PACIFIC IMPERIAL MINES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Ended March 31, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instruments 51-102, Part 4, subsection 4.3(3)(a) continuous disclosure requirement, if any auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Pacific Imperial Mines Inc. (the "Company") have been prepared by management and approved by the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

PACIFIC IMPERIAL MINES INC.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited, Expressed in Canadian dollars)

	Note	March 31, 2019 $	June 30, 2018 $
ASSETS			
Current assets			
Cash		239,213	496,685
GST receivable		7,149	4,146
Prepaid expenses		1,378	1,348
		247,740	502,179
Reclamation deposit	3	-	7,901
Equipment	4	382	494
Total assets		**248,122**	**510,574**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		9,289	2,307
Due to related parties	6	4,500	7,903
Total liabilities		13,789	10,210
EQUITY			
Share capital	7	4,331,997	4,331,997
Contributed surplus		2,431,535	2,431,535
Deficit		(6,529,199)	(6,263,168)
Total Equity		234,333	500,364
Total liabilities and equity		**248,122**	**510,574**

Nature of business and continuance of operation (Note 1)

Approved on behalf of the Board of Directors:

"Roman Shklanka"
Roman Shklanka,
Director

"Leo King"
Leo King,
Director

(The accompanying notes are an integral part of these financial statements)

PACIFIC IMPERIAL MINES INC.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the Three and Nine Months Ended March 31, 2019 and 2018
(Unaudited, Expressed in Canadian dollars)

	Note	Three months ended March 31, 2019 $	Three months ended March 31, 2018 $	Nine months ended March 31, 2019 $	Nine months ended March 31, 2018 $
Exploration costs	5	84,670	(1,256)	207,854	35,409
General and administrative expenses					
Accounting and audit		17,500	3,420	22,559	23,814
Depreciation	4	38	52	112	158
Legal		-	807	336	639
Office and miscellaneous		8,590	9,588	19,915	19,140
Share based compensation	7(c)	-	87,772	-	87,772
Transfer agent fees		870	1,181	2,263	5,423
Travel and promotion		4,210	660	13,224	9,441
Loss before other items		115,878	102,224	266,263	181,796
Other items					
Interest income		(424)	(22)	(1,509)	(50)
Foreign exchange loss		153	(209)	1,277	50
Net loss and comprehensive loss		**115,607**	**101,993**	**266,031**	**181,796**
Loss per share, basic and diluted		-	-	-	-
Weighted average shares outstanding		68,577,468	57,577,468	68,577,468	57,577,468

(The accompanying notes are an integral part of these financial statements)

PACIFIC IMPERIAL MINES INC.

CONDENSED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY

For the Nine Months Ended March 31, 2019 and 2018
(Unaudited, Expressed in Canadian Dollars, except number of shares)

	Share Capital				
	Number of Shares	**Amount $**	**Contributed Surplus $**	**Deficit $**	**Total Equity**
Balance, June 30, 2017	57,577,468	3,858,839	2,316,594	(6,072,453)	102,980
Private placement	11,000,000	550,000	-	-	550,000
Finder's fees	-	(55,969)	27,169	-	(28,800)
Share issue costs	-	(20,873)	-	-	(20,873)
Share based compensation	-	-	87,772	-	87,772
Net loss for the period	-	-	-	(181,796)	(181,796)
Balance, March 31, 2018	68,577,468	4,331,997	2,431,535	(6,254,249)	509,283
Net loss for the period	-	-	-	(8,919)	(8,919)
Balance, June 30, 2018	**68,577,468**	**4,331,997**	**2,431,535**	**(6,263,168)**	**500,364**
Net loss for the period	-	-	-	(266,031)	(266,031)
Balance, March 31, 2019	**68,577,468**	**4,331,997**	**2,431,535**	**(6,529,199)**	**234,333**

(The accompanying notes are integral part of these financial statements)

PACIFIC IMPERIAL MINES INC.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

For the Three and Nine Months Ended March 31, 2019 and 2018

(Unaudited in Canadian dollars)

		Three months ended March 31,		Nine months ended March 31,	
	Note	2019 $	2018 $	2019 $	2018 $
OPERATING ACTIVITIES					
Loss for the period		(115,607)	(101,993)	(266,031)	(181,796)
Adjustments for non-cash items:					
Depreciation	4	38	52	112	158
Share based compensation	7 (c)	-	87,772	-	87,772
Unrealized foreign exchange		-	(209)	315	50
		(115,569)	(14,378)	(265,604)	(93,816)
Changes in non-cash working capital items:					
Accounts payable and accrued liabilities		1,065	8,132	6,982	28,491
GST receivable		(1,524)	(1,858)	(3,003)	38
Due to related parties		(4,791)	3,219	(3,403)	1,717
Prepaid expenses		(30)	(1,326)	(30)	1,274
Net cash used in operating activities		(120,849)	(6,211)	(265,058)	(62,296)
INVESTING ACTIVITIES					
Reclamation deposit		-	-	7,586	-
Net cash from investing activities		-	-	7,586	-
FINANCING ACTIVITIES					
Issuance of common shares, net of share issue cost		-	500,327	-	500,327
Net cash from investing activities		-	500,327	-	500,327
(Decrease) increase in cash		(120,849)	494,116	(257,472)	438,031
Cash, beginning of period		360,062	39,900	496,685	95,985
Cash, end of period		**239,213**	**534,016**	**239,213**	**534,016**

Supplemental disclosure of cash flow information:					
Interest paid in cash		-	-	-	-
Income tax paid in cash		-	-	-	-
Finder's fees paid	7(b)	-	(49,673)	-	(49,673)

(The accompanying notes are an integral part of these financial statements)

1. Nature of Business and Going Concern

Pacific Imperial Mines Inc. ("the Company") was incorporated under the British Columbia Business Corporations Act since September 18, 1987. The Company's shares are listed on the TSX Venture Exchange. The Company's principal office is located at Suite 1700, 700 West Pender Street, Vancouver, B.C. Canada V6C 1G8. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

These financial statements of the Company have been prepared 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.

The Company has experienced losses since its inception amounting to $6,529,199 as of March 31, 2019 (June 30, 2018 - $6,263,168). The ability of the Company to meet its commitments as they become payable is dependent on the ability of the Company to acquire assets or a business or an interest therein, obtain the necessary financing, and develop assets or operations which will generate cash flows, either as a result of their disposal or from ongoing operations. The Company does not currently have assets or a business capable of generating ongoing cash flows. Although the Company has sufficient cash to meet its current administrative costs, there is no assurance that the Company will be successful in making an acquisition or in raising the necessary financing to do so. These conditions along with other matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. While the financial statements have been prepared on the basis of accounting principles applicable to a going concern, adverse conditions may cast significant doubt upon the validity of this assumption.

In the event the Company is unable to arrange appropriate financing, the carrying value of the Company's assets could be subject to material adjustment. Furthermore, certain market conditions may cast significant doubt upon the validity of the going concern assumption.

These financial statements do 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 realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements.

2. Summary of Significant Accounting Policies

(a) Basis of presentation

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). Accordingly, they do not include all of the information required for annual financial statements under International Financial Reporting Standards ("IFRS") as issued by the IASB and should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2018. These unaudited condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments carried at fair value and are presented in Canadian dollars.

These condensed interim financial statements were approved by the Company's Board of Directors on May 30, 2019.

(b) Accounting standard issued but not yet applied

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company intends to adopt these standards when they become effective.

<u>Standard effective for annual periods beginning on or after January 1, 2018</u>

IFRS 2 Share-based Payment – In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

IFRS 9 Financial Instruments - In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income ("FVTOCI") category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

IFRS 15 Revenue from Contracts with Customers - On May 28, 2014 the IASB issued IFRS 15, "Revenue from contracts with customers". IFRS 15 will replace IAS 11, "Construction contracts", IAS 18, "Revenue", IFRIC 13, "Customer loyalty programmes", IFRIC 15, "Agreements for the construction of real estate", IFRIC 18, "Transfers of assets from customers" and SIC 31, "Revenue - barter transactions involving advertising services". The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time; or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

The Company does not expect that the new and amended standards above will have a significant impact on its financial statements.

(Unaudited, Expressed in Canadian Dollars)

Standards effective for annual periods beginning on or after January 1, 2019

IFRS 16 Leases - On January 13, 2016 the IASB issued IFRS 16, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, "Revenue from contracts with customers" at or before the date of initial adoption of IFRS 16.

The extent of the impact of adoption of the above standard on the financial statements of the Company has not yet been determined.

3. Reclamation Deposit

The Company has posted a deposit with the Department of Natural Resources of the State of Utah ("DNR") as security towards future site restoration work. The deposit was posted in relation to the Keg Mountain Property in Utah.

On August 21, 2018, the reclamation deposit was fully released to the Company after satisfactorily completion of site inspection.

4. Equipment

	Cost $	Accumulated depreciation $	Net book value $
June 30, 2018			
Computer and software	6,434	5,940	494
March 31, 2019			
Computer and software	6,434	6,052	382

5. Mineral Interests

Eagle Mountain Property, California

The Company has acquired by staking a 100% interest in the Eagle Mountain Lithium prospect located in Inyo County, California, within 15 kilometers of the Nevada border. The property currently consists of 167 placer claim units, each 20 acres in size, totaling approximately 3,340 acres located in the Alkali Flats area, near Death Valley Junction and covering most of the Eagle Mountain salina.

(Unaudited, Expressed in Canadian Dollars)

In connection with the acquisition, the Company entered into a consulting and finder's fee agreement with a private corporation, Gold Exploration Management Inc. (the "Consultant"), to provide mineral exploration project management services. Pursuant to the agreement, the Company agreed to pay a consulting fee at US$600 per day and management fee equal to 10% of the cost of all work programs conducted on the Eagle Mountain properties to be identified by the Consultant (the "Properties"), the management fee will be reduced to 5% for work program costs exceeding US$100,000. In addition, the Company paid $7,583 as finder's fee to the Consultant for Properties identified and staked by the Consultant. Furthermore, the Company had granted the Consultant a 1% net smelter returns royalty on the Properties under the terms of the contract. As a result of the death of the principal consultant at Gold Exploration Management Inc. it was determined the claim process was compromised and all the above noted claims were dropped and the contract with Gold Exploration Management Inc. was terminated.

On September 12, 2018, the Company entered into a Staking Agreement with Star Peak Mining LLC to stake mining claims near Death Valley Junction California on behalf of Pacific Imperial Mines Nevada Inc.. In accordance with the agreement, Star Peak Mining LLC has staked 77 new placer claims and re-staked 90 existing placers claims on behalf of the Company under the name Pacific Imperial Mines Nevada Inc. All other previously staked claims will be abandoned. Upon signing the agreement, the Company paid a $15,000 advance deposit to Star Peak Mining LLC in addition to approximately $35,000 filing fees paid. A total of 167 placer claims have been staked, representing approximately 3,340 acres.

During the three and nine months ended March 31, 2019 and 2018, the Company incurred the following exploration costs:

	Three months ended March 31, 2019	Three months ended March 31, 2018	Nine months ended March 31, 2019	Nine months ended March 31, 2018	Accumulated total March 31, 2019
	$	$	$	$	$
Assays and sampling	3,001	(1,256)	27,132	(1,256)	48,211
Field expenses	-	-	16,050	-	33,957
Finder's fees	-	-	-	-	7,583
Geo-physical consultants	63,906	-	63,906	-	97,360
Mineral claims and filing fees	17,763	-	68,939	33,546	257,360
Office	-	-	-	-	908
Project management fees	-	-	29,746	-	41,829
Property taxes	-	-	-	3,119	3,119
Travel	-	-	2,081	-	5,040
Total	**84,670**	**(1,256)**	**207,854**	**35,409**	**495,367**

(Unaudited, Expressed in Canadian Dollars)

6. Related Party Balances and Transactions

During the three and nine months ended March 31, 2019 and 2018, the Company had the following transactions with related parties:

(a) Key management compensation

Key management consists of senior officers and directors of the Company; their compensation is as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Consulting fees	2,000	3,420	7,059	4,314
Share based compensation	-	87,772	-	87,772
Total	**2,000**	**91,192**	**7,059**	**92,086**

(b) Due to related parties

As at March 31, 2019 there was $4,500 (June 30, 2018 - $7,903) owing to officers of the Company for consulting fees.

Related party amounts are unsecured, non-interest bearing and due on demand. These transactions are measured by the exchange amount that is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

7. Share Capital

(a) Authorized: unlimited common shares with no par value

(b) Issued and outstanding:

<u>During the period ended March 31, 2019</u>

The Company did not issue any common shares during the nine months ended March 31, 2019.

<u>During the year ended June 30, 2018</u>

In March 2018, the Company completed a non-brokered private placement to issue 11,000,000 units of the Company at $0.05 per unit for gross proceeds of $550,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.075 per common share until March 26, 2020. The Company incurred share issue costs of $49,673 which consisted of $28,800 in cash finders' fees for the private placement. The Company also issued 576,000 finder's warrants with a fair value of $27,169.

(Unaudited, Expressed in Canadian Dollars)

(c) Options

The Company has adopted a stock option plan whereby the Company can grant stock options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding share capital of the Company from time to time.

The following table summarizes the continuity of the Company's stock options issued and outstanding at March 31, 2019:

	Number of options	Weighted average exercise price
Balance, June 30, 2017	1,000,000	$0.05
Granted	1,800,000	$0.05
Expired	(150,000)	$0.05
Balance, June 30, 2018 and March 31, 2019	**2,650,000**	**$0.05**

The following table summarizes the number of stock options outstanding and exercisable at March 31, 2019:

		Options Outstanding		Options Exercisable	
Expiry Date	**Exercise price**	**Number of options**	**Weighted average remaining contractual life in years**	**Number of options**	**Weighted average remaining contractual life in years**
October 10, 2019	$0.05	850,000	0.53	850,000	0.53
February 23, 2023	$0.05	1,800,000	3.90	1,800,000	3.90
		2,650,000	**2.82**	**2,650,000**	**2.82**

On February 23, 2018, 1,800,000 stock options with an exercise price of $0.05 were granted to certain consultants, directors and officers of the Company. Options granted all vest immediately and have a life of five years. The fair value of options granted in the period was $87,772 and estimated using the Black-Scholes option-pricing model. The assumptions used in the pricing model were: a share price at grant date of $0.05, an expected life of 5 years; annualized volatility of 199%; a risk free interest rate of 2.04%; and zero expected dividend yield.

For the nine months ended March 31, 2019 the Company recognized a share based compensation expense of $Nil (June 30, 2018 - $87,772).

(Unaudited, Expressed in Canadian Dollars)

(d) Warrants

The following table summarizes the Company's warrants at March 31, 2019:

	Number of warrants	**Weighted average exercise price**
Balance, June 30, 2017	12,700,000	$0.10
Granted – Private Placement	11,000,000	$0.075
Granted – Agent Warrants	576,000	$0.075
Balance, June 30, 2018 and March 31, 2019	**24,276,000**	**$0.09**

On March 26, 2018, 576,000 agent warrants were issued in connection with a private placement with an exercise price of $0.075. The agent warrants granted have a life of two years. The fair value of warrants granted in the period was $27,169 and estimated using the Black-Scholes pricing model. The assumptions used in the pricing model were: a share price at grant date of $0.06 an expected life of 2 years; annualized volatility of 216%; a risk free interest rate of 1.83%; and zero expected dividend yield.

Details of share purchase warrants outstanding at March 31, 2019:

Expiry Date	**Exercise Price**	**Number of warrants**	**Weighted average remaining contractual life in years**
May 12, 2019	$0.10	12,700,000	0.12
March 26, 2020	$0.075	11,576,000	0.99
Balance, March 31, 2019	**$0.09**	**24,276,000**	**0.53**

The weighted average exercise price of warrants outstanding and exercisable at March 31, 2019 is $0.09 (June 30, 2018 – $0.09).

The warrants issued on March 26, 2018 are subject to a four-month hold period and may not be exercised until July 27, 2018. The Company may accelerate the expiry date if the common shares of the Company trade at a closing price of greater than $0.15 per common share for a period of 20 consecutive days at any time after four months and one day after the closing date of the private placement.

Subsequent to the period ended March 31, 2019 and on May 12, 2019 12,700,000 warrants expired and were not exercised.

8. Management of Capital

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises of equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments with financial institutions with terms to maturity selected to match expected timing of expenditures from continuing operations.

9. Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's financial instruments consist of cash, accounts payable and amounts due to related parties.

The following table summarizes information regarding the carrying values of the Company's financial instruments:

	March 31, 2019 $	**June 30, 2018 $**
Assets as FVTPL (i)	239,213	496,685
Other financial liabilities (ii)	12,382	8,804

(i) Cash
(ii) Accounts payable, and amounts due to related parties

Fair Value

The estimated fair values of cash, accounts payable and amounts due to related parties approximate their respective carrying values due to their short periods to maturity. For fair value estimates, the Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Significant unobservable inputs which are supported by little or no market activity.

The following table sets forth the Company's financial assets measured at fair value by level on a recurring basis within the fair value hierarchy:

	Level 1 $	Level 2 $	Level 3 $	Total $
March 31, 2019				
Cash	239,213	-	-	239,213
June 30, 2018				
Cash	496,685	-	-	496,685

The Company's risk exposures and the related potential impact on the Company's financial instruments are summarized below:

Credit Risk

The Company is not exposed to significant credit risk. The Company limits exposure to credit risk by maintaining its cash with financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term administrative expenditures by raising additional funds through share issuances when required. All the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed commercial paper.

Foreign Exchange Risk

As at March 31, 2019 the Company has non-financial instrument assets of $Nil denominated in USD and is not exposed to significant foreign exchange risk. The Company does not actively manage this risk.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.