PACIFIC IMPERIAL MINES INC.
Management Discussion and Analysis
For the Three Months Ended September 30, 2015

The following discussion and analysis are prepared and have been authorized for release by the Company's Board of directors on November 25, 2015. This document should be read in conjunction with the audited financial statements together with the notes attached thereto for the three months ended September 30, 2015 and 2014. All amounts are stated in Canadian dollars unless otherwise indicated.

This Management Discussion & Analysis ("MD&A") summarizes the activities of the Company to date, and provides financial information for the three months ended September 30, 2015. Additional information on the Company is also available at www.sedar.com

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.

By an Option Agreement dated March 26, 2014 with Inland Explorations Ltd. the Company has acquired an option to purchase up to an undivided 65% interest in the Keg Mountain Property located 100 kilometers south of Salt Lake City, Utah, by agreeing to pay an aggregate of Cdn$375,000 in cash, issue 6,500,000 common shares of the Company and expend US$15,000,000 on the property over stages.

In May 2014, the Company completed a private placement of 12,500,000 units ("Units") at a price of $0.05 per Unit. Each Unit is comprised of one common share and one share purchase warrant of the Company. Each share purchase warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 per share until May 13, 2019. Proceeds from this financing will be used for advancing the Company's exploration program on the Keg Mountain Property and working capital purposes.

On October 30, 2014, the Company decided to terminate the Option Agreement with Inland as the initial drilling result were not of sufficient interest to continue with the project.

Mineral Interests

Keg Mountain Property, Utah

By an Option Agreement with Inland Explorations Ltd. dated March 26, 2014 the Company has acquired an option to purchase up to an undivided 65% interest in the Keg Mountain Property located 100 kilometers south of Salt Lake City, Utah, by agreeing to pay an aggregate of Cdn$375,000 in cash, issue 6,500,000 common shares of the Company and expend US$15,000,000 on the property. The property is subject to a 1.5% Net Smelter Return ("NSR") which can be purchased by the Company at $1,000,000.

In connection with the acquisition of the Keg Mountain Property, the Company has agreed to issue a total of 500,000 Units to a finder.

The Company also issued 1,000,000 common shares to Inland and 200,000 Units to a finder during the year ended June 30, 2014. The Units issued to the finder have the same terms and conditions as the Units issued in connection with the private placement completed on May 12, 2014.

The Keg Mountain Property is located in Juab County, 100 kilometers south of Salt Lake City, in central Utah's Great Basin. The property comprises 5,081.44 acres and consists of 184 federal unpatented mineral claims and two State Section Leases and is considered to have potential for porphyry copper and related skarn mineralization. Drill targets on the Keg Property have been defined by Inland's exploration work that includes geological mapping and sampling and airborne and surface geophysical surveys. One of the high priority untested drill targets is defined by anomalous surface geochemical values of lead, zinc, copper, molybdenum, gold and silver that are coincident with a large Induced Polarization (IP) anomaly, indicating potential for a porphyry copper-molybdenum deposit and associated skarn mineralization. The mineral concessions comprising the property are currently held 100% by Inland. Drill plans have been approved by the Utah Division of Oil, Gas and Mining and permits were granted upon posting of a reclamation bond.

The property is also prospective for both volcanic and sedimentary rock-hosted disseminated gold deposits and polymetallic replacement deposits.

On June 11, 2014, the Company announced an initial drill program on the Keg Mountain Property to test a drill target defined by anomalous surface geochemical values of lead zinc, copper, molybdenum, gold and silver that are coincident with a large Induced Polarization (IP) anomaly, indicating potential for a copper-molybdenum deposit and associated skarn mineralization.

In August 2014, the Company completed two diamond drill holes totaling 872 meters (2,861 feet). Hole 14KMC-1 was completed at a depth of 459 meters and Hole 14KMC-2 was completed at a depth of 413 meters. Both holes intersected a thick sequence of limestones and interbedded shale. Sections within the limestone and shale units were mineralized with finely disseminated pyrite and graphite which is interpreted to be the cause of the IP anomalies.

A total of 155 core samples from Hole 14KMC-1 and 98 core samples from Hole 14KMC-2 were analysed for both precious and base metals. No values of economic interest were returned.

On October 30, 2014, the Company decided to terminate the Option Agreement with Inland as the initial drilling result were not of sufficient interest to continue with the project. On September 30, 2015, the Company decided to abandon the Keg Mountain Property.

Mr. Leo King, P. Geo., President of the Company, is a Qualified Person ("QP") as defined by National Instrument 43-101 and has supervised the preparation of the foregoing technical information.

The following were the exploration project costs incurred during the period in the Keg Mountain Property:

	Three Months Ended September 30	
	2015	2014
Exploraton costs:		
Acquisition costs	$ -	$ 31,739
Assays	-	9,134
Consultants	-	11,096
Drilling	-	49,024
Field expenses	-	816
Report	-	1,151
Travel	-	(388)
Water	-	1,110
	$ -	$ 103,682

Results of Operations

Three months ended September 30, 2015:

During the three months ended September 30, 2015, the Company recorded net loss of $14,673 compared to net loss of $119,844 in the same quarter last year. The decrease of $105,171 in net loss was primarily due to decrease in exploration costs by $103,682 due to termination of the Option Agreement with Inland relating to the Keg Mountain Property.

Summary of Quarterly Results

Quarter Ended	Revenue	Income/ (Loss)	Earning/(Loss) Per share	Total Assets	Term Liabilities	Cash Dividend
	($)	($)	($)	($)	($)	($)
September 30, 2015	Nil	(14,673)	-	137,619	Nil	Nil
June 30, 2015	Nil	45,746	-	149,202	Nil	Nil
March 31, 2015	Nil	(19,487)	-	150,346	Nil	Nil
December 31, 2014	Nil	(98,571)	-	172,014	Nil	Nil
September 30, 2014	Nil	(119,844)	-	217,503	Nil	Nil
June 30, 2014	Nil	(376,964)	(0.02)	352,514	Nil	Nil
March 31, 2014	Nil	(37,015)	-	649,247	Nil	Nil
December 31, 2013	Nil	(58,964)	-	104,014	Nil	Nil

Note: The loss for the quarter ended June 30, 2014 was significantly higher than the other quarters mainly due to exploration costs incurred in the Keg Mountain Property in Utah and Marcionilio Property in Brazil respectively. The unusual net earnings for the quarter ended June 30, 2015 was caused by credit adjustments to foreign exchange and the stock-based calculation. The Company will continue to incur losses until the Company has a profitable business.

Balances and Transactions with Related Parties

During the three months ended September 30, 2015, the following related party transactions were incurred in the normal course of operations:

Personnel	Transaction	Three Months Ended September 30 2015		2014	
Albert Wu & Associates Ltd.,, controlled by Albert Wu, CFO	Accounting fees	$	3,060	$	2,250
Chelsia Cheam, Corporate Secretary	Bookkeeping and secretary		718		6,000
Total		$	3,778	$	8,250

Amounts due to related parties as of June 30, 2015 were as follows:

Personnel	September 30, 2015		June 30, 2015	
Albert Wu & Associates Ltd.,, controlled by Albert Wu, CFO	$	3,060	$	-
Chelsia Cheam, Corporate Secretary		263		245
Total	$	3,323	$	245

The amounts due to related parties are unsecured, have no specific terms of repayment and are non-interest bearing.

Investor Relations

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

Management Change

At the annual meeting on November 25, 2015, Roman Shklanka, Leo King and Chris McLeod were re-elected as directors.

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, 2015, the Company incurred a net loss of $14,673 (2014 – $119,844). As of June 30, 2015, the Company had working capital of $122,706 (June 30, 2015 - $137,823).

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.

Critical Accounting Estimates

The preparation of these financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the period. Actual results could differ significantly from those estimates. Specific items requiring estimates are decommissioning of liabilities on mineral interests, recoverability and measurement of deferred tax assets and liabilities and the assumptions used in valuing options and warrants in share-based payment calculations.

Financial Instruments

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 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 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.

Changes in Accounting Policies

Accounting standards 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 - This is a finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39. The standard contains requirements in the following areas:

(a) *Classification and measurement*. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

(b) *Impairment*. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

(c) *Hedge accounting*. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

(d) *Derecognition*. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

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

Off-Balance-Sheet Arrangements

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

Subsequent Event

In October 2015, 325,000 stock options exercisable at the price of $0.10 per share expired unexercised.

Latest Outstanding Share Data

As of the date of this report, the Company has the following outstanding securities:

Common shares	-	41,541,968
Stock options	-	1,875,000
Warrants	-	12,700,000