-	-
Changes in non-cash operating working capital:			
HST receivables	(50,174)	14,031	(8,000)
Prepaid	91,410	(123,358)	-
Accounts payable and accrued liabilities	(282,592)	225,047	25,971
Cash used in operating activities	(1,949,382)	(202,337)	(9,669)
Investing Activities			
Purchase of equipment	(48,950)	-	-
Expenditures on mineral properties	(2,496,369)	(521,017)	(191,909)
Cash obtained upon acquisition of Fireswirl	-	61,707	-
Cash used in investing activities	(2,545,319)	(459,310)	(191,909)
Financing Activities			
Proceeds from issuance of shares and shares to be issued, net of costs	2,538,039	3,630,790	515,000
Cash provided by financing activities	2,538,039	3,630,790	515,000
Change in cash	(1,956,662)	2,969,143	313,422
Impact of foreign exchange	360	(1,017)	-
Cash, beginning	3,290,262	322,136	8,714
Cash, ending	$ 1,333,960	$ 3,290,262	$ 322,136
Non-cash investing and financing activities			
Shares issued for mineral interests	$ 556,231	$ 2,417,612	$ -
Cancellation of shares for mineral interest	$ 1,037,096	$ -	$ -

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

1. Nature of operations and going concern

Fireswirl Technologies Inc. ("Fireswirl” or "the Company") was incorporated in 1999. The address of Fireswirl registered office was 1200 - 750 West Pender Street, Vancouver, British Columbia.

West Pacific Ventures Corp. ("West Pacific") was incorporated on August 31, 2018 under the British Columbia Corporations Act. West Pacific's registered office was located at 1200-750 W Pender Street, Vancouver BC. V6C 2T8.

On July 31, 2020, the Company entered into a definitive property purchase agreement to acquire a 100% interest in eight copper and gold projects in northern Chile Revelo Resources Corp. ("Revelo") (note 6). On November 27, 2020, West Pacific completed the acquisition.

On November 27, 2020, West Pacific completed a takeover transaction (the “Transaction”) by way of a three-cornered amalgamation with Fireswirl, pursuant to an agreement (the “Definitive Agreement”) dated September 1, 2020 between West Pacific, 1263621 B.C. Ltd., Fireswirl and Revelo. Pursuant to the Definitive Agreement, West Pacific amalgamated with 1263621 B.C. Ltd., and Fireswirl issued 33,048,948 common shares and 5,030,625 share purchase warrants (“Warrants”) of Fireswirl to the shareholders of West Pacific on a one for one basis in exchange for all of the outstanding shares and warrants of West Pacific. The Transaction was accounted for as a reverse takeover ("RTO") whereby West Pacific was identified as the acquirer for accounting purpose and the resulting consolidated financial statements were presented as a continuance of West Pacific and the comparative figures presented in the consolidated financial statements after the RTO are those of West Pacific. After the RTO, the combined entity of Fireswirl and West Pacific is referred to also as " the Company" in these consolidated financial statements. After the Transaction, Fireswirl was renamed Pampa Metals Corporation ("Pampa" or the "Company").

On November 27, 2020, in connection with the Transaction, Fireswirl voluntarily delisted its common shares from the NEX board of the TSX Venture Exchange ("TSXV") in order to list its common shares on the Canadian Securities Exchange ("CSE"). On December 14, 2020, the Company initiated trading on the CSE under the ticker symbol "PM".

Subsequent to the RTO, West Pacific changed its year end from June 30 to December 31.

1. Nature of operations and going concern (continued)

At December 31, 2021, the Company had working capital of $1,389,074 and an accumulated deficit of $4,901,567. The Company expects to incur further losses in the development of its business. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due; all of which are uncertain.

These consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern, and, therefore be required to realized its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in these consolidated financial statements. Such adjustments could be material.

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the governmental and central banker interventions. It is not possible to reliably estimate the length and severity of these developments and their impact on the financial results and condition of the Company in future periods.

2. Significant accounting policies

(a) Statement of compliance

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 issued by the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2021. The policies set out below are based on IFRS issued and outstanding as of May 4, 2022, the date of the Directors approved the statements.

(b) Basis of Measurement

These consolidated financial statements have been prepared on an historical cost basis except for certain financial instruments, which are measure at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Functional and Presentation Currency

The consolidated financial statements have been prepared in Canadian dollars, which is the Company’s presentation currency. The functional currency of the Company and its subsidiaries is the Canadian dollar.

2. Significant accounting policies (continued)

(d) Significant Accounting Estimates and Judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgments:
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

- Income taxes - measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements;
- Recognition of deferred income tax assets - In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified;
- Going concern - management must make an assessment as to the going concern basis of accounting and uncertainties associated with the Company’s ability to raise additional capital and/or obtain financing to advance the exploration properties;
- Impairment of Exploration and Evaluation (E&E) asset - The application of the Company's accounting policy for impairment of E&E assets requires judgment in determining if the facts and circumstances suggests that the carrying amount exceeds the recoverable amount; and
- Stock-based compensation - the Company uses the fair value method of valuing compensation expense associated with the Company’s share-based compensation plan. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company’s stock options.

2. Significant accounting policies (continued)

(e) Basis of consolidation

The consolidation of the financial statements incorporate the financial statements of the Company and its subsidiary. The results of subsidiary acquired or disposed of during the years presented are included in these consolidated statements of loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. An investor controls an investee if the investor has the power over the investee, has the exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investee's returns. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following subsidiary is 100% owned and has been consolidated within the consolidated financial statements:

	Registered	**Principal activity**
Pampa Metals Chile SpA	Chile	Mineral exploration and evaluation

(f) Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting date. All other financial assets are measured at their fair values at each subsequent reporting date, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

2. Significant accounting policies (continued)

(f) Financial instruments (continued)

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company's financial assets consists of cash, which is classified and subsequently measured at FVTPL and loan and subscription receivables which are classified and subsequently measured at amortized cost. The Company's financial liabilities consist of accounts payable and accrued liabilities which are classified and measured at amortized cost using the effective interest method.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

(g) Loss Per Share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

2. Significant accounting policies (continued)

(h) Mineral properties

Costs related to the acquisition and exploration of mineral properties ("E&E assets") are capitalized until a decision is made as to whether or not the assets contain sufficient economic reserves for mine development. These costs would also include periodic fees such as license and maintenance fees. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company assesses E&E assets for impairment when facts or circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. When this is the case, the Company would carry out an impairment test on the asset or group of assets, which requires estimate and judgment in determining the recoverable amount with reference to the fair value of the assets or group of assets less costs to sell or the value-in-use calculation. Where the recoverable amount is determined to be less than the carrying amount, an impairment loss may arise. If a mineral property interest is abandoned, the acquisition costs will be written off to statement of loss.

(i) Share-based compensation transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based compensation transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, such as share-based payments to employees, they are measured at fair value of the share-based payment. Share-based payments to employees of the subsidiaries are recognized as cash settled share-based compensation transactions.

(j) Income taxes

Income tax on these consolidated statements of loss for the years presented comprises current and deferred tax. Income tax is recognized in these consolidated statements of loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.
Deferred tax is recognized in respect of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to taxable temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2. Significant accounting policies (continued)

(i) Income taxes (continued)

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at December 31, 2021, December 31, 2020 and June 30, 2020.

(k) Foreign currencies

The functional currency of the parent company and its subsidiaries is the Canadian dollar. The Canadian dollar is the currency in which it presents these consolidated financial statements. The Company recognizes transactions in currencies other than the Canadian dollar or the Chilean peso for its subsidiary at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the consolidated statements of loss and comprehensive loss using the end of reporting period exchange rates . Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(l) Leases

The Company's accounting policy for leases under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

(Expressed in Canadian Dollars)

3. Accounts payable and accrued liabilities

As at	December 31, 2021	December 31, 2020	June 30, 2020
Accounts payable	$ 22,030	$ 57,993	$ -
Accrued liabilities	25,262	271,890	28,786
	$ 47,292	$ 329,883	$ 28,786

4. Reverse takeover

On November 27, 2020, Fireswirl issued 33,048,948 common shares and 5,030,625 share purchase warrants to acquire 100% of the outstanding shares and warrants of West Pacific (note 1).The substance of the transaction was a reverse takeover of a non-operating company. The transaction did not constitute a business combination as Fireswirl did not meet the definition of a business. As a result, the transaction is accounted for as a share-based payment transaction with West Pacific being identified as the acquirer and the equity consideration being measured at fair value. The resulting consolidated statement of financial position is presented as a continuance of West Pacific and comparative figures presented in the consolidated financial statements after the reverse takeover are those of West Pacific.

IFRS 2, Share-based Payments, applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return. Because West Pacific effectively issued shares with a value in excess of the net assets received, the difference is recognised in net loss as a listing expense.

The fair value of the consideration is determined based on the percentage of ownership the legal parent's shareholders had in the combined entity after the transaction. This represents the fair value of the shares that West Pacific would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of West Pacific acquiring 100% of the shares in Fireswirl. The percentage of ownership Fireswirl shareholders had in the combined entity was 16% after the issue of 33,048,948 Fireswirl shares. The fair value of the consideration in the RTO was equivalent to the fair value of the 6,140,735 Fireswirl shares controlled by original Fireswirl shareholders, 370,000 warrants to Fireswirl warrant holders, and 5,025 broker warrants to Fireswirl broker warrant holders. The fair value of the shares controlled by original Fireswirl shareholders was estimated to be $1,903,628 based on the fair market value of $0.31 per share in the most recent private placement of Fireswirl on the date of October 19, 2020. The fair value of the warrants was estimated to be $61,992 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 136%; risk-free interest rates of 0.21%; and expected lives of 1.89 to 2 years. The fair value of the broker warrants was estimated to be $905 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 136%; risk-free interest rate 0.21%; and an expected life of 2 years. The Company also issued 795,000 common shares of the Company as a finder’s fee to 1247979 B.C. Ltd., a third party which was valued at $246,450 based on the fair market value of $0.31 per share in the most recent private placement of Fireswirl on the date of October 19, 2020.

(Expressed in Canadian Dollars)

4. Reverse takeover (continued)

Based on the consolidated statement of financial position of Fireswirl at the time of the RTO, the net assets at estimated fair value that were acquired by West Pacific were $11,972 and the resulting transaction cost charged to the consolidated statement of loss and comprehensive loss is as follows:

Consideration	
Common shares	$ 1,903,628
Fair value of warrants	61,992
Fair value of broker warrants	905
Common shares issued to finder	246,450
Total consideration	**$ 2,212,975**
Identifiable assets acquired	
Cash	$ 61,707
Accounts receivable	26,315
Accounts payable and accrued liabilities	(76,050)
Total identifiable assets acquired	11,972
Unidentifiable assets acquired	
Transaction cost	2,201,003
Total net identifiable assets and transaction cost	**$ 2,212,975**

5. Share capital

(a) Authorized

The Company is authorized to issue an unlimited number of common shares.

(b) Issued and outstanding - Common Shares

(i) During the year ended June 30, 2020, 14,300,201 common shares were issued in private placements for gross proceeds of $535,100.

(ii) On November 27, 2020, the Company issued 7,798,747 common shares to Revelo for the purchase of certain exploration properties in northern Chile (note 6).

(iii) On November 27, 2020, the Company completed a private placement of 10,061,250 subscription receipts at a price of $0.40 per subscription receipt for gross proceeds of $4,024,500. Each Subscription Receipt automatically converted into a unit of West Pacific and was exchanged for a unit of the Fireswirl on closing of the RTO (note 4). Each unit of the Company consists of a common share of the Company and half warrant, with each whole warrant being exercisable to acquire a further common share of the Company at a price of $0.60 for a period of two years from the escrow release date. The fair value of the 5,030,625 warrants was estimated at $764,072 using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.31, risk-free rates between 0.21%, dividend rate of 0%, expected life of between 2 years, and volatility of 136%.

5. Share capital (continued)

b) Issued share capital (continued)

(iii) (continued) The Company issued 93,750 common shares to the broker for the private placement which was valued at $29,063 based on the share price on issuance date of $0.31 and was included in share issuance costs. The Company also issued 446,381 broker warrants with each broker warrant being exercisable to acquire a further common share of the Company at a price of $0.60 for a period of two years. The fair value of the 446,381 broker warrants was estimated at $76,968 using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.31, risk-free rates between 0.21%, dividend rate of 0%, expected life of between 2 years, and volatility of 136%.

The Company incurred a total share issuance cost of $393,710 of which $84,648 was allocated to the warrants issued.

(iv) On November 27, 2020, the Company issued 33,048,948 common shares and 5,030,625 share purchase warrants to acquire 100% of the outstanding shares and warrants of West Pacific (note 4).

(v) On March 18, 2021, the Company completed a financing of 6,115,062 units for gross proceeds of $2,751,778. Each unit was comprised of one common share and one-half warrant. Each whole warrant is exercisable into one common share at an exercise price of $0.60 per share for 24 months. The Company may reduce the exercise period of the warrants to 30 days from the date the Company provides notice to the holders of the warrants that the weighted average trading price of the common shares of the Company on the CSE is $0.90 or greater for a period of 10 consecutive trading days.

The Company issued 310,119 broker warrants in the private placement. The fair value of the 310,118 broker warrants was estimated at $91,377 using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of $0.51, risk-free rates between 0.27%, dividend rate of 0%, expected life of between 2 years, and volatility of 121%.

The Company incurred share issuance costs of $213,739 of which $80,706 was allocated to the warrants and $133,033 was allocated to the share capital.

(vi) On March 18, 2021, the Company issued 1,090,649 common shares to Revelo in relation to the acquisition of the copper exploration properties in northern Chile (note 6).

(Expressed in Canadian Dollars)

5. Share capital (continued)

b) Issued share capital (continued)

(vii) On August 10, 2021, the Company cancelled the 2,963,132 common shares returned, credited the amount of $1,037,096 against the mineral property interest which represents the fair value of the common shares returned on August 10, 2201 and credited the refunded license fee of $59,381 against the mineral property interest.

Warrants and broker warrants

A summary of the Company's share purchase warrants and broker warrants for the year ended December 31, 2021 and for the six months ended December 31, 2020 are as follows:

	Number of warrants outstanding	Weighted average exercise price ($)
Balance, June 30, 2020 and 2019	-	$ -
Warrants issued in private placement	5,030,625	0.60
Broker warrants issued in private placement	446,381	0.60
Warrants issued in RTO	370,000	0.60
Broker warrants issued in RTO	5,250	0.60
Balance, December 31, 2020	5,852,256	0.60
Warrants issued in private placement (note 5(b)(v))	3,057,530	0.60
Broker warrants issued in private placement (note 5(b)(v))	310,118	0.60
Balance, December 31, 2021	9,219,904	$ 0.60

As at December 31, 2021, the following warrants and broker warrants are outstanding:

Expiry date	Options outstanding	Exercise price ($)	Weighted average remaining life (years)
Warrants			
October 19, 2022	332,500	0.60	0.80
November 27, 2022	5,068,125	0.60	0.91
March 18, 2023	3,057,531	0.60	1.21
	8,458,156	0.60	1.01

(Expressed in Canadian Dollars)

5. Share capital (continued)

Warrants and broker warrants (continued)

Expiry date	Options outstanding	Exercise price ($)	Weighted average remaining life (years)
Broker warrants			
November 27, 2022	451,631	0.60	0.91
March 18, 2023	310,118	0.60	0.91
	761,749	0.60	0.91
Total warrants and broker warrants	9,219,905	0.60	1.01

Stock options

The movement in the Company's share options for the years ended December 31, 2021 and 2020 are as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, June 30, 2020 and 2019	-	$ -
Granted (i)	3,000,000	0.45
Balance, December 31, 2020	3,000,000	$ 0.45
Granted (ii)	600,000	0.45
Balance, December 31, 2021	3,600,000	$ 0.45

(i) On December 22, 2020, the Company granted 3,000,000 stock options to certain officers and directors of the Company. The stock options have an exercise price of $0.45 per share and are exercisable for a period of five years from the date of grant. The stock options have a three year vesting period with one-third vesting at the end of 12 months from the date of grant, one-third at 24 months from the date of grant and one-third at 36 months from the date of grant. The fair value of the stock options of $996,471 was determined using the Black-Scholes option pricing model with the following assumptions: 5 years expected life; share price at the grant date of $0.385; 136% volatility; risk free interest rate of 0.42%; and a dividend yield of 0%.

(ii) On October 7, 2021, the Company granted 600,000 stock options to a consultant of the Company. The stock options have an exercise price of $0.45 per share and are exercisable for a period of five years from the date of grant. The stock options have a three year vesting period with one-third vesting at the end of 12 months from the date of grant, one-third at 24 months from the date of grant and one-third at 36 months from the date of grant. The fair value of the stock options of $150,691 was determined using the Black-Scholes option pricing model with the following assumptions: 5 years expected life; share price at the grant date of $0.315; 121% volatility; risk free interest rate of 1.13%; and a dividend yield of 0%.

The Company recorded stock-based compensation of $613,449 (six months ended December 31, 2020 - $15,015) for the year ended December 31, 2021.

(Expressed in Canadian Dollars)

5. Share capital (continued)

Stock options (continued)

Grant date	Options outstanding	Options vested	Weighted average remaining life (years)	Exercise price ($)	Expiry date
December 22, 2020	3,000,000	1,000,000	4.23	0.45	December 22, 2025
October 7, 2021	600,000	-	4.77	0.45	October 7, 2026
	3,600,000	1,000,000	4.11	0.45	

6. Mineral property interests

Pampa acquired a 100% interest in eight copper exploration properties in northern Chile from Revelo Resources Corp. (“Revelo”).

According to the definitive property purchase agreement between West Pacific and Revelo, the Company acquired the eight copper projects in Chile by paying Revelo on closing of the acquisition US$300,000 in cash and issuing 7,798,747 common shares of the Company. In addition, Revelo may receive a contingent payment of US$2,000,000 on a project-by-project basis (up to a total of US$16,000,000) on the completion of the first bankable feasibility study on a project, and a further contingent payment of US$3,000,000 on a project-by-project basis (up to a total of US$24,000,000) upon the initiation of commercial production on a project. During the year ended December 31, 2021, the Company issued 1,090,649 common shares with a fair value of $556,231 to Revelo to satisfy Revelo's anti-dilution rights as part of the March 17, 2021 financing. As at December 31, 2021, the timeline for the completion of the first bankable feasibility study and the initiation of commercial production on a project has not been determined.

On July 23, 2021, the Company entered into an option agreement (the "Agreement") with Austral Gold Limited ("Austral") and Revelo that grants Austral an option to earn up to an 80% joint venture ownership interest in the Cerro Balanco and Morros Blancos properties (collectively, the "Properties") held by the Company. As consideration for the option, Austral will or cause Revelo to return to the treasury of the Company 2,963,132 common shares, terminate certain rights of Revelo including a board nomination right, an anti-dilution right and certain rights to contingent payments on the Properties and refund the pro rata portion of the Company's 2021 annual license fee incurred on the Properties. On August 10, 2021, the Company cancelled the 2,963,132 common shares returned, credited the amount of $1,037,096 against the mineral property interest and credited the refunded license fee of $59,381 against the mineral property interest.

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Balance, Opening	$ 3,131,555	$ 191,909	$ -
Acquisition:			
Addition - cash	-	236,608	178,008
Addition - common shares	556,231	2,417,612	-
Sub-total, acquisition costs	556,231	2,654,220	178,008
Option sold:			
Consideration - cash	(59,381)	-	-
Consideration - common shares	(1,037,096)	-	-
Sub-total, acquisition costs	(1,096,477)	-	-

(Expressed in Canadian Dollars)

6. Mineral property interests (continued)

Deferred exploration costs:			
Geophysics	1,093,305	14,744	13,901
Drilling	869,466	-	-
Professional fees	29,002	-	-
Geochemistry	121,621	146,441	-
Land fees	387,947	17,686	-
Other exploration costs	54,409	106,555	-
Sub-total, deferred exploration costs	2,555,750	285,426	13,901
Balance, Ending	$ 5,147,059	$ 3,131,555	$ 191,909

7. Capital disclosure

The Company defines its capital as as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are at the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

(Expressed in Canadian Dollars)

8. Financial Instruments and Risk Exposures and Management

The three levels of the fair value hierarchy are:

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.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair values of cash and cash equivalents, loan receivable, accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at December 31, 2020, December 31, 2020 and June 30, 2020 as follows:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash - December 31, 2021	$ 1,333,960	$ -	$ -	$ 1,333,960
Cash - December 31, 2020	$ 3,290,262	$ -	$ -	$ 3,290,262
Cash - June 30, 2020	$ 322,136	$ -	$ -	$ 322,136

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity price risk). Risk management is carried out by the Company's management team, with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance on overall risk management.

Credit risk

Credit risk is the risk of loss associates with a counterparty's inability to fulfil its payment obligations. The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with a Schedule A financial institution, which from time to time may exceed federally insured limits. The Company is further exposed to credit risk through its loan's receivable. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

8. Financial Instruments and Risk Exposures and Management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come 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. As at December 31, 2021, the Company had working capital of $1,389,074.

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and substantially all expenditures in the parent company are denominated in Canadian dollars and substantially all expenditures in Pampa Metals Chile SpA are denominated in Chilean Peso. A 10% appreciation (depreciation) of the Chilean Peso against the Canadian dollar, with all other variables held constant, would not result in any significant changes to the Company's net loss and comprehensive loss for the year.

9. Related party transactions

Related party transaction

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company define keys management personnel as its CEO, CFO and Board of Directors.

The Company incurred no related party transactions during the year ended December 31, 2021, the six months ended December 31, 2020 or the year ended June 30, 2020 other than compensation costs.

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's CEO, COO, CFO and members of the Company's Board of Directors.

Compensation awarded to key directors and management personnel is as follows:

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended June 30, 2020
Directors and management compensation	$ 639,376	$ 9,711	$ -
Stock-based compensation	613,449	1,501	-
	$ 1,252,825	$ 11,212	$ -

(Expressed in Canadian Dollars)

10. Income taxes

The reported recovery of income taxes differs from amounts computed by applying the statutory income tax rates to the reported loss before income taxes due to the following:

	Year Ended December 31, 2021	Six Months Ended December 31, 2020	Year Ended Juen 30, 2020
Loss before recovery of income taxes	$ (2,325,651)	$ (2,539,875)	$ (27,640)
	27%	27%	27%
Expected income tax (recovery) at statutory rate	628,000	673,000	7,325
Non deductible expenditures	(182,000)	(492,000)	-
Share-based payment reserve	(58,000)	105,000	-
Adjustment to prior year provision versus statutory tax returns	805,000	60,449	-
Change in unrecognized tax benefit	(1,193,000)	(346,449)	(7,325)
Actual income tax recovery	$ -	$ -	$ -

Details of deferred tax assets:

The temporary differences and unused tax losses that give rise to deferred income tax balances are presented below:

As at	December 31, 2021	December 31, 2020	June 30, 2020
Non-capital losses carry forward	$ 1,372,000	$ 242,000	$ 9,551
Share issue costs and other	149,000	86,000	-
Exploration and evaluation	59,000	59,000	-
Total deferred tax assets	$ 1,580,000	$ 387,000	9,551
Less: valuation allowance on deferred tax assets	(1,580,000)	(387,000)	(9,551)
	$ -	$ -	$ -

The Company has approximately $5,153,000 of non-capital losses available, which expiry between 2039 and 2041 and may be applied against future taxable income for income tax purposes.

At December 31, 2021, the potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized in these financial statements as it is not considered probable that sufficient future tax profit will allow the deferred tax assets to be recovered.

11. Subsequent events

On March 7, 2022, the Company issued 315,401 common shares in consideration for services provided including 75,33 common shares for online marketing services dated January 28, 2022 and 240,068 common shares for advertising services dated February 26, 2022.

On March 21, 2022, the Company completed the first tranche of a private placement offering of 3,786,700 units ("Units") at a price of $0.30 per Unit for gross proceeds to the Company of $1,136,100.