



**MANAGEMENT'S
DISCUSSION AND ANALYSIS
FOR THE
THREE MONTHS ENDED JUNE 30, 2022**

Dated: August 29, 2022

(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 August 29, 2022 unless otherwise stated, supplements, but does not form part of the unaudited condensed interim financial statements of the Company for the three months ended June 30, 2022. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and related notes for the three months ended June 30, 2022, and the audited financial statements and related notes for the year ended March 31, 2022.

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 www.pemcorp.ca.

Thomas Hawkins, 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 12,610 hectare 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 7 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. Currently, the Pinnacle property is under an option agreement with 1111 Exploration Corp.

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 (4 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 (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 JUNE 30, 2022, AND SUBSEQUENTLY

FINANCIAL SUMMARY: During the three months ended June 30, 2022 ("Q1 2023"), the Company recorded a comprehensive loss of \$342,963 compared to a comprehensive loss of \$411,703 for the three months ended June 30, 2021 ("Q1 2022"). This was comprised of net exploration expenditures of

\$115,553 (Q1 2022 - \$97,255) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$151,131 (Q1 2022 - \$331,284) of general and administration expenditures, of which \$Nil (Q1 2022 - \$71,038) related to share-based compensation, and a loss of \$76,279 (Q1 2022 – gain of \$16,836) in other items.

COL Property: In June 2022, the Company completed the acquisition of 100% interest in the Col Property. Pursuant to the terms of a purchase agreement amongst the Company, Indata Resources Ltd. and Nation River Resources Ltd. (together, the “Vendors”), the Company acquired a 100% interest in the Col Property in exchange for granting the Vendors a 2% net smelter return royalty on the claims, one-half (1%) of such 2% net smelter return royalty may be purchased for \$500,000 by the Company.

EXPLORATION REVIEW FOR THE THREE MONTHS ENDED JUNE 30, 2022

Jean Marie Property

In June of 2022, the Company completed 700 metres of diamond drilling at Jean Marie. The diamond drilling consisted of 2 holes at the highest-ranking target area, Target 1. Diamond drilling was carried out by Atlas Drilling of Kamloops British Columbia. Support crew consisted of a core cutter and core logger. Accommodation for the crew was at the Paradise Lodge located north of the property on the southern shore of Tchentlo Lake.

The drill core was cut, logged and sampled on site. Intervals of approximately 2 metres were selected for laboratory analysis at ALS Labs in North Vancouver. A total of 334 samples were sent to ALS for multi-element analysis. Results are anticipated in September of 2022.

Prior to the initiation of diamond drilling, a bridge providing access to the property was repaired in order to ensure it was in good working order and capable of supporting the required heavy machinery. This work was carried out by a qualified contractor.

Due to current market conditions, a decision was made to limit the diamond drilling program to 2 holes in order to ensure the Company had sufficient work capital for the next 12 months. In addition the exploration completed at Jean Marie was sufficient to meet the minimum annual work commitments under the terms of the Jean Marie Option Agreement.

Other Properties

Following the acquisition of the Col property in early June, all of the existing historical data was compiled and digitized. Once the data was compiled, the process of preparing an exploration permit was initiated.

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 June 30, 2022, the Company had a working capital of \$891,327 (March 31, 2022 - \$1,292,089). Working capital for the three months ended June 30, 2022 decreased compared to March 31, 2022 due

to cash used in operating activities of \$289,599, cash used in investing activities of \$48,513, and cash used in financing activities of \$5,811.

As at June 30, 2022, the Company has granted 4,500,000 incentive stock options which were exercisable as at June 30, 2022 to management, directors, consultants, and an advisor of the Company pursuant to the Company's stock option plan, 36,464,529 warrants also exercisable as at June 30, 2022, and may receive option payments in cash related to property agreements including the Pinnacle property. Further, the Company has approximately \$149,000 in refundable taxes expected to be received in the next 12 months, and \$47,790 in marketable securities which could be sold if needed. 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 three months ended June 30, 2022.

Although the Company 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 and management may need to raise additional capital resources within the next twelve months to fund its exploration programs and administrative expenses.

The Company is not subject to externally imposed capital requirements.

As at June 30, 2022, the Company had cash of \$753,212. 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 \$289,599 for the three months ended June 30, 2022 (Q1 2022 - \$246,263), and represents expenditures primarily on mineral property exploration and general and administrative expenses for both periods. The increase from the comparative period relates to an increase in net exploration expenditures, settlement of prior period payables, and offset with a decrease in investor relation costs. Exploration expenditures will fluctuate from period to period depending on opportunities, level of activity, and capital resources. See the exploration review above for discussion on mineral property activities.

Cash Used by Investing Activities

Cash used in investing activities for the three months ended June 30, 2022 was \$48,513 compared to \$58,286 for the comparable period. Cash used in investing activities during the three months ended June 30, 2022 included \$42,419 (Q1 2022 - \$38,530) related to the acquisition of exploration and evaluation assets, \$4,989 (Q1 2022 - \$20,202) related to the purchase of office and field equipment, and \$17,626 (Q1 2022 - \$Nil) for the purchase of reclamation deposits offset by \$16,295 (Q1 2022 - \$Nil) received from the sale of marketable securities.

Cash Used by Financing Activities

Cash used by financing activities for the three months ended June 30, 2022 was \$5,811 (Q1 2022 – cash generated \$1,160,675) and consisted of repayments of a lease liability, whereas Q1 2022 consisted of an aggregate amount of \$1,266,554 received from the issuance of 21,109,231 common shares less \$100,376 in share issuance costs paid in the respective period.

SELECTED QUARTERLY FINANCIAL INFORMATION AND FINANCIAL RESULTS

Selected Quarterly Information

| Quarter Ended | June 30, 2022 | March 31, 2022 | December 31, 2021 | September 30, 2021 |
|--|---------------|----------------|-------------------|--------------------|
| Financial results | | | | |
| Exploration expenditures (net) | \$ 115,553 | \$ 43,896 | \$ 121,616 | \$ 188,654 |
| Share-based payments | - | - | 6,469 | 27,273 |
| Income (loss) and comprehensive income (loss) for the period | (342,963) | (135,041) | (441,744) | 13,542 |
| Basic income (loss) and comprehensive income (loss) per common share | (0.00) | (0.00) | (0.01) | 0.00 |
| Diluted income (loss) and comprehensive income (loss) per common share | (0.00) | (0.00) | (0.01) | 0.00 |

| Quarter Ended | June 30, 2021 | March 31, 2021 | December 31, 2020 | September 30, 2020 |
|--|---------------|----------------|-------------------|--------------------|
| Financial results | | | | |
| Exploration expenditures (net) | \$ 97,255 | \$ 59,480 | \$ 222,177 | \$ 234,550 |
| Share-based payments | 71,038 | 10,368 | 209,916 | 152,698 |
| Loss and comprehensive income loss for the period | (411,703) | (183,362) | (208,016) | (624,799) |
| Basic loss and comprehensive loss per common share | (0.00) | (0.00) | (0.00) | (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, 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. The Company continues to navigate and work within local COVID-19 restrictions, as such field work and related expenditures could continue to fluctuate for much of fiscal 2023.

Financial Results

Three months ended June 30, 2021

During the three months ended June 30, 2022, the Company recorded a net loss of \$342,963 compared to a net loss of \$411,703 for the three months ended June 30, 2021. This was comprised of net exploration expenditures of \$115,553 (Q1 2022- \$97,255) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$151,131 (Q1 2022- \$331,284) of general and administration expenditures, of which \$Nil (Q1 2022- \$71,038) related to share - based compensation, and a loss of \$76,279 (Q1 2022- gain \$16,836) in other items.

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

During the three months ended June 30, 2022, net exploration expenditures of \$115,553 (Q1 2022 - \$97,255) included an adjustment of \$28,042 (Q1 2022 - \$12,974) in mineral exploration tax credits accrued or received. For the first quarter of both periods, exploration related activities including work programs on the Jean-Marie property.

For the three months ended June 30, 2022, the Company incurred \$47,150 compared to \$154,337 in Investor relations and shareholder communications expenditures. The decrease of \$107,187 is directly related to marketing, business development, and financial consulting programs the Company had engaged in for the comparative three months, and the company's continued efforts with dissemination of information to the public and shareholders.

Share-based compensation for the three months ended June 30, 2022 was \$NIL compared to \$71,038 for the comparable three month period. There were no incentive stock options granted in either period and the share-based compensation for Q1 2022 related to vesting or prior period grants.

Included in other items for the three months ended June 30, 2022 was a loss of \$91,418 (Q1 2022 – gain of \$16,600) in fair value adjustments on marketable securities.

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 unaudited condensed interim financial statements for the three months ended June 30, 2021 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 unaudited condensed interim financial statements for the three months ended June 30, 2021 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 unaudited condensed interim financial statements for the three months ended June 30, 2021 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 unaudited condensed interim financial statements for the three months ended June 30, 2021 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:

| For the three months ended June 30, 2022 | Management & Consulting fees | Share-based Payments | Total |
|---|---|---------------------------------|------------------|
| Management | \$ 33,500 | \$ - | \$ 33,500 |
| Outside Directors | 6,000 | - | 6,000 |
| Seabord Management Corp.** | 22,500 | - | 22,500 |
| | \$ 62,000 | \$ - | \$ 62,000 |

| For the three months ended June 30, 2021 | Management & Consulting fees | Share-based Payments | Total |
|---|---|---------------------------------|------------------|
| Management | \$ 28,800 | \$ 19,886 | \$ 48,686 |
| Outside Directors | 6,000 | 14,454 | 20,454 |
| Seabord Management Corp.** | 22,500 | 6,060 | 28,560 |
| | \$ 57,300 | \$ 40,400 | \$ 97,700 |

Amounts due to related parties as of June 30, 2022 and March 31, 2022 are as follows:

| Related party liabilities | Items or services | June 30, 2022 | March 31, 2022 |
|----------------------------------|---|----------------------|-----------------------|
| President * | Management fees and reimbursable expenses | \$ 14,175 | \$ 31,302 |
| Directors | Fees | 6,390 | 8,260 |
| | | \$ 20,565 | \$ 39,562 |

*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.

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, 2022: 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, 2022 on SEDAR at www.sedar.com 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 90,348,196 common shares issued and outstanding. There are also 4,500,000 stock options with expiry dates ranging from September 23, 2022, to March 10, 2024, and 27,847,039 warrants outstanding with expiry dates ranging from May 21, 2023, to June 2, 2023.