PACIFIC IMPERIAL MINES INC.

Financial Statements

For the Three Months Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

(Unaudited)

Management's Comments on Unaudited Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Pacific Imperial Mines Inc. as at and for the three months ended September 30, 2017 have been prepared by management and approved by the Board of Directors of the Company. These financial statements have not been reviewed by the Company's external auditors.

PACIFIC IMPERIAL MINES INC.

Condensed Interim Statements of Financial Position (Unaudited)
As at September 30, 2017 and June 30, 2017
(Expressed in Canadian Dollars)

	Note		September 30, 2017		June 30, 2017
ASSETS					
Current assets					
Cash and cash equivalents		$	48,203	$	95,985
GST receivable			4,300		3,828
Prepaid expenses			1,322		2,622
			53,825		102,435
Reclamation deposit	*3*		7,488		7,786
Equipment	*4*		653		705
Total assets		$	61,966	$	110,926
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	1,829	$	6,244
Due to related parties	*6*		1,703		1,703
Total liabilities			3,532		7,947
SHAREHOLDERS' EQUITY					
Share capital	*7*		3,858,839		3,858,839
Contributed surplus			2,316,594		2,316,594
Deficit			(6,116,999)		(6,072,454)
Total shareholders' equity			58,434		102,979
Total liabilities and shareholders' equity		$	61,966	$	110,926

Nature of business and continuance of operation (Note 1)

These financial statements are approved and authorized for issue on behalf of the Board on November 24, 2017, and are signed on the Company's behalf by:

"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 Comprehensive Loss (Unaudited)
For the Three Months Ended September 30, 2017 and 2016
(Expressed in Canadian Dollars)

	Note		2017		2016
EXPLORATION COSTS	*5*	$	36,665	$	71,388
GENERAL AND ADMINISTRATIVE EXPENSES					
Accounting and audit			2,101		1,818
Consuting			-		-
Depreciation			52		75
Interest expense			-		51
Legal			(493)		5,368
Office and miscellaneous			4,888		7,720
Property investigation			-		-
Travel and promotion			141		1,689
Transfer agent fees			908		696
LOSS BEFORE OTHER ITEMS			44,262		88,805
OTHER ITEMS					
Interest income			(15)		(24)
Foreign exchange gain (loss)			298		(65)
NET LOSS AND COMPREHENSIVE LOSS		$	44,545	$	88,716
LOSS PER SHARE - BASIC AND DILUTED		$	0.00	$	0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING			57,577,468		42,872,370

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

PACIFIC IMPERIAL MINES INC.

Condensed Interim Statements of Changes in Shareholders' Equity (Unaudited)
For the Three Months Ended September 30, 2017 and 2016
(Expressed in Canadian Dollars)

	Share Capital				Total
	Shares	Amount	Deficit	Contributed Surplus	Shareholders' Equity
Balance, June 30, 2016	41,541,968	$ 3,505,311	$ (5,768,016)	$ 2,316,594	$ 53,889
Private placements	10,947,000	273,675	-	-	273,675
Shares issued to finders	180,000	4,500	-	-	4,500
Share issue costs	-	(16,333)	-	-	(16,333)
Net loss for the period	-	-	(88,716)	-	(88,716)
Balance, September 30, 2016	52,668,968	$ 3,767,153	$ (5,856,732)	$ 2,316,594	$ 227,015
Private placements	4,800,000	96,000	-	-	96,000
Shares issued to finders	108,500	2,170	-	-	2,170
Share issue costs	-	(6,484)	-	-	(6,484)
Net loss for the period	-	-	(215,722)	-	(215,722)
Balance, June 30, 2017	57,577,468	$ 3,858,839	$ (6,072,454)	$ 2,316,594	$ 102,979
Balance, June 30, 2017	57,577,468	$ 3,858,839	$ (6,072,454)	$ 2,316,594	$ 102,979
Private placements					-
Shares issued to finders					-
Share issue costs					-
Net loss for the period	-	-	(44,545)	-	(44,545)
Balance, September 30, 2017	57,577,468	$ 3,858,839	$ (6,116,999)	$ 2,316,594	$ 58,434

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

PACIFIC IMPERIAL MINES INC.

Condensed Interim Statements of Cashflows (Unaudited)
For the Three Months Ended September 30, 2017 and 2016
(Expressed in Canadian Dollars)

		2017		2016
Cash flows from operating activities				
Net (loss) for the Period	$	(44,545)	$	(88,716)
Adjustment for items not involving cash:				
Amortization		52		75
Unrealized foreign exchange		298		(65)
		(44,195)		(88,706)
Changes in operating assets and liabilities				
Accounts payable and accrued liabilities		(4,415)		13,041
GST receivable		(472)		(646)
Prepaid expenses		1,300		(44,610)
Net cash used in operating activities		(47,782)		(120,921)
Cash flows used in financing activities				
Private placement, net of issue costs		-		261,842
Due to related parties		-		-
Net cash provided by (used in) financing activities		-		261,842
Increase (Decrease) in cash and cash equivalents		(47,782)		140,921
Cash and cash equivalents, beginning of period		95,985		46,304
Cash and cash equivalents, end of period	$	48,203	$	187,225

Supplemental disclosure of cash flow information:				
Interest paid in cash	$	-	$	51
Income tax paid in cash	$	-	$	-
Shares issued for commission	$	-	$	-

(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 $6,116,999 as of September 30, 2017 (June 30, 2017 - $6,072,454). 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 SIgniifcant 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, 2017. 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.

2. Summary of Significant Accounting Policies (continued)

(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.

Standard effective for annual periods beginning on or after January 1, 2018

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.

Standard 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 these above standards on the financial statements of the Company has not yet been determined.

(Expressed in Canadian Dollars)

3. Reclamation Deposit

The Company has posted a deposit with the Department of Natrual 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. The balance will be fully returned to the Company after site inspection is completed.

4. Equipment

	Cost	Accumulated Amortization	Net Book Value
September 30, 2017			
Computer and software	$ 6,434	$ 5,781	$ 653
June 30, 2017			
Computer and Software	$ 6,434	$ 5,729	$ 705

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 consists of 167 claims, each 20 acres in size, totaling approximately 3,340 acres located in the Alkali Flats area, which is 10 kilometers south-south-east of Death Valley Junction and covering most of the Eagle Mountain salina.

In connection with the acquisiton, 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 has granted the Consultant a 1% net smelter returns royalty on the Properties. During the three months ended September 30, 2017 and the year ended June 30, 2017, the Company incurred the following exploration costs:

(Expressed in Canadian Dollars)

5. **Mineral Interests** (continued)

Eagle Mountain Property, California (continued)

	Three Months Ended September 30, 2017	Year ended June 30. 2017	Accumulated Total as at September 30, 2017
	$	$	$
Assays and sampling	-	22,335	22,335
Field expenses	-	1,065	17,907
Finder's fees	-	5,183	7,583
Geo-physical consultants	-	33,454	33,454
Mineral claims and filing fees	33,546	154,018	187,564
Office	-	908	908
Property taxes	3,119	-	3,119
Project management fees	-	7,262	12,083
Travel	-	1,065	2,959
Total	36,665	225,290	287,912

6. **Related Party Balances and Transactions**

Transactions with key management personnel and entities over which they have control or significant influence for the three months ended September 30, 2017 and 2016 were as follows:

Personnel	Transaction	2017	2016
A private company controlled by the Chief Financial Officer	Accounting fees	$ 500	$ 1,170
Corporate Secretary	Bookkeeping and secretary	201	648
Total		$ 701	$ 1,818

Amounts due to related parties as of September 30, 2017 and June 30, 2017 were as follows:

	September 30, 2017	June 30, 2017
President, CEO and Director	$ 882	$ 882
Corporate Secretary	821	821
Total	$ 1,703	$ 1,703

(Expressed in Canadian Dollars)

7. Share Capital

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

(b) Issued and outstanding:

During the three months ended September 30, 2017:

The Company did not issue any common shares during the three months ended September 30, 2017.

During the year ended June 30, 2017

In September 2016, the Company completed a non-brokered private placement to issue 10,947,000 common shares at $0.025 per share for gross proceeds of $273,675. The Company incurred share issuance costs $15,811 which consisted of $11,311 in cash and 180,000 common shares at $0.025 per share for $4,500.

In June 2017, the Company completed a non-brokered private placement to issue 4,800,000 common shares of the Company at $0.02 per share for gross proceeds of $96,000. The Company incurred share issuance costs of $7,006 which consisted of $4,836 in cash and 108,500 common shares at $0.02 per share for $2,170.

(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.

There were no options granted during the three months ended September 30, 2017 or the year ended June 30, 2017. The changes in options during the three months ended September 30, 2017 and the year ended June 30, 2017 were as follows:

	Number of Options		Average Exercise Price
Balance, June 30, 2016	1,875,000	$	0.07
Expired	(875,000)		0.10
Balance, June 30, 2017 and September 30, 2017	1,000,000	$	0.05

Options outstanding and exercisable at September 30, 2017 were as follows:

	Number of Options		Exercise Price
October 10, 2019	1,000,000	$	0.05
	1,000,000	$	0.05

The weighted average life of the options outstanding and exercisable at September 30, 2017 is 2.03 years (June 30, 2017 – 2.28 years).

(Expressed in Canadian Dollars)

7. **Share Capital** (continued)

(d) Warrants

The changes in warrants during the three months ended September 30, 2017 and the year ended June 30, 2017 were as follows:

	Number of Warrants		Average Exercise Price
Balance, June 30, 2016	12,700,000	$	0.10
Issued or Expired	-		-
Balance, June 30, 2017 and September 30, 2017	12,700,000	$	0.10

Warrants outstanding at September 30, 2017 were as follows:

	Number of Options		Exercise Price
May 13, 2019	12,700,000	$	0.10
	12,700,000	$	0.10

The weighted average life of the warrants outstanding and exercisable at September 30, 2017 is 1.62 years (June 30, 2017 – 1.87 years)

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 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.

(Expressed in Canadian Dollars)

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:

	September 30, 2017	June 30, 2017
	$	$
Assets as FVTPL (i)	48,203	95,985
Other financial liabilities (ii)	3,532	7,946

(i) Cash and cash equivalents
(ii) Accounts payable, accrued liabilities, 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
September 30, 2017				
Cash	$ 48,203	$ -	$ -	$ 48,203
June 30, 2017				
Cash	$ 95,985	$ -	$ -	$ 95,985

9. Financial Instruments (continued)

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 of 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 September 30, 2017, the Company has non-financial instrument assets of $7,488 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.