



**MANAGEMENT'S  
DISCUSSION AND ANALYSIS  
FOR THE  
NINE MONTHS ENDED DECEMBER 31, 2020**

Dated: February 26, 2021  
(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, and the OTCQB Venture Market Exchange under the symbol “PEMSF”.

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 26, 2021 unless otherwise stated, supplements, but does not form part of the unaudited condensed interim financial statements of the Company for the nine months ended December 31, 2020. 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, 2020, and the audited financial statements and related notes for the year ended March 31, 2020.

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 SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.pemcorp.ca](http://www.pemcorp.ca).

George Cavey 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 material property is the 7,410 hectares Jean Marie Project located in the Omineca Mining Division of British Columbia. The Jean Marie Project consists of certain mineral claims whereby PEMC has the right to earn a 100% interest. In addition to the Jean Marie Project, the Company has interests in 8 other mineral properties in British Columbia and employs the hybrid prospect generator business model whereby it carries out grass-roots exploration on its mineral properties to advance them to a stage where it can attract the participation of a third party with the experience and financial capability to carry out diamond drilling on the properties.

To carry out exploration on its properties, the Company purchased a portable reverse circulation ("RC") drill that it uses to advance its properties. This allows the Company to cost-effectively explore its properties on a timely basis.

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. Currently the Pinnacle, Stars and Kitimat properties are under option agreements with other companies.

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 that employs the "hybrid prospect generator" business model currently focused on the acquisition, funding, and exploration of the Company's portfolio of exploration projects in British Columbia. Since 2012, the Company has (i) entered into a total of 4 agreements (3 of which have since been terminated) 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, and (iii) acquired an equity interest in a royalty generating entity through the sale of royalty interests on 4 projects.

## **KEY EVENTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 AND SUBSEQUENTLY**

**EXPENDITURE SUMMARY:** During the three months ended December 31, 2020 (“Q3 2021”), the Company recorded a comprehensive loss of \$208,016 compared to a comprehensive loss of \$281,322 for the three months ended December 30, 2019 (“Q3 2020”). This was comprised of net exploration expenditures of \$222,177 (Q3 2020 - \$122,733) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$455,310 (Q3 2020 - \$148,991) of general and administration expenditures, of which \$209,916 (Q3 2020 - \$27,686) related to share-based compensation, and a gain of \$469,471 (Q3 2020 – loss of \$9,598) in other items.

**OREQUEST CONSULTANTS:** On November 3, 2020, the Company announced the engagement of Messrs. George Cavey P. Geo and Douglas Cavey of OreQuest Consultants Ltd (“OreQuest”) as technical advisors to the Company. OreQuest’s initial mandate will include reviewing all available technical data gathered to date at the Company’s Jean Marie copper-gold project and designing the exploration program at the property.

**KITIMAT PROPERTY:** In December 2020, the Company signed a definitive agreement to option the Kitimat Copper-Gold project to grant CAVU Mining Corp. (“CAVU”) an exclusive option to earn a 100% interest in the Company’s 3,070-hectare Kitimat Project. CAVU can earn a 100% interest by completing \$1,000,000 in exploration expenditures, paying the Company an aggregate of \$390,000 in cash payments (\$15,000 received on signing and \$25,000 received subsequent to December 31, 2020), and issuing 1,325,000 common shares (125,000 common shares received subsequent to December 31, 2020) of CAVU to the Company by the third anniversary of the signing of the Definitive Agreement.

**PINNACLE PROPERTY:** In December 2020, the Company signed a definitive agreement to option the Pinnacle Copper-Gold project to grant 1111 Acquisition Corp. (“1111 Acquisition”) an exclusive option to earn a 70% interest in the Company’s 14,040-hectare Pinnacle Project. 1111 Acquisition can earn its 70% interest by completing \$5,700,000 in exploration expenditures, paying the Company an aggregate of \$375,000 in cash payments (\$15,000 received on signing), and issuing 3,500,000 common shares of 1111 Acquisition Corp. to the Company by the fourth anniversary of the signing of the Definitive Agreement.

**CASH RECEIPTS:** During the three months ended December 31, 2020, the Company sold its 460,000 common shares in Nova Royalty Corp. for net proceeds of \$638,317, received \$120,183 related to the mineral exploration tax credit, and \$26,445 in refundable taxes.

**QUALIFIED PERSON AND RESIGNATION:** On November 6, 2020, the Company announced the appointment of George Cavey P. Geo, as a Qualified Person (“QP”) within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”). The Company also announced the resignation of Mr. Rory Ritchie as Pacific Empire’s Vice President of Exploration and Director.

## **EXPLORATION REVIEW FOR THE PERIOD ENDED DECEMBER 31, 2020**

In addition to the acquisition of the Jean Marie property by way of an option agreement in May of 2020, the Company announced on June 18, 2020 that it had added an additional 1,052 hectares to the Jean Marie property by way of staking, bringing the total land position to 7,352 hectares. The additional staking covers an area where historical geochemical soil geochemistry returned values up to 4,400 ppm copper and historical stream sediment sampling returned values up to 655 ppm.

On August 5, 2020, the Company announced that it had commenced RC drilling at its Worldstock Property in south-central British Columbia. During August, a total of 10 RC drill holes totaling 1,027 metres were completed. The exploration program at Worldstock was designed to test a variety of geophysical anomalies across the property. On the basis of on-site XRF analysis, three holes were selected and sent for laboratory analysis. Results from these holes have now been received and a summary is presented below. The true width of mineralization in hole RC20WOR001 is unknown at this time.

Hole ID	From (m)	To (m)	Interval (m)	Copper (%)	Gold (g/t)
RC20WOR001	0	121.92	121.92	0.108	0.04
<i>incl.</i>	0	22.86	22.86	0.33	0.098
RC20WOR002	No significant values				
RC20WOR006	No significant values				

On August 11, 2020, the Company announced the results from initial rock sampling at its Jean Marie Project. An initial rock sampling program was completed on the Jean Marie for the purpose of evaluating the potential for gold in and around the historical drill-indicated copper zones. An area south of the C zone, where a 2008 rock sample along a road cut exhibited significant gold mineralization, was followed up with a 20 m hand excavated trench (Trench 1) and systematically chip sampled over 2 metre intervals. Results from Trench 1 yielded 4.0 g/t gold over 8 metres, with the entire 20 metre length of trench averaging 1.7 g/t gold. At the A Zone, rock sampling yielding encouraging gold values returning up to 0.442 g/t gold and 1.3% copper. Encouraging gold values were also encountered at the C Zone including 0.525 g/t gold and 1.1% copper. The true width of mineralization in Trench 1 is unknown at this time.

Anomalous gold results are associated with oxidized, locally semi-massive pyrite, arsenopyrite, and sporadic quartz-sulphide veinlets. Moderate to strong hematite, limonite and scorocite with localized jarosite comprise the oxides that are associated with gold mineralization. Further follow up is clearly warranted at this intriguing mineralized showing (Trench 1), both on the north and south side of the exposure at the road cut.

On September 9, 2020, the Company announced the start of reverse circulation RC drilling activities at the Weedon Property in central British Columbia, 80 kilometres north of the city of Prince George and 85 kilometres southeast of Centerra Gold Inc.'s Mount Milligan Copper-Gold Mine.

At the Weedon property, a total of three RC drill holes were attempted, of which two intersected bedrock. Drilling focused on the T1 target area where previous operators identified a large area of anomalous chargeability coincident with an anomalous geochemical signature. The first hole (RC20WEE001) was drilled to a depth of 51.8 metres and failed to reach bedrock. The second hole (RC20WEE002), collared approximately 500 metres to the south of RC20WEE001, encountered bedrock at a depth of 47 metres and was drilled to a depth of 108 metres. A third hole (RC20WEE003) drilled to the east of the first two holes was collared where overburden was less extensive and was drilled to a depth of 100.5 metres.

A preliminary analysis of chip samples was completed on-site using the Company's portable XRF analyzer. No significant values were observed and therefore none of the chip samples were sent for laboratory analysis.

On October 5, 2020, the Company announced the receipt of its 2020 Notice of Work Mineral Exploration Permit from the BC Ministry of Energy Mines and Petroleum Resources. The multi-year exploration permit encompasses 100 reverse circulation and 20 diamond drill hole sites at the Company's flagship, Jean Marie Cu-Au-Ag-Mo project in north-central British Columbia.

During 2020, a total of 15 RC drill holes totaling 1,692 metres were completed at the A Zone. This drilling tested various magnetic signatures along a corridor where the dominant northwest-trending magnetic fabric is disrupted by an east-west trending zone of magnetic variability and disruption. Samples were sent for laboratory analysis and results were received in February 2020. Quality Assurance and Quality Control protocols have been completed and the results will be released in the coming days.

A high-resolution airborne magnetic survey was conducted by Peter E. Walcott & Associates Ltd. covering the majority of the property, including the known areas of drill defined copper mineralization at the A, B and C Zones. The survey was flown along 100 metre spaced lines and 1,000 metre spaced tie lines. The survey expanded upon the existing historical ground magnetic survey completed in 1973 and provides a much greater level of detail at the known areas of copper mineralization. The survey also highlighted additional target areas in the southern portion of the property where historical soil geochemical sampling identified copper-molybdenum in-soil anomalies.

### **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, 2020, the Company had working capital of \$1,004,775 (March 31, 2020 - \$341,771). Working capital for the nine months ended December 31, 2020 increased compared to March 31, 2020 due to cash provided by financing activities of \$1,284,625 (Q3 2020 - \$803,912) which was comprised of an aggregate of \$1,370,558 (Q3 2020 - \$846,100) in proceeds from the sale of 21,650,000 (Q3 2020 - 10,672,857) common shares, and 4,222,258 (Q3 2020 - 1,100,000) flow-through shares offset with \$72,568 (Q3 2020 - \$29,588) in share issue costs and \$13,365 on repayment of a lease liability (Q3 2020 - \$12,600). Working capital increases were offset by cash used in operating activities of \$1,295,191 (Q3 2020 - \$814,603) as well as cash generated in investing activities of \$604,650 (Q3 2020 - cash used \$73,163).

As at the date of this MD&A, the Company has granted 5,265,000 incentive stock options, of which 2,640,000 are exercisable to management, directors, consultants, and an advisor of the Company pursuant to the Company's stock option plan, and may 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. PEMC has no fixed cash payment obligations on any of its projects. In order 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 approach to managing capital during the nine months ended December 31, 2020.

During the nine months ended December 31, 2020, the Company sold its 460,000 common shares in Nova Royalty Corp. for net proceeds of \$638,317, received \$120,183 related to the mineral exploration tax credit, and \$26,445 in refundable taxes.

Including proceeds from the private placements, sale of marketable securities, and funds from refundable tax credits, the Company's working capital and cash flows are sufficient to continue exploration programs but the Company could seek new financing if required to meet changes in budgeted exploration programs. There is sufficient cash available to meet administrative expenses beyond one year. As such, with its

current plans and budgets associated with those plans, management believes it does not need to raise additional capital resources to fund its budgeted exploration programs and administrative expenses for the next twelve months.

The Company is not subject to externally imposed capital requirements.

As at December 31, 2020, the Company had cash of \$608,370. 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 chequing account and excess funds may be invested in accordance with the Company's capital resource objectives.

### **Cash Used in Operating Activities**

Cash used in operations was \$1,295,191 for the nine months ended December 31, 2020 (Q3 2020 - \$814,603) and represents expenditures primarily on mineral property exploration and general and administrative expenses for both periods including \$272,988 (Q3 2020 - \$125,446) in non-cash working capital items. Non-cash working capital included \$221,154 for changes in prepaid expenditures and \$72,749 related to the purchase of field supplies. Changes in prepaid expenditures was related to the Company entering into agreements related to marketing programs, business development, and financial consulting services.

### **Cash Generated by Investing Activities**

Cash generated by investing activities for the nine months ended December 31, 2020 was \$604,650 compared to cash used in investing activities of \$73,163 for the comparable period. Cash generated by investing activities during the nine months ended December 31, 2020 included \$638,317 (Q3 2020 - \$Nil) for proceeds from the sale of marketable securities, \$18,540 (Q3 2020 - \$27,617) related to the acquisition of exploration and evaluation assets, net of option payments received, and \$16,816 (Q3 2020 - \$13,905) related to the purchase of reclamation deposits. The Company also purchased \$Nil (Q3 2020 - \$33,537) in field equipment.

### **Cash Generated by Financing Activities**

Cash generated by financing activities for the nine months ended December 31, 2020 was \$1,284,625 (Q3 2020- \$803,912) and consisted of an aggregate amount of \$1,370,558 (Q3 2020 - \$846,100) received from the issuance of 21,500,000 (Q3 2020 - 10,672,857) common shares and 4,222,258 flow-through shares (Q3 2020 - 1,100,000), less \$72,568 (Q3 2020 - \$29,588) in share issuance costs paid in the respective period.

## SELECTED QUARTERLY FINANCIAL INFORMATION AND FINANCIAL RESULTS

### Selected Quarterly Information

Quarter Ended	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
<b>Financial results</b>				
Exploration expenditures (net)	\$ 222,177	\$ 234,550	\$ 71,461	\$ 62,714
Share-based payments	209,916	152,698	7,358	12,547
Net loss	(208,016)	(624,799)	(150,992)	(116,565)
Net loss per share-basic and diluted	(0.00)	(0.01)	(0.00)	(0.00)

  

Quarter Ended	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
<b>Financial results</b>				
Exploration expenditures (net)	\$ 122,733	\$ 237,497	\$ 115,478	\$ 58,857
Share-based payments	27,686	2,439	2,162	5,474
Net loss	(281,322)	(382,693)	(231,174)	(159,446)
Net loss per share-basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)

The Company's net loss each quarter varies mainly due to varying levels of operations activities on its exploration projects, due diligence undertaken on new prospects, and the dissemination of project information to shareholders. Field work and related exploration programs run throughout the spring, summer, and fall months and timing can vary from period to period.

### Financial Results

#### *Three months ended December 31, 2020*

During the three months ended December 31, 2020, the Company recorded a net loss of \$208,016 compared to a net loss of \$281,322 for the three months ended December 31, 2019. This was comprised of net exploration expenditures of \$222,177 (Q3 2020 - \$122,733) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$455,310 (Q3 2020 - \$148,991) of general and administration expenditures, of which \$209,916 (Q3 2020 - \$27,686) related to share - based compensation, and a gain of \$469,471 (Q3 2020 – loss of \$9,598) in other items.

Some items to note from period to period include the following:

During the three months ended December 31, 2020, net exploration expenditures of \$222,177 (Q3 2020 - \$122,733) included a recovery of \$21,241 (Q3 2020 - \$71,676) in mineral exploration tax credits accrued or received. During the three months ended December 31, 2020, work focused on the Jean Marie, Weedon, and Worldstock projects. See the exploration review section of this MD&A for discussion of work completed during the three months ended December 31, 2020.

For the three months ended December 31, 2020, the Company incurred \$143,969 compared to \$27,809 in Investor relations and shareholder communications expenditures. The increase of \$116,160 relates to the Company entering into marketing, business development, and financial consulting programs, and the company's continued efforts with dissemination of information to the public and shareholders.

For the three months ended December 31, 2020, the Company incurred \$51,500 compared to \$32,900 in consulting related expenditures. The increase of \$18,600 relates to director's fees and the allocation of consulting fees between exploration expenditures and general and administrative expenditures for management.

For the three months ended December 31, 2020, the Company incurred \$209,916 compared to \$27,686 in stock-based compensation. The increase of \$182,230 relates to the Company granting incentive stock options to officers, directors, related company employees and consultants, and vesting of previously granted options.

Net loss for the three months ended December 31, 2020 included a gain of \$523,317 compared to \$Nil for the comparative period. The gain related to the sale of marketable securities.

#### *Nine months ended December 31, 2020*

During the nine months ended December 31, 2020, the Company incurred a net loss of \$983,807 (Q3 2020 - \$895,189). The loss for the nine months ended was comprised of net exploration expenditures of \$528,188 (Q3 2020 - \$475,708), general and administration expenditures of \$988,791 (Q3 2020 - \$476,308), and a gain from other items of \$533,172 (Q3 2020 - \$56,827). The significant components resulting in the increase from the comparative nine months includes increased consulting costs, increased Investor relations and shareholder communications expenditures, and stock-based compensation. The significant items to note for the current period compared to the prior period are consistent with the significant items for the Q3-2020 and Q3-2019 discussion.

#### **OFF BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

#### **NEW ACCOUNTING PRONOUNCEMENTS**

##### **Accounting standards and new accounting policies adopted during the period**

Please refer to the Company's unaudited condensed interim financial statements for the nine months ended December 31, 2020 on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.pemcorp.ca](http://www.pemcorp.ca).

##### **Accounting pronouncements not yet effective**

Please refer to the Company's unaudited condensed interim financial statements for the nine months ended December 31, 2020 on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.pemcorp.ca](http://www.pemcorp.ca).

#### **RISK AND CAPITAL MANAGEMENT: FINANCIAL INSTRUMENTS**

Please refer to the Company's unaudited condensed interim financial statements for the nine months ended December 31, 2020 on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.pemcorp.ca](http://www.pemcorp.ca).

## Critical Accounting Judgments and Significant Estimates and Uncertainties

Please refer to the Company's unaudited condensed interim financial statements for the nine months ended December 31, 2020 on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.pemcorp.ca](http://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:

	Three Months Ended		Nine Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Exploration expenditures</b>				
BJP Consulting*	\$ -	\$ -	\$ -	6,000
Rory Ritchie Geological Consulting (former)*	5,400	23,200	43,400	66,200
<b>Management and consulting fees</b>				
BJP Consulting*	31,200	26,400	80,400	78,000
Rory Ritchie Geological Consulting (former)*	3,400	4,400	12,400	18,600
Outside directors	6,000	-	14,000	-
Seabord Services Corp.**	22,500	30,000	67,500	90,000
<b>Share - based compensation</b>				
Brad Peters, President *	30,066	3,677	52,936	4,254
Rory Ritchie, Vice President, Exploration (former)*	30,066	3,677	52,936	4,254
Larry Donaldson, Director	12,026	3,677	22,000	3,957
Keith Henderson, former Director	-	3,677	1,377	3,957
Peter Schloo, Director	15,033	-	25,780	-
Seabord Services Corp.**	9,020	2,161	16,277	2,444
	\$ 164,711	\$ 100,869	\$ 389,006	\$ 277,666

Amounts due to related parties as of December 31, 2020 and March 31, 2020 are as follows:

Related party liabilities	Items or services	December 31, 2020	March 31, 2020
BJP Consulting*	Management fees and reimbursable expenses	\$ 10,920	\$ 20,160
Rory Ritchie Geological Consulting (former)*	Management fees and reimbursable expenses	-	22,365
Seabord Services Corp.**	Management fees and reimbursable expenses	-	23,625
Directors		2,000	-
		\$ 12,920	\$ 66,150

\*BJP Consulting and Rory Ritchie Geological Consulting are controlled by Brad Peters, President and CEO, and Rory Ritchie, former Vice-President, Exploration respectively.

\*\*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.

In August 2020 the Company appointed Mr. Peter Schloo as a non-executive independent director and accepted the resignation of Mr. Keith Henderson from the Company's board of directors. In November 2020 the Company also accepted the resignation of Mr. Rory Ritchie as Vice President of Exploration and a director of the Company.

## **RISKS AND UNCERTAINTIES**

The Company has identified the following risks and uncertainties which are consisted with those risks identified for the year ended March 31, 2020: The impact of the current COVID-19 pandemic may significantly impact the Company, 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.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The current and expected impacts on global commerce are far-reaching. To date there has been significant stock market volatility, volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people has become restricted. In British Columbia, Canada, the jurisdiction in which the Company operates, there were no restrictions on essential travel. There continues to be significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts it may have on demand and prices for the commodities related to our business activities. We continue to act to protect the safety and health of our employees, contractors and the communities in which we operate in accordance with guidance from governments and public health authorities including the Canadian and British Columbia Centre's for Disease Control.

For details on the above risks and uncertainties, please refer to the MD&A for the year ended March 31, 2020 on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.pemcorp.ca](http://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 68,788,965 common shares issued and outstanding. There are also 5,965,000 stock options (including 700,000 Brokers options) with expiry dates ranging from June 7, 2021 to August 21, 2023, and 36,250,247 warrants outstanding with expiry dates ranging from March 20, 2021 to May 21, 2023.