

**PACIFIC IMPERIAL MINES INC.**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the Nine Months Ended March 31, 2023 and 2022**  
**(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 consolidated 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 consolidated interim financial statements have not been reviewed by the Company's external auditors.

**PACIFIC IMPERIAL MINES INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited, Expressed in Canadian dollars)

		<b>March 31, 2023</b>	<b>June 30, 2022</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		24,938	64,714
GST receivable		6,131	26,703
Prepaid expenses		2,197	3,655
<b>Total assets</b>		<b>33,266</b>	<b>95,072</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		13,462	27,818
Due to related parties	4	54,300	20,400
Flow-through share premium liability		39,300	61,900
Promissory notes	5	70,000	-
<b>Total liabilities</b>		<b>177,062</b>	<b>110,118</b>
<b>EQUITY (DEFICIENCY)</b>			
Share capital	6	4,668,449	4,668,449
Contributed surplus		2,661,144	2,661,144
Deficit		(7,473,389)	(7,344,639)
<b>Total Equity (Deficiency)</b>		<b>(143,796)</b>	<b>(15,046)</b>
<b>Total liabilities and equity</b>		<b>33,266</b>	<b>95,072</b>

Nature of business and continuance of operation (Note 1)

Approved on behalf of the Board of Directors:

***“Roman Shklanka”***Roman Shklanka,  
Director***“Richard Gosse”***Richard Gosse,  
Director

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

**PACIFIC IMPERIAL MINES INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian dollars)

		Three months ended March 31,		Nine months ended March 31,	
	Note	2023	2022	2023	2022
		\$	\$	\$	\$
<b>Exploration costs</b>	3	-	15,000	89,564	112,442
<b>General and administrative expenses</b>					
Accounting and audit		2,000	2,500	28,174	16,000
Legal		10,675	1,457	19,520	6,247
Office and miscellaneous		45	6,940	3,970	15,347
Shareholder communications		3,687	1,353	8,315	5,848
Transfer agent fees		918	467	2,743	1,994
<b>Loss before other items</b>		17,325	27,717	152,286	157,878
<b>Other items</b>					
Interest income		(126)	(24)	(936)	(136)
Recovery of flow-through share premium		-	-	(22,600)	(11,900)
<b>Net loss and comprehensive loss</b>		<b>17,199</b>	<b>27,693</b>	<b>128,750</b>	<b>145,842</b>
<b>Loss per share, basic and diluted</b>		-	-	-	-
<b>Weighted average shares outstanding</b>		79,077,468	79,077,468	79,077,468	79,077,468

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

**PACIFIC IMPERIAL MINES INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars, except number of shares)

	Share Capital		Contributed Surplus \$	Deficit \$	Total \$
	Number of Shares	Amount \$			
Balance, June 30, 2021	79,077,468	4,668,449	2,661,144	(7,163,470)	166,123
Net loss for the period	-	-	-	(145,842)	(145,842)
<b>Balance, March 31, 2022</b>	<b>79,077,468</b>	<b>4,668,449</b>	<b>2,661,144</b>	<b>(7,309,312)</b>	<b>20,281</b>
Net loss for the period	-	-	-	(35,327)	(35,327)
<b>Balance, June 30, 2022</b>	<b>79,077,468</b>	<b>4,668,449</b>	<b>2,661,144</b>	<b>(7,344,639)</b>	<b>(15,046)</b>
Net loss for the period	-	-	-	(128,750)	(128,750)
<b>Balance, March 31, 2023</b>	<b>79,077,468</b>	<b>4,668,449</b>	<b>2,661,144</b>	<b>(7,473,389)</b>	<b>(143,796)</b>

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

**PACIFIC IMPERIAL MINES INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited in Canadian dollars)

	Three months ended March 31,		Nine months ended March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Loss for the period	(17,199)	(27,693)	(128,750)	(145,842)
Adjustments for non-cash items:				
Recovery of flow-through premium	-	-	(22,600)	(11,900)
	(17,199)	(27,693)	(151,350)	(157,742)
Changes in non-cash working capital items:				
Accounts payable and accrued liabilities	(18,875)	294	(14,356)	(56,360)
GST receivable	(644)	(594)	20,572	(5,102)
Due to related parties	2,000	2,000	33,900	(6,649)
Prepaid expenses	208	(2,083)	1,458	(2,083)
Net cash used in operating activities	(34,510)	(28,076)	(109,776)	(227,936)
<b>FINANCING ACTIVITIES</b>				
Promissory notes	-	-	70,000	-
Net cash used in financing activities	-	-	70,000	-
Decrease in cash	(34,510)	(28,076)	(39,776)	(227,936)
Cash, beginning of period	59,448	100,021	64,714	299,881
<b>Cash, end of period</b>	<b>24,938</b>	<b>71,945</b>	<b>24,938</b>	<b>71,945</b>
Supplemental disclosure of cash flow information:				
Interest paid in cash	-	-	-	-
Income tax paid in cash	-	-	-	-

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

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**PACIFIC IMPERIAL MINES INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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**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 \$7,473,389 as of March 31, 2023 (June 30, 2022 - \$7,344,639). 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. There is no assurance that the Company will be successful in making an acquisition or in raising the necessary financing to do so.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. While the extent of the impact is unknown, the Company anticipates this outbreak might increase the difficulty in capital raising. 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.

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**PACIFIC IMPERIAL MINES INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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**2. Summary of Significant Accounting Policies**

(a) Basis of presentation

These unaudited condensed consolidated 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 consolidated financial statements for the year ended June 30, 2022. These unaudited condensed consolidated 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 consolidated interim financial statements were approved by the Company's Board of Directors on May 30, 2023.

(b) Recent accounting pronouncements

Accounting standard issued but not yet applied

Other new standards or amendments are either not applicable or not expected to have a significant impact on the Company's financial statements.

**3. Mineral Interests**

**Brownell Lake Property, Saskatchewan**

On March 21, 2023, the Company entered into an Option Agreement with Eagle Plains Resources Ltd. ("Eagle Plains") whereby the Company can acquire 60% interest in the Brownell Lake property consisting of the three mineral dispositions covering 1,863.3 hectares located approximately 17 km northwest of Deschambault Lake, Saskatchewan.

Upon the exercise of the option, the Company will own a 60% interest and Eagle Plains will own a 40% interest in the Property, and the parties will enter into a joint venture agreement to further explore and develop the Property to bring it into commercial production. The Property is subject to a 2% net smelter returns royalty owing to Eagle Royalties Ltd.



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**PACIFIC IMPERIAL MINES INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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**3. Mineral Interests (continued)**

The terms of the agreement require the Company to incur the following exploration expenditures, make the following cash payments and issuance of shares to Eagle Plains as follows:

<b>Time</b>	<b>Aggregate Exploration Expenditures \$</b>	<b>Cash \$</b>	<b>Shares</b>
Three business days following the TSX Approval	-	-	130,000
May 1, 2023 *	100,000	-	-
December 31, 2023	-	25,000	130,000
December 31, 2024	200,000	50,000	130,000
December 31, 2025	700,000	100,000	130,000
December 31, 2026	1,500,000	125,000	200,000
December 31, 2027	2,500,000	200,000	280,000
<b>TOTAL</b>	<b>5,000,000</b>	<b>500,000</b>	<b>1,000,000</b>

\* Exploration expenditures completed.

**Babine Property, British Columbia**

On March 31, 2023, the Company entered into a Binding Letter agreement with Galambos, Keefe, Turford, and Anderson ("Optionor") whereby the Company can earn up to an 100% interest in the three mineral claims covering 2,226 hectares located 1.5 km north of the Granisle Mine, British Columbia. The Babine property is subject to a 2% net smelter returns royalty held by the Optionor.

The terms of the agreement require the Company to incur the following exploration expenditures, make the following cash payments and issuance of shares to the Optionor as follows:

<b>Time</b>	<b>Aggregate Exploration Expenditures \$</b>	<b>Cash \$</b>	<b>Share Issuance \$</b>
On or before the Closing Date (Subject to TSX approval)	49,500	-	7,500
On or before the first anniversary of the Closing Date	100,000	7,500	7,500
On or before the second anniversary of the Closing Date	250,000	20,000	20,000
On or before the third anniversary of the Closing Date	500,000	37,500	37,500
On or before the fourth anniversary of the Closing Date	1,455,000	96,250	96,250
<b>TOTAL</b>	<b>2,354,500</b>	<b>161,250</b>	<b>168,750</b>

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**PACIFIC IMPERIAL MINES INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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**3. Mineral Interests (continued)****PAM Property, British Columbia**

On March 31, 2023, the Company entered into a Binding Letter agreement with Galambos, Keefe, and Turford, ("Optionor") whereby the Company can earn up to an 100% interest in the seven mineral claims covering 2,403 hectares located 25 km northeast of the Huckleberry Cu-Mo Mine, British Columbia. The PAM property is subject to a 2% net smelter returns royalty held by the Optionor.

The terms of the agreement require the Company to incur the following exploration expenditures, make the following cash payments and issuance of shares to the Optionor as follows:

<b>Time</b>	<b>Aggregate Exploration Expenditures \$</b>	<b>Cash \$</b>	<b>Share Issuance \$</b>
On or before the Closing Date (Subject to TSX approval)	63,500	-	10,000
On or before the first anniversary of the Closing Date	100,000	12,500	12,500
On or before the second anniversary of the Closing Date	250,000	20,000	20,000
On or before the third anniversary of the Closing Date	500,000	37,500	37,500
On or before the fourth anniversary of the Closing Date	1,500,000	95,000	96,250
<b>TOTAL</b>	<b>2,413,500</b>	<b>165,000</b>	<b>175,000</b>

**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 21 placer claim units, each 20 acres in size, totaling approximately 420 acres located in the Alkali Flats area, near Death Valley Junction and covering most of the Eagle Mountain Salina.

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 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 were abandoned.

On March 29, 2019, the Company staked an additional 56 claims in Inyo County, California to expand the Eagle Mountain property. At that time the Company held 223 claims. In September 2021, the Company dropped many claims and held 125 placer claims. In September 2022, the Company dropped many additional claims.

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**PACIFIC IMPERIAL MINES INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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**3. Mineral Interests (continued)**Trek 31 Property, British Columbia

On October 13, 2020 ("Effective date"), the Company entered into an Option Agreement with Orogen Royalties Corp. ("Orogen") whereby the Company can earn up to an 100% interest in the five claim, 94 km, TREK 31 project situated in the Nechako Plateau of central British Columbia.

The terms of the agreement require the Company to incur the following exploration expenditures and make the following cash payments to Orogen as follows:

<b>Time</b>	<b>Aggregate Exploration Expenditures \$</b>	<b>Cash Payments \$</b>
Within 6 months of Effective Date	-	20,000 - Paid
1 <sup>st</sup> Anniversary of Effective Date*	300,000	30,000
2 <sup>nd</sup> Anniversary of Effective Date	1,000,000	50,000
3 <sup>rd</sup> Anniversary of Effective Date	1,500,000	100,000
4 <sup>th</sup> Anniversary of Effective Date	2,000,000	100,000
5 <sup>th</sup> Anniversary of Effective Date	3,000,000	1,000,000
<b>TOTAL</b>	<b>7,800,000</b>	<b>1,300,000</b>

\* Extended due to regional forest fire activity. Upon signing the extension, the Company paid \$15,000 with the balance of \$15,000 due July 13, 2022.

On October 31, 2022, Pacific Imperial Mines terminated the TREK 31 option agreement with Orogen in accordance with the July 8, 2022 second amending agreement.

Tulameen-Granite Creek Property, British Columbia

On May 15, 2021 (the "Effective Date"), the Company entered into an Option Agreement with Yeomans Geological Inc. ("Yeomans") whereby the Company can earn up to an 100% interest in the Tulameen-Granite Creek project.

The terms of the agreement require the Company to incur the following exploration expenditures and make the following payments to Yeomans as follows:

<b>Time</b>	<b>Aggregate Exploration Expenditures \$</b>	<b>Cash \$</b>	<b>Shares</b>
May 15, 2021 (Effective Date) Subject to and upon TSX Approval	-	-	400,000 – Paid*
August 30, 2022	300,000	20,000	200,000
2 <sup>nd</sup> Anniversary of Effective Date	1,000,000	40,000	200,000
3 <sup>rd</sup> Anniversary of Effective Date	1,500,000	90,000	200,000
4 <sup>th</sup> Anniversary of Effective Date	2,000,000	90,000	200,000
5 <sup>th</sup> Anniversary of Effective Date	3,000,000	1,000,000	1,000,000
<b>TOTAL</b>	<b>7,800,000</b>	<b>1,240,000</b>	<b>2,200,000</b>

\* Firm commitment, all other payments are at the option of the Company.

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**PACIFIC IMPERIAL MINES INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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**3. Mineral Interests (continued)**

Providing that the Company continues to make cash payments, share issuance and exploration milestones on the anniversary dates it will earn a 100% interest in the Tulameen-Granite Creek project, subject to a 2.0% NSR royalty in favour of Yeomans. The Company may purchase 1% of the NSR royalty for \$3,000,000. The Company will earn partial rights to the property. Upon spending an aggregate of \$1,500,000 on or before the 3rd anniversary of the Effective Date the Company will earn 51% interest in the property. Upon spending an aggregate of \$2,000,000 on or before the 4th anniversary of the Effective Date the Company will earn 66% interest in the property.

On August 31, 2022, on account of non-fulfilment of certain underlying conditions as defined in the Option agreement, the Option Agreement with Yeomans was terminated.

During the three and nine months ended March 31, 2023, and 2022, the Company incurred the following exploration costs:

	<b>Three months ended March 31,</b>		<b>Nine months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Eagle Mountain Property				
Geological	-	-	-	1,795
Mineral claims and filing fees	-	-	5,814	33,744
	-	-	5,814	35,539
Trek 31				
Option payment	-	15,000	-	15,000
Assay	-	-	7,266	-
Field expenses	-	-	22,069	-
Geo-physical	-	-	47,786	1,700
Project management fee	-	-	-	672
Travel and accommodation	-	-	6,629	263
	-	15,000	83,750	17,635
Tulameen Property				
Assay	-	-	-	29,609
Geological	-	-	-	104
Mineral claims and filing fees	-	-	-	29,555
	-	-	-	59,268
<b>Total</b>	<b>-</b>	<b>15,000</b>	<b>89,564</b>	<b>112,442</b>

As of March 31, 2023, approximately \$130,000 remains to be incurred on qualifying resource expenditures before April 12, 2023. As part of the issuance of the flow-through units, the Company agreed with the flow-through subscribers that it would indemnify them for the amount equal to any tax payable by the subscriber as a consequence of any failure of the Company to renounce an amount to the subscribers.

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**PACIFIC IMPERIAL MINES INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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**4. Related Party Balances and Transactions**

During the three and nine months ended March 31, 2023 and 2022, 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		Nine months ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Consulting fees	2,000	2,500	6,000	6,500
Share based compensation	-	-	-	-
<b>Total</b>	<b>2,000</b>	<b>2,500</b>	<b>6,000</b>	<b>6,500</b>

As at March 31, 2023 there was \$54,300 (June 30, 2022 - \$20,400) 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.

**5. Promissory Notes**

On August 2, 2022, the Company received from its directors, a \$70,000 interest free working capital loan, which is due on demand.

**6. Share Capital**

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

(b) Issued and outstanding:

During the period ended March 31, 2023

The Company did not issue any common shares during the nine months ended March 31, 2023.

During the year ended June 30, 2022

The Company did not issue any common shares during the year ended June 30, 2022.

**PACIFIC IMPERIAL MINES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the Three and Nine Months Ended March 31, 2023 and 2022  
(Unaudited, Expressed in Canadian Dollars)

**6. Share Capital (continued)**

(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, 2023:

	Number of options	Weighted average exercise price
Balance, June 30, 2021	1,800,000	\$0.05
Granted	6,000,000	\$0.05
Balance, June 30, 2022	7,800,000	\$0.05
Expired	1,800,000	\$0.05
<b>Balance March 31, 2023</b>	<b>6,000,000</b>	<b>\$0.05</b>

The following table summarizes the number of stock options outstanding and exercisable at March 31, 2023:

Expiry Date	Exercise price	Options Outstanding		Options Exercisable	
		Number of options	Weighted average remaining contractual life in years	Number of options	Weighted average remaining contractual life in years
September 29, 2025	\$0.05	2,300,000	2.5	2,300,000	2.5
November 3, 2025	\$0.05	100,000	2.6	100,000	2.6
February 10, 2026	\$0.05	100,000	2.9	100,000	2.9
June 15, 2026	\$0.05	3,500,000	3.2	3,500,000	3.2
		<b>6,000,000</b>	<b>2.9</b>	<b>6,000,000</b>	<b>2.9</b>

For the nine months ended March 31, 2023, the Company recognized a share based compensation expense of \$Nil (June 30, 2022 - \$Nil).

(d) Warrants

The following table summarizes the Company's warrants at March 31, 2023:

	Number of warrants	Weighted average exercise price
Balance, June 30, 2021	10,796,000	\$0.10
Issued	-	-
Balance, June 30, 2022	10,796,000	\$0.10
Expired	6,692,000	\$0.10
<b>Balance March 31, 2023</b>	<b>4,104,000</b>	<b>\$0.10</b>

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**PACIFIC IMPERIAL MINES INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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**6. Share Capital (continued)**

## (d) Warrants (continued)

Details of share purchase warrants outstanding at March 31, 2023:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of warrants</b>	<b>Weighted average remaining contractual life in years</b>
April 23, 2023	\$0.10	4,104,000	0.1
<b>Balance, March 31, 2023</b>	<b>\$0.10</b>	<b>4,104,000</b>	<b>0.1</b>

**7. 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.

**8. Financial Instruments and Financial Risk**

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:

	<b>March 31, 2023</b>	<b>June 30, 2022</b>
	<b>\$</b>	<b>\$</b>
Assets as FVTPL (i)	24,938	64,714
Liabilities at amortized cost (ii)	33,881	48,218
(i) Cash		
(ii) Accounts payable, and amounts due to related parties		

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**PACIFIC IMPERIAL MINES INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three and Nine Months Ended March 31, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

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**8. Financial Instruments and Financial Risk (continued)***Fair Value*

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.

Cash is measured at fair value on a recurring basis using Level 1 inputs. The estimated fair values of accounts payable and amounts due to related parties approximate their respective carrying values due to their short periods to maturity.

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. See Note 1 that describe the material uncertainties that cast significant doubt over the Company's ability to continue as a going concern.

As described in Note 3, the Company is required to incur \$130,000 of qualifying expenditures in connection with the issuance of flow-through units. In order to incur such expenditures, the Company is required to raise additional capital. As part of the issuance of the flow-through units, the Company had agreed with the flow-through subscribers that it would indemnify and save them harmless for the amount equal to any tax payable by the subscriber as a consequence of any failure of the Company to renounce an amount to the subscribers.

*Foreign Exchange Risk*

As at March 31, 2023 the Company 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.