

**PACIFIC IMPERIAL MINES INC.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**For the Three Months Ended September 30, 2021 and 2020**  
**(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 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 interim financial statements have not been reviewed by the Company's external auditors.

# PACIFIC IMPERIAL MINES INC.

## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited, Expressed in Canadian dollars)

		September 30, 2021	June 30, 2021
	Note	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		169,848	299,881
GST receivable		22,243	19,825
Prepaid expenses		4,297	4,297
<b>Total assets</b>		<b>196,388</b>	<b>324,003</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		10,769	63,731
Due to related parties	4	14,949	12,949
Flow-through share premium liability		72,800	81,200
<b>Total liabilities</b>		<b>98,518</b>	<b>157,880</b>
<b>EQUITY</b>			
Share capital	5	4,668,449	4,668,449
Contributed surplus		2,661,144	2,661,144
Deficit		(7,231,723)	(7,163,470)
<b>Total Equity</b>		<b>97,870</b>	<b>166,123</b>
<b>Total liabilities and equity</b>		<b>196,388</b>	<b>324,003</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 financial statements)

# PACIFIC IMPERIAL MINES INC.

## CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the Three Months Ended September 30, 2021 and 2020

(Unaudited, Expressed in Canadian dollars)

		Three months ended	
		September 30,	
	Note	2021	2020
		\$	\$
<b>Exploration costs</b>	3	70,299	36,594
<b>General and administrative expenses</b>			
Accounting and audit		2,000	2,500
Legal		925	-
Office and miscellaneous		2,654	304
Share based compensation		-	77,349
Transfer agent fees		843	706
<b>Loss before other items</b>		76,721	117,453
<b>Other items</b>			
Interest income		(68)	(44)
Recovery of flow-through share premium		(8,400)	-
<b>Net loss and comprehensive loss</b>		<b>68,253</b>	<b>117,409</b>
<b>Loss per share, basic and diluted</b>		-	-
<b>Weighted average shares outstanding</b>		79,077,468	68,577,468

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

## PACIFIC IMPERIAL MINES INC.

### CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Three Months Ended September 30, 2021 and 2020

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

	Share Capital		Contributed Surplus \$	Deficit \$	Total Equity
	Number of Shares	Amount \$			
Balance, June 30, 2020	68,577,468	4,331,997	2,431,535	(6,634,863)	128,669
Share based compensation	-	-	77,349	-	77,349
Net loss for the period	-	-	-	(117,409)	(117,409)
<b>Balance, September 30, 2020</b>	<b>68,577,468</b>	<b>4,331,997</b>	<b>2,508,884</b>	<b>(6,752,272)</b>	<b>88,609</b>
Private placements – net of share issuance cost	10,100,000	468,365	-	-	468,365
Flow-through share premium	-	(134,000)	-	-	(134,000)
Fair value of finders warrants	-	(17,913)	17,913	-	-
Share issued for mineral property option payment	400,000	20,000	-	-	20,000
Share based compensation	-	-	134,347	-	134,347
Net loss for the period	-	-	-	(411,198)	(411,198)
<b>Balance, June 30, 2021</b>	<b>79,077,468</b>	<b>4,668,449</b>	<b>2,661,144</b>	<b>(7,163,470)</b>	<b>166,123</b>
Net loss for the period	-	-	-	(68,253)	(68,253)
<b>Balance, September 30, 2021</b>	<b>79,077,468</b>	<b>4,668,449</b>	<b>2,661,144</b>	<b>(7,231,723)</b>	<b>97,870</b>

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

# PACIFIC IMPERIAL MINES INC.

## CONDENSED INTERIM STATEMENTS OF CASH FLOWS

For the Three Months Ended September 30, 2021 and 2020

(Unaudited in Canadian dollars)

	Three months ended September 30,	
	2021	2020
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Loss for the year	(68,253)	(117,409)
Adjustments for non-cash items:		
Share based compensation	-	77,349
Recovery of flow-through premium	(8,400)	-
	(76,653)	(40,060)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(50,962)	278
GST receivable	(2,418)	(45)
Due to related parties	-	2,500
Prepaid expense	-	-
<b>Net cash used in operating activities</b>	<b>(130,033)</b>	<b>(37,327)</b>
Decrease in cash	(130,033)	(37,327)
Cash, beginning of year	299,881	126,326
<b>Cash, end of year</b>	<b>169,848</b>	<b>88,999</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 financial statements)

---

**PACIFIC IMPERIAL MINES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the Three Months Ended September 30, 2021 and 2020  
(Unaudited, Expressed in Canadian Dollars)

---

**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 \$7,231,723 as of September 30, 2021 (June 30, 2021 - \$7,163,470). 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. 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.

---

**PACIFIC IMPERIAL MINES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the Three Months Ended September 30, 2021 and 2020  
(Unaudited, Expressed in Canadian Dollars)

---

**2. Summary of Significant 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, 2021. 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.

These condensed interim financial statements were approved by the Company’s Board of Directors on November 29, 2021.

(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**

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 167 placer claim units, each 20 acres in size, totaling approximately 3,340 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 has 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. On March 29, 2019, the Company staked an additional 56 claims in Inyo County, California to expand the Eagle Mountain Property.

Trek 31 Property, British Columbia

On October 13, 2020, 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.

**PACIFIC IMPERIAL MINES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the Three Months Ended September 30, 2021 and 2020  
(Unaudited, Expressed in Canadian Dollars)

**3. Mineral Interests (continued)**

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>3,000,000</b>	<b>1,300,000</b>

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	700,000	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>3,000,000</b>	<b>1,240,000</b>	<b>2,200,000</b>

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

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 Geological Inc. 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.

---

**PACIFIC IMPERIAL MINES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the Three Months Ended September 30, 2021 and 2020  
(Unaudited, Expressed in Canadian Dollars)

---

**3. Mineral Interests (continued)**

During the three months ended September 30, 2021, and 2020, the Company incurred the following exploration costs:

	<b>Three months ended September 30</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Eagle Mountain Property		
Geological	1,795	-
Mineral claims and filing fees	26,872	36,594
	<u>28,667</u>	<u>36,594</u>
Tulameen Property		
Assay	28,097	-
Geological	13,535	-
	<u>41,632</u>	<u>-</u>
<b>Total</b>	<b><u>70,299</u></b>	<b><u>36,594</u></b>

**4. Related Party Balances and Transactions**

During the three months ended September 30, 2021 and 2020, 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:

	<b>Three months ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Consulting fees	2,000	2,500
Share based compensation	-	77,349
<b>Total</b>	<b><u>2,000</u></b>	<b><u>79,849</u></b>

As at September 30, 2021 there was \$14,949 (June 30, 2021 - \$12,949) 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.

---

**PACIFIC IMPERIAL MINES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the Three Months Ended September 30, 2021 and 2020  
(Unaudited, Expressed in Canadian Dollars)

---

**5. Share Capital**

- (a) Authorized: unlimited common shares with no par value
- (b) Issued and outstanding:

During the period ended September 30, 2021

The Company did not issue any common shares during the three months ended September 30, 2021.

During the year ended June 30, 2021

On December 11, 2020, the Company completed a non-brokered flow-through private placement of 1,400,000 units at a price of \$0.05 per unit for a gross amount of \$70,000. Each unit is comprised of one flow-through common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$0.10 for a period of two years from closing. The Company recognized a flow-through premium liability of \$28,000 on issuance. The residual value of the private placement of \$42,000 was allocated to share capital.

On December 31, 2020, the Company completed a brokered flow-through private placement of 4,900,000 units at a price of \$0.05 per unit for a gross amount of \$245,000. Each unit is comprised of one flow-through common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$0.10 for a period of two years from closing. The Company recognized a flow-through premium liability of \$49,000 on issuance. The residual value of the private placement of \$196,000 was allocated to share capital.

In connection with the brokered private placement, the Company paid a finders' fee of \$19,700 and issued 392,000 finders warrants. The finders' warrants were determined to have a fair value of \$10,993. The finder warrants are exercisable for two years at \$0.10 per share. The fair value of the finders' warrants was calculated using the Black-Scholes Option Pricing Model. The assumptions used in the pricing model were: a share price at grant date of \$0.04, an expected life of 2 years; annualized volatility of 183%; a risk free interest rate of 0.18%; and zero expected dividend yield.

On April 23, 2021, the Company completed a brokered flow-through private placement of 3,800,000 units at a price of \$0.05 per unit for a gross amount of \$190,000. Each unit is comprised of one flow-through common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$0.10 for a period of two years from closing. The Company recognized a flow-through premium liability of \$57,000 on issuance. The residual value of the private placement of \$133,000 was allocated to share capital.

In connection with the brokered private placement, the Company paid a finders' fee of \$16,935 and issued 304,000 finders warrants. The finders' warrants were determined to have a fair value of \$6,920. The finder warrants are exercisable for two years at \$0.10 per share. The fair value of the finders' warrants was calculated using the Black-Scholes Option Pricing Model. The assumptions used in the pricing model were: a share price at grant date of \$0.04, an expected life of 2 years; annualized volatility of 174%; a risk free interest rate of 0.31%; and zero expected dividend yield.

**PACIFIC IMPERIAL MINES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the Three Months Ended September 30, 2021 and 2020  
(Unaudited, Expressed in Canadian Dollars)

**5. 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 September 30, 2021:

	Number of options	Weighted average exercise price
Balance, June 30, 2020	1,800,000	\$0.05
Granted	6,000,000	\$0.05
<b>Balance, June 30, 2021 and September 30, 2021</b>	<b>7,800,000</b>	<b>\$0.05</b>

The following table summarizes the number of stock options outstanding and exercisable at September 30, 2021:

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
February 23, 2023	\$0.05	1,800,000	1.4	1,800,000	1.4
September 29, 2025	\$0.05	2,300,000	4.0	2,300,000	4.0
November 3, 2025	\$0.05	100,000	4.1	100,000	4.1
February 10, 2026	\$0.05	100,000	4.4	100,000	4.4
June 15, 2026	\$0.05	3,500,000	4.7	3,500,000	4.7
		<b>7,800,000</b>	<b>3.7</b>	<b>7,800,000</b>	<b>3.7</b>

For the three months ended September 30, 2021, the Company recognized a share based compensation expense of \$Nil (June 30, 2021 - \$211,696).

(d) Warrants

The following table summarizes the Company's warrants at September 30, 2021:

	Number of warrants	Weighted average exercise price
Balance, June 30, 2020	-	-
Issued	10,796,000	\$0.10
<b>Balance, June 30, 2021 and September 30, 2021</b>	<b>10,796,000</b>	<b>\$0.10</b>

**PACIFIC IMPERIAL MINES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the Three Months Ended September 30, 2021 and 2020  
(Unaudited, Expressed in Canadian Dollars)

**5. Share Capital (continued)**

(d) Warrants (continued)

Details of share purchase warrants outstanding at September 30, 2021:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of warrants</b>	<b>Weighted average remaining contractual life in years</b>
December 11, 2022	\$0.10	1,400,000	1.2
December 31, 2022	\$0.10	5,292,000	1.3
April 23, 2023	\$0.10	4,104,000	1.6
<b>Balance, September 30, 2021</b>	<b>\$0.10</b>	<b>10,796,000</b>	<b>1.4</b>

**6. 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.

**7. 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>September 30, 2021</b>	<b>June 30, 2021</b>
	<b>\$</b>	<b>\$</b>
Assets as FVTPL (i)	169,848	299,881
Other financial liabilities (ii)	25,718	76,680

---

**PACIFIC IMPERIAL MINES INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the Three Months Ended September 30, 2021 and 2020  
(Unaudited, Expressed in Canadian Dollars)

---

**7. Financial Instruments and Financial Risk (continued)**

- (i) Cash
- (ii) Accounts payable, and amounts due to related parties

*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. The Company does not have investments in any asset backed commercial paper.

*Foreign Exchange Risk*

As at September 30, 2021 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.