

**PACIFIC IMPERIAL MINES INC.**  
**Management Discussion and Analysis**  
**For the Three Months Ended September 30, 2024**

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The following Management's Discussion and Analysis ("MD&A") is prepared as at November 28, 2024 in accordance with National Instrument 51-102F1, and should be read in conjunction with Pacific Imperial Mines Inc.'s ("the Company") Unaudited Condensed Consolidated Interim Financial Statements for the three months ended September 30, 2024 and accompanying notes, as well as the Company's Audited Financial Statements for the year ended June 30, 2024 and accompanying notes. These documents, along with additional information about the Company, are available at [www.sedar.com](http://www.sedar.com). All amounts are stated in Canadian dollars unless otherwise indicated.

**Forward-looking Information**

This MD&A contains certain statements that may constitute "forward-looking statements". All statements, other than statements of historical fact, included herein, including but not limited to, statements regarding future anticipated property acquisitions, the nature of future anticipated exploration programs and the results thereof, discovery and delineation of mineral resources/reserves, business and financing plans and business trends, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market for, and pricing of, any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, the Company's inability to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks and uncertainties identified herein under "Risks and uncertainties".

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in any of those forward-looking statements. For this reason, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant fluctuations in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to develop any of its present or future mineral properties.

**Description of Business and Overall Performance**

Pacific Imperial Mines Inc. is a mineral exploration company engaged in the acquisition and exploration of mineral properties.

**Mineral Interests**

**Brownell Lake Property**

The Company has entered into an option agreement dated March 21, 2023 with Eagle Plains Resources Ltd. ("Eagle Plains") pursuant to which Eagle Plains granted the Company the option to acquire a 60% interest in the

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Brownell Lake property consisting of three mineral dispositions covering 1,863.3 hectares located approximately 17 km northwest of Deschambault Lake, Saskatchewan.

The Company may exercise the option by paying aggregate cash consideration of \$500,000, issuing 1,000,000 common shares of the Company to Eagle Plains and incurring exploration expenditures on the Brownell Lake property of \$5,000,000 all in staged amounts by December 31, 2027.

<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 as of June 30, 2023.

\*\* Conditions not met as of September 30, 2024.

Upon the exercise of the option, the Company will own a 60% interest and Eagle Plains will own a 40% interest in the Brownell Lake 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 Brownell Lake property is subject to a 2% net smelter returns royalty owing to Eagle Royalties Ltd.

The Brownell Lake Property is host to regionally-sheared, highly-strained meta-volcanic rocks which are considered to be prospective for volcanogenic massive sulphide mineralization. A ground-based TDEM electromagnetic geophysical survey was completed to identify potential drill targets. The survey was successful in delineating EM conductors with characteristics consistent with VMS mineralization.

The Option Agreement is subject to the Company obtaining the approval of the TSX Venture Exchange. The Common Shares issued under the Option Agreement will be subject to a hold period ending four months and one day after the date of issuance in accordance with applicable securities laws.

### **Babine Property**

The Company entered into a Binding Letter agreement dated March 31, 2023, where the company may acquire a 100% interest in the Babine Property in Central British Columbia. The exploration property is road accessible with demonstrated porphyry copper potential.

The Babine property consists of three mineral claims covering 2,226 hectares located 1.5 km north of the Granisle Mine. The Company may exercise the option on the Babine property by paying an aggregate cash consideration of \$161,250, issuing common shares of the Company with a valued of \$168,750 and incurring exploration expenditures on the Property of \$2,354,500 all in staged amounts by March 31, 2027. Upon the exercise of the option, the Company will own a 100% interest in the Babine property. The Babine property is subject to a 2% net smelter returns royalty held by four private owners.

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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>

*\*Conditions not met as of September 30, 2024.*

The Babine property is extensively till covered but previous exploration; including, prospecting, geophysics and drilling located sulphide mineralization in several areas. A number of semi-circular magnetic anomalies similar in size and shape to the Bell and Granisle mines are located on the property but have only been subject to cursory exploration. Recent work by other companies to the north of the Babine project have had success with deep drilling targeting pre-existing geochemical and geophysical anomalies.

The Option Agreement is subject to the Company obtaining the approval of the TSX Venture Exchange. The Common Shares issued under the Option Agreement will be subject to a hold period ending four months and one day after the date of issuance in accordance with applicable securities laws.

#### **PAM Property**

The Company entered into a Binding Letter agreement dated March 31, 2023, where the company may acquire a 100% interest in the PAM Property in Central British Columbia. The exploration property is road accessible with demonstrated porphyry copper potential.

The PAM property consists of seven mineral claims covering 2,403 hectares located approximately 25 km northeast of the Huckleberry Cu-Mo Mine. The Company may exercise the option on the PAM property by paying an aggregate cash consideration of \$165,000, issuing common shares of the Company valued at \$175,000 and incurring exploration expenditures on the Property of \$2,413,500 all in staged amounts by March 31, 2027. Upon the exercise of the option, the Company will own a 100% interest in the PAM property. The PAM property is subject to a 2% net smelter returns royalty held by three private owners.

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:

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<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	95,000
<b>TOTAL</b>	<b>2,413,500</b>	<b>165,000</b>	<b>175,000</b>

\*Conditions not met as of September 30, 2024.

The PAM property is in a low lying extensively drift covered area approximately 25km northeast of the Huckleberry Cu-Mo Mine. Past exploration has identified granitoid outcrops and float samples with porphyry style alteration and mineralization. A small section of the property in the northeast corner was tested with 24 shallow percussion holes with the westernmost hole returning anomalous copper values. No follow-up drilling has been conducted. A recent regional scale airborne Z-TEM survey carried out by Surge Copper Corp. identified an anomaly that is similar to other porphyry deposits in the area, which is situated on the southwestern edge of the project. An exploration program consisting of geological, geochemical and geophysical surveys is planned for further work.

The Option Agreement is subject to the Company obtaining the approval of the TSX Venture Exchange. The Common Shares issued under the Option Agreement will be subject to a hold period ending four months and one day after the date of issuance in accordance with applicable securities laws.

**Results of Operations**

**Three Months Ended September 30, 2024**

During the three months ended September 30, 2024 and 2023, the Company incurred the following exploration costs.

	<b>Three months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Brownell (BLP)		
Option payment	25,000	-
Assay and sampling	-	6,062
	<u>25,000</u>	<u>6,062</u>
PAM Project		
Claim fees	1,800	367
	<u>1,800</u>	<u>367</u>
<b>Total</b>	<b>26,800</b>	<b>6,429</b>

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During the three months ended September 30, 2024, the Company recorded net income of \$32,487 compared to a net loss of \$20,485 in the same quarter last year. The increase in net income of \$52,972 was mainly due to gain on settlement of debt and exploration activity.

- (1) Exploration costs were \$26,800 (2023 - \$6,429) for the period reflecting a \$20,371 increase from the same period in the prior year. The change is a result of option payment on the Brownell Lake Property.
- (2) Gain on settlement of debt was \$73,658 (2023 - \$Nil) for the for the period reflecting a \$73,658 increase from the same period in the prior year. The change is a result of shares issued to settle accounts payable and the market price difference from deemed price.
- (3) Fluctuations in other expenditure categories were not material and amounts in the current three month period are comparable to that of the prior year.

**Summary of Quarterly Results**

Quarter Ended	Revenue \$	Net (Income) Loss \$	Basic & Fully Diluted Loss per Share \$	Total Assets \$	Long Term Liabilities \$	Cash Dividends \$
September 30, 2024	-	(32,487)	-	19,860	-	-
June 30, 2024	-	19,827	-	39,255	-	-
March 31, 2024	-	17,283	-	45,114	-	-
December 31, 2024	-	22,663	-	45,109	-	-
September 30, 2023	-	20,485	-	25,076	-	-
June 30, 2023	-	136,394	-	26,704	-	-
March 31, 2023	-	17,199	-	33,266	-	-
December 31, 2022	-	58,430	-	67,340	-	-

The loss for the quarter ended June 30, 2023 was higher due to increased exploration activities incurred in the period. The income for the quarter September 30, 2024 was due to shares issued to settle accounts payable and the market price varied from the deemed price. The Company will continue to incur losses until the Company has developed its assets, which will generate cash flows from ongoing operations.

**Balances and Transactions with Related Parties**

During the three months ended September 30, 2024 and 2023, the Company had the following transactions with related parties:

Key management compensation

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

	Three months ended September 30	
	2024	2023
	\$	\$

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Consulting fees	3,500	3,500
<b>Total</b>	<b>3,500</b>	<b>3,500</b>

(a) Due to related parties

As at September 30, 2024 there was \$73,482 (June 30, 2024 - \$70,300) 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.

**Investor Relations**

The Company is responsible for its investor relations activities and has not engaged a third party to handle this duty.

**Liquidity and Capital Resources**

The Company's business is exploration and it does not generate cash flow from operations to adequately fund its activities and has therefore relied principally upon the issuance of securities and loans and advances from directors for financing. During the three months ended September 30, 2024, the Company incurred a net income (loss) of \$32,487 (2023 – (\$20,485)). As at September 30, 2024, the Company had negative working capital of \$291,132 (June 30, 2024 - \$360,448).

**Risk and Uncertainties**

While the Company holds an interest in mineral properties in a foreign country, accordingly it is exposed to the laws governing the mining industry in that country from which the mineral properties are acquired with respect to such matters as taxation, repatriation of profits, restrictions on production, export controls, environmental compliance, and expropriation of property or limitations on foreign ownerships, as well as shifts in the political stability of the country and labour unrest, any of which could adversely affect the Company and its exploration and production activities in the country.

The Company's business, results of operations, financial condition, and the trading price of the Company's common shares could be materially adversely affected by any of the foregoing risks and by other risks, including risks related to development of mineral deposits, metal prices, title matters, reclamation costs, gold and other base metal prices volatility, competition, additional funding requirements, insurance, currency fluctuations, conflicts of interest, and share trading volatility. Any of these risks could have a material adverse effect on the business, operations or financial condition of the Company.

The Company expects to meet its current commitments as they become payable, but any future commitments including the completion of acquisitions, exploration and development of mineral properties and projects, is dependent on the ability of the Company to obtain the necessary financing. 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.

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**Critical Accounting Estimates**

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the amounts reported in the financial statements and the related notes to the financial statements during the reporting period.

Significant areas requiring the use of management estimates include the decommissioning liabilities on mineral interests and recoverability and measurement of deferred tax assets. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments with a significant risk of material adjustment in the next year. Critical accounting judgements is going concern.

**Financial Instrument**

*Financial assets*

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or financial assets at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as financial assets at FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. The Company does not have any assets classified as held to maturity or available for sale financial assets at this time.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

*Financial liabilities*

All financial liabilities are initially recorded at fair value and designated upon inception as financial liabilities at FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and amounts due to related parties are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are

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designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings. The Company is not exposed to any derivative instruments and foreign exchange hedges in place at this time.

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

	<b>September 30, 2024</b>	<b>June 30, 2024</b>
	<b>\$</b>	<b>\$</b>
Assets as FVTPL (i)	3,220	19,259
Liabilities at amortized cost (ii)	310,992	399,703
(i) Cash		
(ii) Accounts payable, and amounts due to related parties		

**Changes in Accounting Policies**

Please refer to Note 2(b) in the notes to the condensed consolidated interim financial statements for the three months ended September 30, 2024.

**Off-Balance-Sheet Arrangements**

The Company has not entered into any off-balance-sheet arrangements.

**Management Change**

There have been no other changes in management for the three months ended September 30, 2024 nor in the subsequent period up to the date of the report.

**Latest Outstanding Share Data**

As at September 30, 2024, and the date of this report, the Company has the following outstanding securities:

<b>Security Description</b>	<b>September 30, 2024 Amount</b>	<b>November 28, 2024 Amount</b>
Common shares – issued and outstanding	82,760,374	82,760,374
Options Unvested	-	-
Vested	6,000,000	6,000,000
Warrants issued in private placements	3,800,000	3,800,000
<b>Common shares – Fully Diluted</b>	<b>92,560,374</b>	<b>92,560,374</b>