



**MANAGEMENT'S
DISCUSSION AND ANALYSIS
FOR THE
NINE MONTHS ENDED DECEMBER 31, 2023**

Dated: February 29, 2024
(All amounts expressed in Canadian dollars unless otherwise indicated)

GENERAL

Pacific Empire Minerals Corp. (the "Company" or "PEMC") is a Vancouver based mineral exploration company whose principal business is the acquisition and exploration of copper-gold porphyry mineral exploration properties, with a focus on British Columbia, Canada. The Company is a reporting issuer in British Columbia, Alberta and Ontario, and trades on the TSX Venture Exchange ("TSX-V") as a Tier 2 issuer under the symbol PEMC.

The following Management Discussion and Analysis ("MD&A") of the Company's financial position and results of operations has been prepared by management in accordance with the requirements of National Instrument 51-102. The following information is prepared as at February 29, 2024 unless otherwise stated and supplements, but does not form part of, the unaudited condensed interim financial statements of the Company for the nine months ended December 31, 2023. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and related notes for the Nine months ended December 31, 2023, and the audited financial statements and related notes for the year ended March 31, 2023.

The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts are expressed in Canadian dollars except where noted.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable.

Additional information relevant to the Company's activities can be found on www.sedarplus.ca and on the Company's website at www.pemcorp.ca.

Kristian Whitehead, B.Sc., P.Geo, is the Company's Qualified Person as defined by National Instrument 43-101 and is responsible for the accuracy of the technical information in this MD&A and has approved its written disclosure.

FORWARD LOOKING STATEMENTS

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. Forward-looking statements are statements that are not historical facts, and include, but are not limited to: a) estimates and their underlying assumptions; b) statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, capital raising initiatives, the impact of regulatory initiatives on the Company's operations, and market opportunities; c) general industry and macroeconomic performance and growth rates; d) expectations related to possible business opportunities, joint or strategic ventures; and e) statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to; a) unavailability of financing; b) failure to identify commercially viable mineral reserves; c) fluctuations in the market valuation for commodities; d) difficulties in obtaining required approvals for the development of a mineral project; and e) other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

DESCRIPTION OF BUSINESS

The Company is a mineral exploration company whose principal business is the acquisition and exploration of mineral exploration properties, with a focus in British Columbia, Canada.

The Company's flagship properties include the Trident property (formerly the COL property), and the Pinnacle property, both in the Omineca Mining Division of British Columbia. The Trident property is located approximately 50 km to the southeast of Northwest Copper Corp.'s Kwanika Deposit and 50 km to the northwest of Centerra Gold's Mt. Milligan Mine, the Trident property covers 6,618 hectares and is accessible by vehicle using well established logging roads. In addition to the Trident Project, the Company has interests in 3 other mineral properties in British Columbia.

The Company also pursues Joint Venture arrangements, whereby projects that are not the current focus for the Company are available for option by arms-length companies in order to advance exploration while eliminating the Company's expenditures.

To date, equity financings have provided the main source of financing. The recovery of the Company's investment in its mineral properties will be dependent upon the execution of earn-in agreements with incumbent partners, assuming there are monetary, or equity payments issued, or the discovery of economically recoverable mineral reserves and the ability to raise sufficient capital to finance these operations. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

OVERALL PERFORMANCE

The Company was incorporated on July 13, 2012, and commenced business at that time. The Company is a mineral exploration company focused on the discovery of gold-enriched copper deposits in British Columbia. Since 2012, the Company has (i) entered into a total of 5 agreements as the property optionor in an attempt to advance through partner-funded exploration programs mineral properties with various mineral targets (ii) entered into option agreements for the right to acquire an interest in 7 properties (iii) sold its 50% interest in the Stars property in exchange for cash and royalty interests, and (iv) acquired an equity interest in a royalty generating entity through the sale of royalty interests on four projects.

KEY EVENTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2023, AND SUBSEQUENTLY

FINANCIAL SUMMARY: During the three months ended December 31, 2023 ("Q3 2024"), the Company recorded a comprehensive loss of \$107,829 (Q3 2023 - \$163,048). This was comprised of net exploration expenditures of \$3,400 (Q3 2023 - \$14,716) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$125,002 (Q3 2023 - \$137,690) of general and administration expenditures, and a gain of \$20,573 (Q3 2023 – loss of \$10,642) in other items.

Board Appointment: The Company has appointed Mr. Chris Tucker to the Board of Directors.

Private Placement: Closed a non-brokered private placement announced on December 19, 2023, for aggregate proceeds of \$425,000 in 2 tranches' by issuing 20,000,000 common shares at \$0.01 per share, and 14,999,999 flow-through shares at \$0.015 per flow-through share. In connection with the Offering, the Corporation has paid to Haywood Securities Inc. ("Haywood") a commission equal to 7% of the gross proceeds raised from the shares sold to the purchasers by Haywood payable in cash and also issued to Haywood the number of Common Share purchase warrants (finders' warrants) equal to 7% of the aggregate number of shares placed by Haywood. Each finders' warrant from tranche 1 will entitle Haywood to purchase one common share at an exercise price of \$0.02 per share for a period of 12 months from closing and at a price of \$0.10 per share for the period from December 29, 2024 to December 29, 2026. Each finders' warrant from tranche 2 will entitle Haywood to purchase one common share at an exercise price of \$0.05 per share for a period of 12 months from closing and at a price of \$0.10 per share for the period from January 16, 2025 to January 16, 2027.

Pinnacle property: Pursuant to a property agreement entered into in December 2020, and amended September 2022 with Teako on the Pinnacle property, the Company received, a cash payment of \$35,000 and 300,000 common shares valued at \$22,500 or \$0.075 per share of Teako as required by the August 25, 2023 date. Further, the Company agreed to extend the period in which the additional expenditure requirement of \$400,000 can be met from August 25, 2023 to December 31, 2023 as a result of restricted access due to current wild fires in BC, Canada. Teako informed PEMC that it intended to terminate the option agreement with the Company and the property has transferred back to PEMC.

Outlook and Property Review

Since 2012, the Company has primarily followed the “Prospect Generator” business model, where the Company acquires projects and completes low cost exploration and target development in order to attract larger partners to advance the project, primarily through diamond drilling. The acquisition of the Trident property in 2022 marked a turning point for the Company. The Company believes that the Trident property is of sufficient merit that it should be the focus for PEMC for the foreseeable future. Partner-funded exploration of the adjacent Pinnacle project is anticipated to continue through 2023 and 2024 thereby allowing the Company to simultaneously advance both of its 100% owned exploration projects.

Trident: In June of 2022, the Company acquired a 100% interest in the Trident property, in exchange for granting the Vendors a 2% net smelter return royalty (the “NSR”) on the claims, one-half (1%) of such 2% net smelter return royalty may be purchased for \$500,000 by PEMC. Following this, the Company applied Portable Assessment Credits on the recently acquired mineral tenures in order to advance the expiry date of the claims to 2027. As a result the Company does not have any required exploration expenditures until 2027.

In June of 2022, the Company completed a comprehensive review of all existing data related to the Trident property. Historical data was compiled and assembled into a database and is being used to develop targets for further exploration. Due to forest fire activity on the Trident property and the adjacent Pinnacle property, mobilization to the property was postponed until the fall when it is anticipated that forest fire activity will have subsided.

Following data compilation and review of existing data on the Trident property, management has selected several areas as the focus for continued exploration. Historical drilling on the property has returned intriguing copper-gold-silver grades associated with widespread alteration and soil geochemical anomalies. Based on reviews of historical drill core the highest grade intercepts from diamond drilling appear to be directly associated with discrete porphyry dykes and intrusions, however the source of these porphyry intrusions remains unknown. In order to better understand the nature and location of a potential hydrothermal system related to the porphyry intrusions, management intends to complete an airborne mobile magnetotelluric survey (“MT”) over the existing target areas prior to diamond drilling during 2024. This survey has the potential to identify conductive and resistive bodies at depths greater than traditional induced polarization surveys, providing a much larger scale picture at depth.

Due to the presence of extensive forest fires at both the Trident and Pinnacle properties starting in July of 2023, field work at Trident was postponed until 2024. Fire activity continued through late September. At Trident the fire activity was predominantly in the northwest area of the property.

Pinnacle: In June of 2023, Teako received its drill and road use permits for exploration at Pinnacle. During 2023, Teako intended to conduct an Induced Polarization (“IP”) geophysics survey at Pinnacle. Teako contracted the geophysical services of SJ Geophysics Ltd. of Delta, BC to perform a 3D IP survey over the Aplite Ridge target area at Pinnacle. This proposed work program was intended to include soil sampling, geological mapping and rock sampling further expanding on the previous works completed in 2021 and 2022 which focused on the gold-rich Aplite Creek copper target area.

The IP program was designed to primarily target the Aplite Ridge and immediately adjacent target areas. However, due to very extensive forest fire activity across the majority of the Pinnacle property, the 2023 work program had to be suspended.

This important work would have set the stage for future anticipated drill programs at Pinnacle of which Teako had received its:

- Diamond drilling, roads and trails permit (June 23, 2023, to June 22, 2028); and
- Road use permit approval (June 6, 2023, to December 31, 2023).

The permitted drill program permit consists of up to 25 drill sites, along with road and trail construction spanning up to two (2) kilometers. Additionally, the camp location and staging areas have been approved within this permit designed to accommodate up to five structures and provide storage capacity for up to 1,500 litres of fuel.

On November 28, 2023, Teako informed PEMC that it intended to terminate the option agreement with PEMC. The permitted exploration program however is transferable to PEMC.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company considers items included in shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

As at December 31, 2023, the Company had working capital of \$229,430 (March 31, 2023 - \$389,722). Working capital for the nine months ended December 31, 2023 decreased compared to March 31, 2023 as a result of cash used in operating activities of \$247,311, cash used by investing activities of \$8,816, both offset by cash generated by financing activities of \$229,781.

As at December 31, 2023, the Company had \$287,193 in cash, approximately \$128,000 in refundable taxes expected to be received in the next 12 months, reclamation deposits to be refunded should projects not continue of \$76,847, and \$68,343 in marketable securities for which the Company manages and could be sold for cash should market conditions be favorable. Further, as at the date of this MD&A, the Company has 2,000,000 incentive stock options and 1,481,666 warrants outstanding which are exercisable for cash to management, directors, consultants of the Company, and finders' warrants. The Company may also receive option payments in cash related to property agreements. See "Risks and Uncertainties" and "Forward looking statements" in this MD&A for risks related to the Company's expectations and ability to obtain sources of funding. To maintain its properties in good standing, the Company is required to make minimal maintenance payments; however, these can be terminated at any time without penalty once an option agreement is cancelled, or mineral title is dropped. There have been no changes in the approach to managing capital during the year ended December 31, 2023.

Although the Company has completed a recent private placement for gross proceeds of \$425,000, expects funds from refundable tax credits and potential sale of marketable securities, the Company's working capital and cash flows may not be sufficient to meet its current plans and budgets associated with those plans. In order to continue funding its administrative and exploration expenditures from the date of this MD&A, the Company will need to obtain additional cash and anticipates either financing or selling one or more of its assets.

The Company is not subject to externally imposed capital requirements.

As at December 31, 2023, the Company had cash of \$287,193. Management of cash balances is conducted in-house based on internal investment guidelines. Cash is deposited with major Canadian financial institutions. Cash required for immediate operations is held in a checking account and excess funds may be invested in accordance with the Company's capital resource objectives.

Cash Used in Operating Activities

Cash used in operating activities was \$247,311 for the nine months ended December 31, 2023 (2023 - \$770,953) and represents expenditures primarily on mineral property exploration and general and administrative expenses for both periods. During the current period, the majority of spending was related to planning of subsequent operations with limited field work completed, and time dedicated to financing activities. The decrease from the comparative year predominately relates to settlement of prior period payables offset with a significant decrease in investor relation costs and a reduction in field activity. Exploration expenditures will fluctuate from period to period depending on opportunities, level of activity, and capital resources. See the Outlook and property review discussions above for mineral property activities.

Cash Used by Investing Activities

Cash used in investing activities for the nine months ended December 31, 2023 was \$8,816 compared to cash used of \$22,510 for the comparable period. Cash used in investing activities during the nine months ended December 31, 2023 included \$10,273 (2023 - \$42,419) related to the acquisition of exploration licenses, including staking costs predominately the Trident property.

Cash Provided by (Used in) Financing Activities

Cash provided by financing activities for the nine months ended December 31, 2023 was \$229,781 (2023 – used \$18,962). Cash provided during the current period relates to proceeds from the completion of the first tranche of a private placement raising an aggregate of \$225,000, of which \$90,000 was raised on the issuance of 9,000,000 common shares and \$165,000 was raised on the issuance of 10,999,999 flow-through shares. Each common share was issued at a price per share of \$0.01 and each flow-through share was issued at a price of \$0.015 per share. There was no comparative financing in the period ended December 31, 2022. Other financing activities include the payments towards an office lease liability for both periods.

SELECTED QUARTERLY FINANCIAL INFORMATION AND FINANCIAL RESULTS

Selected Quarterly Information

Quarter Ended	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Financial results				
Exploration expenditures (net)	\$ 3,400	\$ 3,174	\$ 7,308	\$ 13,434
Loss and comprehensive loss for the period	(107,829)	(102,143)	(141,418)	(227,085)
Basic loss and comprehensive loss per common share	(0.00)	(0.00)	(0.00)	(0.01)
Quarter Ended	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Financial results				
Exploration expenditures (net)	\$ 14,716	\$ 143,108	\$ 115,553	\$ 43,896
Loss and comprehensive loss for the period	(163,048)	(257,557)	(342,963)	(135,041)
Basic loss and comprehensive loss per common share	(0.00)	(0.00)	(0.00)	(0.00)

The Company's net loss or income each quarter varies mainly due to varying levels of operations activities on its exploration projects, due diligence undertaken on new prospects, timing of incentive stock option grants, and the dissemination of project information to shareholders. Losses can be offset by option payments received in cash and/or shares by optionees.

Three Months Ended December 31, 2023

During the three months ended December 31, 2023 (“Q3 2024”), the Company recorded a net loss of \$107,829 compared to \$163,048 for the three months ended December 31, 2022 (“Q3 2023”). This was comprised of net exploration expenditures of \$3,400 (Q3 2023 - \$14,716) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$125,002 (Q3 2023 - \$137,690) of general and administration expenditures, and a gain of \$20,573 (Q3 2023 – loss of \$10,642) in other items. Activities focused on financing with the closing of a successful private placement in two tranches, the first of which closed prior to December 31, 2023, for gross proceeds of \$225,000.

Exploration expenditures decreased from a net amount of \$14,716 in Q3 2023 to \$3,400 in Q3 2024. For both periods reduced available capital has led to increased planning considerations for spring and summer programs, as well as the dedication of time to financing activities. There were no active work programs being carried out by the Company during the period.

General and administrative expenditures were consistent from period to period, except as for professional fees, investor relations and shareholder communications as the Company has been more selective of investor relations programs to undertake to provide the greatest benefit to the Company.

Other items for the three months ended December 31, 2023, included a gain of \$20,573 (Q3 2023 – loss of \$10,981) related to fair value adjustments on marketable securities.

Nine months ended December 31, 2023

During the nine months ended December 31, 2023, the Company incurred a net loss of \$351,390 (2023 - \$763,568). The loss for the nine months ended was comprised of net exploration expenditures of \$13,882 (2023 - \$273,377), general and administration expenditures of \$373,284 (2023 - \$444,767), and a gain from other items of \$35,776 (2023 – loss \$45,424). Some items to note from period to period not discussed above for the comparative three months include the following:

- Investor relations and shareholder communications expenditures decreased from \$131,107 for the nine months ended December 31, 2022, to \$58,561 for the current nine-month period. Consistent with the three - month discussions, certain multi-period marketing and business development programs ended early in the current period and were not continued, and the Company has been selective in its IR approach. As such, the decrease for the current nine-month period was expected.
- The Company had an unrealized loss on marketable securities of \$23,181 (2023 – \$102,730) as a result of the volatile markets in which the Company holds investments.
- For the nine months ended December 31, 2023 the Company received a cash payment of \$35,000 (2023 - \$25,000) and 300,000 (2023 – 300,000) common shares valued at \$22,500 (2023 - \$16,500) or \$0.075 (2023 - \$0.055) per share of Teako pursuant to a property agreement.

Other items to note for the current period compared to the prior period are consistent with the significant items for the Q3 2024 and Q3 2023 discussion.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

NEW ACCOUNTING PRONOUNCEMENTS

Accounting standards adopted during the period

Please refer to the Company’s audited financial statements for the year ended March 31, 2023 on SEDARPLUS at www.sedarplus.ca and on the Company’s website at www.pemcorp.ca.

Accounting pronouncements not yet effective

Please refer to the Company's audited financial statements for the year ended March 31, 2023 on SEDARPLUS at www.sedarplus.ca and on the Company's website at www.pemcorp.ca.

RISK AND CAPITAL MANAGEMENT: FINANCIAL INSTRUMENTS

Please refer to the Company's audited financial statements for the year ended March 31, 2023 on SEDARPLUS at www.sedarplus.ca and on the Company's website at www.pemcorp.ca.

CRITICAL ACCOUNTING JUDGEMENTS AND SIGNIFICANT ESTIMATES AND UNCERTAINTIES

Please refer to the Company's audited financial statements for the year ended March 31, 2023 on SEDARPLUS at www.sedarplus.ca and on the Company's website at www.pemcorp.ca.

TRANSACTIONS WITH RELATED PARTIES

The Company entered into certain transactions with key management personnel, which the Company has defined as Officers and Directors of the Company. The aggregate value of these transactions and outstanding balances are as follows:

For the nine months ended December 31, 2023	Management & Consulting fees	Share-based Payments	Total
Management*	\$ 121,500	\$ -	\$ 121,500
Outside Directors	18,000	-	18,000
Seabord Management Corp.**	67,500	-	67,500
	<u>\$ 207,000</u>	<u>\$ -</u>	<u>\$ 207,000</u>

For the nine months ended December 31, 2022	Management & Consulting fees	Share-based Payments	Total
Management*	\$ 114,500	\$ -	\$ 114,500
Outside Directors	18,000	-	18,000
Seabord Management Corp.**	67,500	-	67,500
	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>

Amounts due to related parties as of December 31, 2023 and March 31, 2023 are as follows:

Related party liabilities	Items or services	December 31, 2023	March 31, 2023
President *	Management fees and reimbursable expenses	\$ 97,575	\$ 28,350
Seabord Management Corp.**	Management fees and reimbursable expenses	55,125	-
Directors	Fees	16,350	1,000
		<u>\$ 169,050</u>	<u>\$ 29,350</u>

*BJP Consulting is controlled by Brad Peters, President and CEO.

**Seabord Services Corp. ("Seabord") provides the following services: a Chief Financial Officer ("CFO"), a Corporate Secretary, accounting and administration staff, and office space to the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

During the period ended December 31, 2023, the Company appointed Mr. Chris Tucker to the Board of Directors.

RISKS AND UNCERTAINTIES

The Company has identified the following risks and uncertainties which are consistent with those risks identified for the year ended March 31, 2023: Mineral Property Exploration and Mining Risks, No Assurance of Titles or Borders, Joint Venture Funding Risk, Commodity Price Risk, Financing and Share Price Fluctuation Risks, Political, Regulatory and Currency Risks, Insured and Uninsured Risks, Environmental and Social Risks, Conflicts of Interest, Key Personnel Risk, and Competition.

For details on the above risks and uncertainties, please refer to the MD&A for the year ended March 31, 2023 on SEDARPLUS at www.sedarplus.ca and on the Company's website at www.pemcorp.ca.

OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common shares and preferred shares without par value. As at the date of this MD&A, the Company has 125,348,195 common shares issued and outstanding. There are also 2,000,000 stock options outstanding that expire on March 10, 2024, and 1,481,666 finders' warrants outstanding with expiry dates ranging from December 29, 2026 to January 16, 2027.