



**MANAGEMENT'S
DISCUSSION AND ANALYSIS
FOR THE
YEAR ENDED MARCH 31, 2020**

Dated: July 27, 2020

(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 July 27, 2020 unless otherwise stated, supplements, but does not form part of the audited financial statements of the Company for the year ended March 31, 2020. This MD&A should be read in conjunction with the March 31, 2020 financial statements and the related notes therein.

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 and on the Company’s website at pemcorp.ca.

Rory Ritchie, P. Geo and Vice-President of Exploration for PEMC, 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 14,040 hectare Pinnacle Project located in the Omineca Mining Division of British Columbia. The Pinnacle Project consists of certain mineral claims owned 100% by the Company. In addition to the Pinnacle Project, the Company has interests in 9 other mineral properties in British Columbia and employs the 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.

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 "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 6 properties (iii) acquired an equity interest in a royalty generating entity through the sale of royalty interests on 4 projects, (iv) obtained a listing on the TSX -V on March 20, 2018 and subsequently began trading under the symbol PEMC on March 22, 2018; and (v) obtained a listing on the OTCQB Venture Market in the United States under the symbol "PEMSF".

KEY EVENTS FOR THE YEAR ENDED MARCH 31, 2020 AND SUBSEQUENTLY

EXPENDITURE SUMMARY: During the year ended March 31, 2020, the Company recorded a comprehensive loss of \$1,011,754 (2019 - \$1,031,259). This was comprised of net exploration expenditures of \$538,422 (2019 - \$361,963) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$606,517 (2019 - \$690,262) of general and administration expenditures, of which \$44,834 (2019 - \$31,228) related to stock-based compensation, and income of \$133,185 (2019 – \$20,966) in other items.

PRIVATE PLACEMENTS: In May 2019, the Company completed a private placement raising an aggregate of \$846,100, of which \$747,100 was raised through the issuance of 10,672,857 Units and \$99,000 was raised through the issuance of 1,100,000 flow-through shares. Each Unit was issued at a price per unit of \$0.07 and is comprised of one common share of the Company and one common share purchase warrant entitling the holder to acquire one common share for a period of 36 months at an exercise price of \$0.14. Each flow-through share was issued at a price per share of \$0.09.

In May 2020, the Company completed a private placement raising an aggregate of \$275,000, raised through the issuance of 5,500,000 units. Each unit was issued at a price per unit of \$0.05 and is comprised of one common share of the Company and one common share purchase warrant entitling the holder to acquire one common share for a period of 36 months at an exercise price of \$0.10.

In July 2020, the Company completed a non-brokered private placement for aggregate proceeds of \$1,095,558 including the issuance of 16,000,000 units of the Company at a price of \$0.05 per unit with each unit comprised of one common share and one – half of one common share purchase warrant for gross proceeds of \$800,000, and 4,222,258 flow-through common shares at a price of \$0.07 per flow-through common share for gross proceeds of \$295,558. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per share for a period of 24 months from the issuance closing date.

TOPLEY RICHFIELD: In May 2019, the Company entered into an option agreement with two private vendors to acquire a 100% interest in the Topley Richfield Property located in the Babine Copper-Gold Porphyry district in central British Columbia. The Topley Richfield Property is contiguous with the Company's Bulkley Property. To earn its 100% interest in the property, the Company paid \$10,000 cash and issued 100,000 common shares upon signing and is required to make annual staged option payments on the anniversary of the effective date totaling \$180,000 cash and 900,000 common shares over four years starting with \$30,000 cash and 200,000 common shares on the first anniversary date.

In May 2020, the Company relinquished the option agreement pertaining to the Topley Richfield Property. Preliminary investigation and exploration concluded that the property did not warrant further exploration expenditures.

WORLDSTOCK: In May 2019, The Company has entered into an option agreement with a private vendor to acquire a 100% interest in the Worldstock Property located in south-central British Columbia. To earn its 100% interest in the property, the Company paid \$10,000 cash and issued 50,000 common shares upon signing and is required to make annual staged option payments on the anniversary of the effective date totaling \$75,000 cash and 550,000 common shares over four years. In May of 2020, the Company paid \$10,000 cash and issued 50,000 common shares to the private vendor, as the Company intends to complete RC drilling activities in summer 2020.

PINNACLE REEF AGREEMENT: During the second quarter of 2020, the Company received notice from M3 Metals Corp. (“M3 Metals”), that it would be terminating the Option Agreement on the Pinnacle Reef property, returning the property to PEMC. Following this PEMC announced that further exploration activities during 2020 would be focused on the Pinnacle Reef and NWT properties.

NOVA ROYALTY AGREEMENT: On August 9, 2019, pursuant to the royalty sale agreement entered into during the year ended March 31, 2019 with Nova Royalty Corp. (“Nova”), and the termination of the Pinnacle Reef agreement with M3 Metals, the Company granted Nova a 1.0% NSR royalty on all metals and minerals produced under the Pinnacle Reef project in exchange for 115,000 common shares of Nova value at \$28,750 or \$0.25 per unit.

PARAGON PROJECT: In December of 2019, the Company terminated an option agreement entered into on December 17, 2018. The agreement pertained to certain mineral claims making up part of the Company’s Paragon Project, whereby the Company had an option to acquire a 100% interest in the Nilkitkwa mineral claims. The decision to terminate the agreement was predicated on exploration results achieved in the summer months of 2019. The Company continues to hold the remaining Paragon claims in good standing and does not consider these claims impaired.

SAT PROPERTY: In December of 2019, the Company terminated an option agreement entered into on December 13, 2018. The agreement pertained to certain mineral claims that make up the Sat Property, whereby the Company had an option to acquire a 100% interest in the Sat mineral claims. The decision to terminate the agreement was predicated on exploration results achieved in the summer months of 2019 and all related capital costs were written-off during the 3 months ended December 31, 2019.

BULKLEY PROPERTY: In January of 2020, the Company allowed mineral claims making up the Bulkley Property to lapse. The decision to relinquish the mineral rights to this property were based on exploration results achieved in the summer of 2019 and all related capital costs were written-off during the 3 months ended December 31, 2019.

MINERAL EXPLORATION TAX CREDITS: In November 2019, the Company received \$100,462 related to the mineral exploration tax credit including interest.

JEAN MARIE PROPERTY: In May 2020, the Company entered into an option agreement to acquire a 100% interest in the Jean Marie Project in central British Columbia from two private vendors. To earn its 100% interest, the Company is required to pay \$675,000 in cash, issue 1,500,000 (100,000 issued on signing of the agreement) and spend a total of \$2,700,000 in work commitments within 5 years of the effective date. The vendors of the property will be granted a 2.5% net smelter royalty, one half (1.25%) of which can be purchased at any time for \$1,500,000. A further 0.25% of the NSR Royalty can be purchased at any time for \$1,000,000, thereby reducing the NSR Royalty to 1.0%.

STARS PROPERTY: In June of 2020, M3 Metals issued the Company 30,000 shares and made a \$50,000 cash payment in accordance with the option agreement executed on November 20, 2017. M3 Metals must complete a further \$2,100,000 in exploration expenditures to earn the right to exercise its option agreement with the Company, after which point a Joint Venture partnership would commence.

EXPLORATION REVIEW FOR THE YEAR ENDED MARCH 31, 2020

Between May and July of 2019, the Company completed soil geochemical surveys on the Paragon Project and the Worldstock property, and completed RC drilling activities on its Bulkley and Sat Properties between June and August of 2019. The Company commissioned a heli-borne magnetic survey over the northern portion of its Pinnacle Porphyry Project (formerly called the NWT Property) in April of 2019. Exploration at the southern portion of the Pinnacle Porphyry Project was completed between August and December of 2019 and comprised preparatory seismic and geochemical surveys for subsequent RC drilling.

Soil geochemical surveys on the Paragon Project did not yield any significantly anomalous soil analyses and, as such, follow-up RC drilling was not completed on the property.

Soil geochemical surveying on the Worldstock Property outlined an elongate, approximately 1,700 by 300 metre copper-in-soil anomaly located approximately 600 metres to the northeast of an area where historically drilling copper mineralization associated with feldspar porphyry dikes. The anomalous copper-in-soils expands the area prospective for porphyry copper mineralization to the north and northeast of the historical area of interest. The soil geochemical data acquired will help to guide RC drilling activities in the summer of 2020.

Three short RC drill holes ranging in depth from 65 m to 93 m were completed at the Bulkley Property in June and July, testing a favourable “bull’s eye” magnetic signature under glacial overburden. Drilling encountered a relatively young sequence of basaltic volcanics and did not encounter significant copper mineralization.

In July and August of 2019, the Company completed 10 RC drill holes at the Sat Property, targeting extensions or known mineralization and several novel copper-gold porphyry targets, with targeting predicated on geophysical, geological and geochemical anomalism. Anomalous copper was encountered but was deemed not significant for laboratory analysis.

In late August 2019, the Company completed a relatively small exploration program on its Nub East property located in the Toodoggone region of north-central British Columbia. Soil geochemical and passive seismic surveys were completed, along with property wide rock-chip sampling. Results are currently being compiled and interpreted to direct future exploration efforts.

Between August and December of 2019, the Company completed passive seismic surveys, soil geochemical surveys, trail construction and RC drilling on the southern portion of the Pinnacle Porphyry Project (formerly called the Pinnacle Reef Property). Four RC drill holes totaling 335 metres were completed using the Company’s in-house owned and operated track-mounted RC drill. Geophysical targets, including Induced Polarization and magnetic anomalies, were the focus of the drilling at the Elbow and Later target area, with 2 holes being drilled at each target area.

After geochemical screening utilizing the Company’s portable XRF analyzer, one hole from each of the two target areas drilled were sent for laboratory analysis. The most significant results were achieved at the Elbow target area, where RC drill hole RC19ELB009 intersected 77.7 m grading 0.18 g/t gold, from 28.96 to 106.68 metres. Anomalous gold was associated with pyrite in weak to moderately phyllic altered andesitic volcanics. Anomalous copper and molybdenum were encountered in the final hole drilled at the Later target area, RC19LAT002, though the hole was abandoned prematurely but due difficult drilling conditions.

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 March 31, 2020, the Company had a working capital of \$341,771 (March 31, 2019 - \$469,011). Working capital for the year ended March 31, 2020 decreased compared to March 31, 2019 as a result of cash used in operating activities and corporate development. The change in cash for the year ended March 31, 2020 was comprised of cash used in operating activities of \$916,499 (2019 - \$1,191,052), cash used in investing activities of \$73,163 (2019 - \$283,941), and cash generated by financing activities of \$799,457 (2019 - \$186,250), which was comprised of an aggregate of \$846,100 (2019 - \$200,000) in proceeds from the sale of 10,672,857 (2019 - 1,000,000) common shares and 1,100,000 flow-through shares (2019 - Nil).

The Company has granted 3,370,000 incentive stock options, of which 2,595,000 are exercisable as at March 31, 2020 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 year ended March 31, 2020.

Subsequent to the year ended March 31, 2020, the Company completed two private placements for gross proceeds of \$1,370,558 through the issuance of 21,500,000 units, and 4,222,258 flow-through common shares.

Including proceeds from the subsequent private placements, the Company's working capital and cash flows are sufficient to continue exploration programs but 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 and management continues to undertake cost saving measures for capital maintenance. 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 March 31, 2020, the Company had cash of \$14,286. 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 \$916,499 for the year ended March 31, 2020 (2019 - \$1,191,052) and represents expenditures primarily on mineral property exploration and general and administrative expenses for both periods. The increase relates to the accumulation of payables cleared subsequent to year end.

Cash Used in Investing Activities

Cash used in investing activities for the year ended March 31, 2020 \$73,163 compared to cash used in investing activities of \$283,941 for the comparable year. Cash used in investing activities during the year ended March 31, 2020 included \$27,617 (2019 - \$53,215) related to the acquisition of exploration and evaluation assets, and \$13,905 (2019 - \$13,500) related to the purchase of reclamation deposits related to exploration permits. The Company also purchased \$33,537 (2019 - \$217,778) in field equipment.

Cash Generated by Financing Activities

Cash generated by financing activities for year ended March 31, 2020 was \$799,457 (2019 - \$186,250) and consisted of an aggregate amount of \$846,100 (2019 - \$200,000) received from the issuance of 10,672,857 (2019 - 1,000,000) common shares and 1,100,000 flow-through shares (2019 - Nil), less \$29,588 (2019 - \$13,750) in share issuance costs paid in the respective period.

RESULTS OF OPERATIONS AND SELECTED FINANCIAL INFORMATION

Selected Annual Information

The following table summarizes selected financial data from the Company's audited financial statements for the years ended March 31, 2020, 2019, and 2018, and should be read in conjunction with such statements and related notes, contained in this MD&A:

As at	March 31, 2020	March 31, 2019	March 31, 2018
Financial position			
Working capital	\$ 341,771	\$ 469,011	\$ 1,430,239
Current assets	513,810	513,019	1,571,650
Exploration and evaluation assets	59,429	68,050	61,136
Property and Equipment	304,889	324,848	166,558
Total assets	968,533	982,417	1,862,344
Total liabilities	185,782	44,008	141,411
Share capital	4,254,350	3,458,407	3,276,122
Reserves	419,043	358,890	292,440
Deficit	(3,890,642)	(2,878,888)	(1,847,629)
Number of share outstanding	42,916,707	30,993,850	29,793,850

Year ended	March 31, 2020	March 31, 2019	March 31, 2018
Financial results			
Net exploration expenditures	\$ 538,422	\$ 361,963	\$ 185,796
Loss and comprehensive loss for the year	(1,011,754)	(1,031,259)	(654,079)
Basic and diluted loss per common share	(0.02)	(0.03)	(0.03)

The Company's net loss varies mainly due to the level of operating activities on its exploration projects and due diligence undertaken on new prospects, timing of stock-based compensation, and the dissemination of project information to shareholders.

Year ended March 31, 2020

During the year ended March 31, 2020, the Company incurred a net loss of \$1,011,754 (2019 - \$1,031,259). The loss for the year then ended was comprised of net exploration expenditures of \$538,422 (2019 - \$361,963), general and administration expenditures of \$606,517 (2019 - \$690,262), and a gain from other items of \$133,185 (2019 - \$20,966). Some items to note from year to year include the following:

During the year ended March 31, 2020, net exploration expenses increased to \$538,422 from \$361,963 for the year ended March 31, 2019. The availability of cash resources as a result of closing a private placement for gross proceeds of \$846,100 allowed an increased level of exploration work to occur. See the Exploration Review section above for activity on the Company's projects. The Company's exploration expenditures are offset by partner recoveries and receipt or accruals for the mineral exploration tax credits available to the Company totaling \$116,608 (2019 - \$115,375) for the year ended March 31, 2020.

For the year ended March 31, 2020, the Company incurred \$172,351 compared to \$269,429 in Investor relations and shareholder communications expenditures. The decrease of \$97,078 from the comparative period was mainly the result of the Company being more selective in the attendance of trade shows and conferences.

Administrative and office, consulting fees paid to management, management fees, and professional fees were consistent with the prior year with no significant changes to note.

During the year ended March 31, 2020, the Company recorded share-based compensation expense of \$44,834 (2019 - \$31,228), which represents the fair value of options vested during the year with the offsetting amount credited to reserves.

The Company holds marketable securities that are subject to fair value adjustments. During the year ended March 31, 2020, the company recorded a gain of \$101,678 compared to a loss of \$27,267 for the year ended March 31, 2019.

Selected Quarterly Information

Quarter Ended	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Financial results				
Exploration expenditures (net)	\$ 62,714	\$ 122,733	\$ 237,497	\$ 115,478
Share-based payments	12,547	27,686	2,439	2,162
Net loss	(116,565)	(281,322)	(382,693)	(231,174)
Net loss per share-basic and diluted	(0.003)	(0.01)	(0.01)	(0.01)

Quarter Ended	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Financial results				
Exploration expenditures (net)	\$ 58,857	\$ 47,616	\$ 142,926	\$ 112,564
Share-based payments	5,474	6,241	5,461	14,052
Net loss	(159,446)	(312,676)	(304,597)	(254,540)
Net loss per share-basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)

Three months ended March 31, 2020

During the three months ended March 31, 2020, the Company recorded a net loss of \$116,565 compared to a net loss of \$159,446 for the three months ended March 31, 2019 (“Q4 2019”). This was comprised of net exploration expenditures of \$62,714 (Q4 2019 - \$58,857) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$130,209 (Q4 2019 - \$173,953) of general and administration expenditures, of which \$12,547 (Q4 2019 - \$5,474) related to share - based compensation, and a gain of \$76,358 (Q4 2019 - \$73,364) in other items. Some items to note from period to period include the following:

During the three months ended March 31, 2020, net exploration expenditures of \$62,714 (Q4 2020 - \$58,857) included a recovery of \$1,443 (Q4 2019 – adjustment of \$9,700) in mineral exploration tax credits accrued or received. For the fourth quarter of both periods, exploration related activities generally consist of planning work for the spring and summer exploration programs and is expected to be fairly consistent from year to year.

For the three months ended March 31, 2020, the Company incurred \$37,595 compared to \$93,306 in Investor relations and shareholder communications expenditures. The decrease of \$55,711 was mainly due to the costs in Q4 2019 of additional trade shows and conferences, and timing of costs related to ongoing public company listing costs. As previously noted, for the year ended March 31, 2020 the Company was more selective in trade shows and conferences attended.

Included in other items for Q4 2020 was a gain of \$113,189 in fair value adjustments on marketable securities compared to a loss of \$4,956 for Q4 2019 and predominantly relates to the Company’s Nova Royalty Corp. holdings.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

NEW ACCOUNTING PRONOUNCEMENTS

Accounting standards adopted during the year

Please refer to the Company’s audited consolidated financial statements for the year ended March 31, 2020 on SEDAR at www.sedar.com and on the Company’s website at www.pemcorp.ca.

Accounting pronouncements not yet effective

Please refer to the Company’s audited consolidated financial statements for the year ended March 31, 2020 on SEDAR at www.sedar.com and on the Company’s website at www.pemcorp.ca.

RISK AND CAPITAL MANAGEMENT: FINANCIAL INSTRUMENTS

Please refer to the Company’s audited consolidated financial statements for the year ended March 31, 2020 on SEDAR at www.sedar.com 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 consolidated financial statements for the year ended March 31, 2020 on SEDAR at www.sedar.com 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:

	Year ended March 31, 2020	Year ended March 31, 2019
Exploration expenditures		
BJP Consulting*	\$ 6,000	\$ 2,400
Rory Ritchie Geological Consulting*	77,600	84,600
Management and consulting fees		
BJP Consulting*	97,200	109,200
Rory Ritchie Geological Consulting*	28,400	25,000
Seabord Services Corp.**	112,500	120,000
Share - based compensation		
Brad Peters, President	5,913	4,712
Rory Ritchie, Vice President, Exploration	5,913	4,712
Larry Donaldson, Director	5,616	1,712
Keith Henderson, Director	5,616	1,712
Seabord Services Corp.**	3,418	2,569
	\$ 348,176	\$ 356,617

Amounts due to related parties as of March 31, 2020 and 2019 are as follows:

Related party liabilities	Items or services	March 31, 2020	March 31, 2019
BJP Consulting*	Management fees and reimbursable expenses	\$ 20,160	\$ 9,650
Rory Ritchie Geological Consulting*	Management fees and reimbursable expenses	22,365	-
Seabord Services Corp.**	Management fees and reimbursable expenses	23,625	
		\$ 66,150	\$ 9,650

*BJP Consulting and Rory Ritchie Geological Consulting are controlled by Brad Peters, President and CEO, and Rory Ritchie, 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.

Amounts owed to related parties were accrued fees in which payment was deferred as at March 31, 2020 and paid subsequently.

There were no changes to the Company's board of directors or management during, or subsequent to the year ended March 31, 2020.

RISKS AND UNCERTAINTIES

The impact of the current COVID-19 pandemic may significantly impact the Company

The current novel Coronavirus (COVID-19) global health pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices (including gold, silver, palladium and oil and gas) and has raised the prospect of an extended global recession. As efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of mining projects may be impacted. If the operation or development of one or more of the properties in which the Company holds a royalty, stream or other interest and from which it receives or expects to receive revenue is suspended, it may have an adverse impact on the Company's profitability, financial condition and the trading price of the Company's securities. The broader impact of the COVID-19 pandemic on investors, businesses, the global economy or financial and commodity markets may also have a material adverse impact on the Company's profitability, results of operations, financial conditions and the trading price of the Company's securities. The Company continues to monitor the situation and the impact COVID-19 may have on its business.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities. There can be additional risks involved in some countries where pending applications for claims or licenses can be affected by government changes to application procedures.

Some of the Company's mineral properties are located within or near local communities. In these areas, it may be necessary as a practical matter to negotiate surface access with these local communities. There can be no guarantee that, despite having the legal right to access a particular mineral property and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing land owners or communities for this access. Therefore, the Company or one of its joint venture partners may be unable to carry out exploration activities on a property. In those circumstances where access has been denied by a local community or land owner, the Company may need to rely on the assistance of local officials or the courts to gain access or it may be forced to abandon the property.

No Assurance of Titles or Borders

The acquisition of the right to exploit mineral properties is a very detailed and time consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that these rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface rights or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third-party claims could have a material adverse impact on the Company's operations.

Joint Venture Funding Risk

The Company's strategy includes seeking partners through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its on-going operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets can have periods of high price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as PEMC, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Political, Regulatory and Currency Risks

The Company is currently operating in a country that has a relatively stable political and regulatory environment. However, changing political initiatives may affect the regulatory environment in which the Company operates. The Company's equity financings are sourced in Canadian dollars.

Insured and Uninsured Risks

In the course of exploration, development and eventually metal production from mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labour disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and result in a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are generally low in the principal country of operation of the Company, but changing social expectations could add new layers of risk to the viability of exploration and development properties.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Key Personnel Risk

PEMC's success is dependent upon the performance of key personnel working in management and administrative capacities or as consultants. The loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company does for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

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 3,765,000 stock options (including 700,000 Brokers options) with expiry dates ranging from June 7, 2021 to September 23, 2022, and 36,250,247 warrants outstanding with expiry dates ranging from March 20, 2021 to July 24, 2022.