Amended and Restated

PACIFIC IMPERIAL MINES INC.

Financial Statements (Unaudited)

Nine Months Ended March 31, 2011 and 2010

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

These financial statements have been prepared by management of the Company and have not been reviewed by the Company's independent auditor.

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

PACIFIC IMPERIAL MINES INC.

Balance Sheets (Unaudited)
(Expressed in Canadian Dollars)

	March 31 2011	June 30 2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 249,340	$ 371,878
HST recoverable	8,762	6,748
Prepaid expenses	1,250	2,917
	259,352	381,543
Equipment (Note 4)	1,176	1,517
Total assets	$ 260,528	$ 383,060
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 2,801	$ 25,946
Due to related parties (Note 5)	4,674	55,004
Total liabilities	7,475	80,950
SHAREHOLDERS' EQUITY		
Share capital (Notes 6 & 7)	1,075,196	2,005,385
Contributed surplus (Notes 6 & 7)	3,148,419	2,164,104
Deficit	(3,970,562)	(3,867,379)
Total shareholders' equity	253,053	302,110
Total liabilities and shareholders' equity	$ 260,528	$ 383,060

Nature of business and continuance of operation (Note 1)

On behalf of the Board:

"Roman Shklanka"
Roman Shklanka, Director

"Leo King"
Leo King, Director

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

PACIFIC IMPERIAL MINES INC.

Statements of Operations, Comprehensive Income (Loss) and Deficit (Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended March 31		Nine Months Ended March 31	
	2011	2010	2011	2010
Expenses				
Accounting and audit	$ 3,855	$ 19,243	$ 26,775	$ 48,433
Amortization	113	68	341	205
Interest expenses	-	222	-	222
Legal	-	-	13,768	1,164
Management fees	5,100	5,100	15,300	30,020
Office and miscellaneous	2,533	1,397	10,697	9,498
Promotion and government relations	-	206	6,064	206
Stock-based compensation	-	-	27,126	-
Transfer agent fees	1,244	761	2,726	2,301
Travel and transportation	31	-	31	-
Loss Before Other Items	12,876	26,997	102,828	92,049
Other Items				
Foreign exchange loss	238	118	355	560
Gain on disposal of a subsidiary (Note 6)	-	-	-	(476,000)
Net Income (Loss) and Comprehensive Income (Loss) for the period	(13,114)	(27,115)	(103,183)	383,391
Deficit, beginning of period	(3,957,448)	(3,802,521)	(3,867,379)	(4,213,027)
Deficit, end of period	$ (3,970,562)	$ (3,829,636)	$ (3,970,562)	$ (3,829,636)
				-
Earning per share, basic and diluted	$ -	$ -	$ -	$ 0.01
Weighted average number of shares outstanding	16,841,968	31,646,728	23,564,213	31,646,728

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

PACIFIC IMPERIAL MINES INC.

Statements of Cash Flows (Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended March 31		Nine Months Ended March 31	
	2011	2010	2011	2010
Cash flows from (used in) operating activities				
Net Income (loss) for the period	$ (13,114)	$ (27,115)	$ (103,183)	$ 383,391
Adjustment for items not involving cash:				
Amortization	113	68	341	205
Stock-based compensation	-	-	27,126	-
Change in non-cash working capital items:				
Accounts payable and accrued liabilities	(3,581)	12,648	(23,145)	17,139
Advances and sundry receivable	(1,334)	(2,307)	(2,014)	6,866
Prepaid expenses	769	(2,417)	1,667	(2,917)
Net cash provided by (used in) operating activities	(17,147)	(19,123)	(99,208)	404,684
Cash flows from (used in) financing activities				
Advances from/(to) related parties	2,255	8,434	(23,330)	(2,331)
Net cash provided by (used in) financing activities	2,255	8,434	(23,330)	(2,331)
Net increase (decrease) in cash and cash equivalents during the period	(14,892)	(10,689)	(122,538)	402,353
Cash and cash equivalents, beginning of period	264,232	429,442	371,878	16,400
Cash and cash equivalents, end of period	$ 249,340	$ 418,753	$ 249,340	$ 418,753
Supplemental disclosure of cash flow information:				
Interest paid in cash	$ -	$ -	$ -	$ 222
Income tax paid in cash	$ -	$ -	$ -	$ -
Shares issued for debt settlement	$ -	$ -	$ 27,000	$ -
Fair value of shares returned for cancellation	$ -	$ -	$ -	$ -

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

1. Nature of Business and Continuance of Operation

Pacific Imperial Mines Inc. ("the Company") was incorporated under the British Columbia Company Act on September 18, 1987 and is now governed by the British Columbia Business Corporations Act. The Company's shares are listed on the TSX Venture Exchange.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles 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 accumulated deficit since its inception amounting to $3,970,562 as of March 31, 2011. 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 making an acquisition or in raising the necessary financing to do so.

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) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the related notes to the financial statements. Significant areas requiring the use of management estimates include future income tax valuation allowances and assumptions used in valuing options and warrants in stock-based compensation calculations. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from those estimates.

(b) Cash Equivalents

Cash equivalents consist of highly liquid investments which are readily convertible into known amounts of cash that have original maturities of three months or less when purchased.

(c) Equipment

Equipment is recorded at cost and amortized at the following annual rates using the declining balance method:

Computer equipment and software– 30%
Furniture and fixtures – 20%

2. Summary of Significant Accounting Policies (continued)

(d) Long-lived Assets Impairment

Long-lived assets of the Company are reviewed for possible impairment whenever changes in circumstances or events indicate their carrying value may not be recoverable. Management considers an asset to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows resulting from the use of the asset and its eventual disposition. If impairment is deemed to exist, the assets will be written down to fair value. Fair value is generally determined using a discounted cash flow analysis.

(e) Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, measured using substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is provided for any future income tax assets if it is more likely than not that the asset will not be realized.

(f) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted earnings (loss) per share. Diluted earnings (loss) per share excludes all dilutive potential common shares if their effect is anti-dilutive.

(g) Stock-based Compensation

The Company applies the fair value method to stock-based payments to all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, the exercise price proceeds together with the amount initially recorded in contributed surplus are credited to share capital.

(h) Comprehensive income (loss)

Comprehensive income (loss) reflects net income (loss) and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

(i) Financial instruments

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3840 "Related Party Transactions".

2. Summary of Significant Accounting Policies (continued)

(i) Financial instruments (continued)

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income. The Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments.

The Company has classified its cash and cash equivalents as held for trading, and its accounts payable and due to related parties as other financial liabilities.

3. Recent Accounting Policies Pronouncements Not Yet Adopted

In January 2009, the Accounting Standards Board ("AcSB") issued CICA Handbook Section 1582, “Business Combinations”, which replaces Section 1581, “Business Combinations”. The AcSB also issued Section 1601, “Consolidated Financial Statements”, and Section 1602, “Non-Controlling Interests”, which replace Section 1600, “Consolidated Financial Statements”. These new sections are based on the International Accounting Standards Board’s (“IASB”) International Financial Reporting Standard 3, “Business Combinations”. These new standards replace the existing guidance on business combinations and consolidated financial statements. These new standards require that most assets acquired and liabilities assumed, including contingent liabilities, to be measured at fair value and all acquisition costs to be expensed. These new standards also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests. The objective of these new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards will not be adjusted upon application of these new standards. The Non-Controlling Interests standard should be applied retrospectively except for certain items. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

In February 2008, the AcSB adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011.

(Expressed in Canadian Dollars)

4. Equipment

March 31, 2011

	Cost	Accumulated Amortization	Net Book Value
Office equipment and furniture	$ 680	$ 680	$ –
Computer and software	4,191	3,015	1,176
Total	$ 4,871	$ 3,695	$ 1,176

June 30, 2010

	Cost	Accumulated Amortization	Net Book Value
Office equipment and furniture	$ 680	$ 680	$ –
Computer and software	4,191	2,674	1,517
Total	$ 4,871	$ 3,354	$ 1,517

5. Related Party Balances and Transactions

(a) Amounts due to related parties are unsecured, have no specific terms of repayment and are non-interest bearing, and are comprised as follows:

	March 31 2011	June 30 2010
Corporations with directors in common with the Company	$ 1,904	$ 50,610
Companies controlled by officers of the Company	2,520	4,144
Officer of the Company	250	250
	$ 4,674	$ 55,004

The following related party transactions were incurred in the normal course of operations and were measured at the exchange amounts, which are the amounts agreed upon by the transacting parties and on terms and conditions similar to those of non-related parties.

(i) The Company incurred management fees of $15,300 (2010 - $24,920) to companies with a common director.

(ii) The Company incurred accounting fees of $13,365 (2010 - $21,433) to a private corporation controlled by an officer of the Company.

(iii) The Company incurred book-keeping services of $2,250 (2010 - $3,000) to an officer of the Company.

(iv) The Company issued 300,000 shares to a company controlled by a director for settlement of debt.

(Expressed in Canadian Dollars)

6. Gain on Disposal of a Subsidiary

The Company's former wholly-owned subsidiary Guangnan Tangshang Gold Co., Ltd. ("GGC"), China, was granted two mineral exploration licenses located in Guangnan County, Yunnan province, China, called "Tangshang Gold" and "Salachong Gold", and three mining licenses expiring October 2007, October 2011 and October 2013 respectively.

On December 3, 2007, management of the Company determined that the Company had lost its control over the assets and operations of GGC, the Tangshang and Salachong gold properties and the related mineral exploration and mining licenses to Yunnan Non-Ferrous Metals Geological Bureau ("YNGB", a former shareholder of GGC) and its subsidiary Yunnan Non-Ferrous Metals Resource (Group) Co. Ltd., which was the operator (the "Operator") engaged to carry out the mining work for the two properties. The Company effectively recognized the disposal of GGC on December 3, 2007 and recorded a disposal gain of $261,525 for the year ended June 30, 2008.

During the year ended June 30, 2010, the Company recorded a further disposal gain of $476,000 upon receipt of an additional payment of $476,000 in October 2009 from the Operator for the Company relinquishing its control of the two properties.

On August 20, 2010, the Company entered into a Share Purchase Agreement with Yunnan Nonferrous Metals Resources Group Ltd. ("YNGB") pursuant to which the Company agreed to transfer to YNGB all of its interest in Gold China Holdings Group Limited ("Goldchina"), including GGC, and thereby all of its interest in the mineral properties in Yunnan Province, China. In consideration for the transfer, the Company received $476,000 and the return for cancellation of a total of 15,104,760 common shares of the Company issued in 2004 when it acquired Goldchina. The share capital and contributed surplus were decreased and increased respectively by $957,189 to reflect the effect of the cancellation of these returned shares.

7. Share Capital

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

(b) Issued and outstanding:

	Number of Shares		Amount
Balance, June 30, 2009 and 2010	31,646,728	$	2,005,385
Shares returned for cancellation (note 6)	(15,104,760)		(957,189)
Shares issued for debts settlement	300,000		27,000
Balance, March 31, 2011	16,841,968	$	1,075,196

On December 12, 2010, the Company issued 300,000 shares to a company controlled by a director for settlement of debts.

On November 3, 2010, 15,104,760 shares were returned to the Company for cancellation.

On October 15, 2007, pursuant to a Mining Operations Agreement, the Company agreed to issue 7,807,333 shares of the Company to YNGB in connection with settlement of this Agreement as it pertained to GGC, its former subsidiary. As a result of the sale agreement dated August 20, 2010 (see Note 6) this contingent obligation no longer exists.

(Expressed in Canadian Dollars)

7. Share Capital (continued)

(c) Contributed Surplus

	Amount
Balance, June 30, 2009 and 2010	$ 2,164,104
Shares returned for cancellation (note 6)	957,189
Stock-based compensation	27,126
Balance, March 31, 2011	$ 3,148,419

(d) Stock 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.

During the nine months ended March 31, 2011, the Company granted 425,000 options to directors and officers of the Company with an exercise price of $0.10 per share expiring October 25, 2015.

A summary of the status of options granted under the Company's stock option plan is presented below:

Expiry Date	Number of Options	Exerecise Price
July 25, 2011	50,000	$ 0.175
June 4, 2012	675,000	0.280
October 25, 2015	425,000	0.100
Balance, March 31, 2011	1,150,000	$ 0.209

The weighted average life of the options outstanding and exercisable at March 31, 2011 is 2.40 years (June 30, 2010 – 1.87 years).

(e) Escrow Shares

At March 31, 2011, there were no shares held in escrow.

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 shareholders' 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.

(Expressed in Canadian Dollars)

8. Management of Capital (continued)

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the 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.

As at March 31, 2011, the Company's financial instruments consist of cash and cash equivalents, accounts payable and amount due to related parties. The fair values of these financial instruments approximate the carrying value because of the short-term nature of these instruments.

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

		March 31, 2011		June 30, 2010
Held for trading (i)	$	249,340	$	371,878
Other financial liabilities (ii)	$	7,475	$	80,950

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

Fair Value

The estimated fair values of cash and cash equivalents, accounts payable and amounts due to related parties approximate their respective carrying values due to the 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 as defined in CICA Handbook section 3862 *Financial Instruments –Disclosures*:

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 within the fair value hierarchy:

March 31, 2011	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 249,340	-	-	249,340

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

9. Financial Instruments (continued)

Credit Risk

The Company is not exposed to significant credit risk.

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 issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. As at March 31, 2011, the Company has a net working capital of $251,877.

Foreign Exchange Risk

During the nine months ended March 31, 2011, the Company incurred expenses primarily in Canada. The Company does not have significant foreign exchange risk.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

10. Subsequent Event

On May 9, 2011, the Company announced a non-broker private placement of up to 2,000,000 common shares of the Company at $0.15 per share for gross proceeds of up to $300,000. The private placement is subject to regulatory approvals.