



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JUNE 30, 2025

(Unaudited - Expressed in Canadian Dollars)

Pacific Empire Minerals Corp.
804 – 525 Seymour Street
Vancouver, BC, V6B 3H6

August 29, 2025

To the Shareholders of
Pacific Empire Minerals Corp.

The accompanying unaudited condensed interim financial statements of Pacific Empire Minerals Corp. (the "Company") for the three months ended June 30, 2025 and 2024 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

Yours truly,

"Brad Peters"

President and Chief Executive Officer

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Condensed Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

ASSETS	June 30, 2025	March 31, 2025
Current assets		
Cash	\$ 54,738	\$ 188,347
Receivables (Note 3)	143,461	138,895
Prepaid expenditures	46,790	65,420
Marketable securities (Note 4)	30,238	46,074
Total current assets	275,227	438,736
Non-current assets		
Restricted cash (Note 5)	17,500	17,500
Property and equipment (Note 6)	54,469	63,646
Reclamation deposits (Note 7)	84,742	62,942
Exploration and evaluation assets (Note 8)	12,563	12,563
Total non-current assets	169,274	156,651
TOTAL ASSETS	\$ 444,501	\$ 595,387
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 57,972	\$ 79,287
Due to related parties (Note 10)	299,000	257,750
Lease liability (Note 11)	18,243	23,935
Flow through share liability	20,000	20,000
Total current liabilities	395,215	380,972
Non-current liabilities		
Lease liability (Note 11)	17,719	17,719
Total non-current liabilities	17,719	17,719
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	7,726,740	7,726,740
Reserves (Note 12)	278,200	265,965
Deficit	(7,973,373)	(7,796,009)
TOTAL SHAREHOLDERS' EQUITY	31,567	196,696
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 444,501	\$ 595,387

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Event Subsequent to the Reporting Date (Note 17)

Approved on behalf of the Board of Directors August 29, 2025.

"Brad Peters" , Director

"Peter Schloo" , Director

The accompanying notes are an integral part of these condensed interim financial statements

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Condensed Interim Statements of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian Dollars)

	Number of common shares	Share capital	Reserves	Deficit	Total
Balance as at March 31, 2024	125,348,195	\$ 7,079,510	\$ 96,990	\$ (6,932,222)	\$ 244,278
Shares issued for cash	14,450,000	722,500	-	-	722,500
Share issue costs - cash	-	(47,495)	-	-	(47,495)
Share issue costs - finders warrants	-	(26,561)	26,561	-	-
Share - based compensation	-	-	47,777	-	47,777
Loss for the period	-	-	-	(222,454)	(222,454)
Balance as at June 30, 2024	139,798,195	\$ 7,727,954	\$ 171,328	\$ (7,154,676)	\$ 744,606

	Number of common shares	Share capital	Reserves	Deficit	Total
Balance as at March 31, 2025	139,798,195	7,726,740	265,965	(7,796,009)	196,696
Share - based compensation	-	-	12,235	-	12,235
Loss for the period	-	-	-	(177,364)	(177,364)
Balance as at June 30, 2025	139,798,195	\$ 7,726,740	\$ 278,200	\$ (7,973,373)	\$ 31,567

The accompanying notes are an integral part of these condensed interim financial statements

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended	
	June 30, 2025	June 30, 2024
EXPLORATION EXPENDITURES (Note 9)	\$ 22,522	\$ 10,841
Less: Recoveries and adjustments, net (Note 9)	-	(1,332)
Net exploration expenditures	22,522	9,509
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative and office	16,578	12,325
Amortization (Note 6)	8,033	7,192
Consulting and directors fees (Note 10)	79,500	81,500
Investor relations and shareholder communication	1,494	46,292
Management fees (Note 10)	15,000	22,500
Professional fees	7,666	15,363
Share - based compensation (Note 10 & 12)	12,235	47,777
Total general and administrative expenses	140,506	232,949
Loss from operations	(163,028)	(242,458)
Foreign exchange loss	314	(694)
Interest income and other	1,186	1,901
Fair value adjustments on marketable securities (Note 4)	(15,836)	(11,913)
Recovery of flow through share liability	-	30,710
Loss and comprehensive loss for the period	\$ (177,364)	\$ (222,454)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding		
- basic and diluted	139,798,195	134,081,711

The accompanying notes are an integral part of these condensed interim financial statements

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Condensed Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended	
	June 30, 2025	June 30, 2024
Cash flows used in operating activities		
Loss for the period	\$ (177,364)	\$ (222,454)
Item not affecting operating activities:		
Interest income	(1,186)	(1,901)
Items not affecting cash:		
Amortization	9,177	8,540
Interest on lease liability	843	302
Fair value adjustments on marketable securities	15,836	11,913
Share - based compensation	12,235	47,777
Recovery of flow through share liability	-	(30,710)
Accrual and adjustments for exploration tax credits	-	(1,332)
Changes in non-cash working capital items:		
Receivables	(4,566)	(9,315)
Prepaid expenditures	18,630	(18,504)
Accounts payable and accrued liabilities	(21,315)	(94,927)
Due to related parties	41,250	(29,212)
Total cash used in operating activities	(106,460)	(339,823)
Cash used in investing activities		
Interest received on cash	1,186	1,901
Purchase of reclamation deposits	(21,800)	-
Purchase of property and equipment, net	-	(14,396)
Refund of restricted cash	-	5,500
Total cash used in investing activities	(20,614)	(6,995)
Cash provided by (used in) financing activities		
Proceeds from the sale of common shares	-	722,500
Repayment of lease liability	(6,535)	(6,273)
Share issue costs	-	(38,394)
Total cash provided by (used in) financing activities	(6,535)	677,833
Change in cash	(133,609)	331,015
Cash, beginning of the period	188,347	256,913
Cash, end of the period	\$ 54,738	\$ 587,928

Supplemental disclosure with respect to cash flows (Note 16)

The accompanying notes are an integral part of these condensed interim financial statements

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended June 30, 2025

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Pacific Empire Minerals Corp. (the "Company") was incorporated on July 13, 2012, under the Business Corporations Act (British Columbia). The Company's principal business activities are the acquisition and exploration of mineral properties in Canada. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "PEMC". The Company's head office address is at Suite 804, 525 Seymour Street, Vancouver, British Columbia V6B 3H7, Canada and its registered and records office is located at Suite 1700, 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9, Canada.

These condensed interim financial statements have been prepared using IFRS Accounting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets, discharge its liabilities and continue in operation for the following twelve months.

Realization values may be substantially different from the carrying values shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to find joint venture partners. At the date of these financial statements, the Company has not identified whether any of its properties contain ore reserves that are economically recoverable. At June 30, 2025, the Company has not achieved profitable operations and has accumulated losses since inception.

As at June 30, 2025, the Company had working capital deficit of \$119,988, accumulated deficit of \$7,973,373 and cash of \$54,738. The Company completed a private placement for gross proceeds of \$300,000 subsequent to June 30, 2025 (Note 17). With its current plans for the year and the budgets associated with those plans, in order to continue funding its administrative and exploration expenditures from the date of these financial statements, the Company will need to obtain additional cash and anticipates either financing or selling one or more of its assets. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB").

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of Measurement and Presentation

These condensed interim financial statements have been prepared on a historical cost basis except for assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed interim financial statements are presented in Canadian dollars ("CAD"), which is also the Company's functional currency.

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended June 30, 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

These condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements, except as described below, and should be read in conjunction with the annual audited financial statements of the Company for the year ended March 31, 2025.

Critical Accounting Judgments and Significant Estimates and Uncertainties

The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim financial statements for the three months ended June 30, 2025, are consistent with those applied in the Company's March 31, 2025 audited financial statements.

New Accounting Pronouncements

Certain pronouncements have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee that are effective for accounting periods beginning on or after April 1, 2025. The Company has reviewed these updates and the amendment that is applicable to the Company is discussed below:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statement aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is currently assessing the impact of the new standard.

3. RECEIVABLES

The Company's receivables arise from goods and services tax ("GST"), mineral exploration tax credits ("METC") from government taxation authorities, and reclamation deposits settled and being returned to the Company.

As at June 30, 2025 and March 31, 2025, the current receivables consisted of the following:

	June 30, 2025	March 31, 2025
Goods and services tax receivable	\$ 80,733	\$ 76,166
Mineral exploration tax credits	62,728	62,729
	<u>\$ 143,461</u>	<u>\$ 138,895</u>

Subsequent to June 30, 2025, the Company received refunds of \$78,445 from GST and \$61,798 in METC .

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended June 30, 2025

4. MARKETABLE SECURITIES

As at June 30, 2025 and March 31, 2025, the Company had the following marketable securities:

	June 30, 2025	March 31, 2025
Fair value through profit or loss		
Cost	\$ 81,711	\$ 81,711
Accumulated unrealized gain (loss)	(51,473)	(35,637)
Fair value	\$ 30,238	\$ 46,074

5. RESTRICTED CASH

As at June 30, 2025, the Company classified \$17,500 (March 31, 2025 - \$17,500) as restricted cash. This amount is comprised of a GIC held as a deposit for its corporate credit cards.

6. PROPERTY AND EQUIPMENT

During the three months ended June 30, 2025, amortization of \$1,144 (2024 - \$1,349) has been included in exploration expenditures (Note 9).

	Office furniture and computer equipment	Field equipment	Vehicles and related equipment	Right-of-use assets	Total
Cost					
As at June 30, 2025 and March 31, 2025	58,476	29,906	19,949	94,202	202,533
Accumulated amortization					
As at March 31, 2025	40,985	24,637	19,949	53,316	138,887
Additions	1,900	1,144	-	6,133	9,177
As at June 30, 2025	42,885	25,781	19,949	59,449	148,064
Net book value					
As at March 31, 2025	\$ 17,491	\$ 5,269	\$ -	\$ 40,886	\$ 63,646
As at June 30, 2025	\$ 15,591	\$ 4,125	\$ -	\$ 34,753	\$ 54,469

Right-of-use assets consists of leased office space (Note 11) and is amortized on a straight-line basis over the term of the lease.

7. RECLAMATION DEPOSITS

Reclamation deposits are held as security towards future exploration work and the related future potential cost of reclamation of the Company's land and unproven mineral interests. Once reclamation of the properties is complete, the deposits will be returned to the Company. As at June 30, 2025, \$84,742 (March 31, 2025 - \$62,942) is being held as security on the Company's mineral titles.

As at June 30, 2025 and March 31, 2025, the Company has no material reclamation obligations.

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended June 30, 2025

8. EXPLORATION AND EVALUATION ASSETS

There were no changes to the Company's exploration and evaluation assets during the three months ended June 30, 2025.

9. EXPLORATION EXPENDITURES

During the three months ended June 30, 2025, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Trident	Pinnacle	Target Generation*	Total
Administration costs	\$ 149	\$ 595	\$ -	\$ 744
Amortization	-	-	1,144	1,144
Field costs	6,543	6,545	7,546	20,634
Net Expenditures	\$ 6,692	\$ 7,140	\$ 8,690	\$ 22,522

* Expenditures included in "Target Generation" are not project specific and are general exploratory expenditures for the three months ended June 30, 2025.

During the three months ended June 30, 2024, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Trident	Pinnacle	Target Generation*	Total
Administration costs	\$ -	\$ -	\$ 1,340	\$ 1,340
Amortization	-	-	1,349	1,349
Field costs	-	-	3,714	3,714
Geophysics	2,219	2,219	-	4,438
Total Expenditures	2,219	2,219	6,403	10,841
Exploration tax credits and reimbursement and adjustments**	(665)	(667)	-	(1,332)
Total Recoveries	(665)	(667)	-	(1,332)
Net Expenditures	\$ 1,554	\$ 1,552	\$ 6,403	\$ 9,509

* Expenditures included in "Target Generation" are not project specific and are general exploratory expenditures for the three months ended June 30, 2024.

** All of the Company's exploration activities are located in British Columbia, Canada. As such, the Company is eligible for the Mining Exploration Tax Credits on qualifying expenditures. The credit is 20% of the qualifying expenditures, and an enhanced 30% credit is available for expenditures incurred in Mountain Pine Beetle affected areas. All the Company's current projects are in areas qualifying for the 30% enhanced credit.

The Company has accrued a credit at the 30% qualifying rate on expected qualifying expenditures. Actual credits and refunds are subject to review and potential adjustment by tax authorities.

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended June 30, 2025

10. RELATED PARTY TRANSACTIONS AND BALANCES

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, 2025	Management & Consulting fees	Share-based Payments	Total
Management*	\$ 40,500	\$ 2,732	\$ 43,232
Outside Directors	9,000	4,149	13,149
Seabord Management Corp.**	15,000	1,842	16,842
	\$ 64,500	\$ 8,723	\$ 73,223

For the three months ended June 30, 2024	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

Amounts due to related parties as of June 30, 2025 and March 31, 2025 are as follows:

Related party liabilities	Items or services	June 30, 2025	March 31, 2025
President *	Management fees and reimbursable expenses	\$ 162,000	\$ 135,000
Seabord Management Corp.**	Management fees and reimbursable expenses	87,000	78,750
Directors	Fees	50,000	44,000
		\$ 299,000	\$ 257,750

*BJP Consulting is controlled by Brad Peters, President and Chief Executive Officer.

** Seabord Management Corp. ("Seabord") is partially controlled by the Chief Financial Officer ("CFO") and provides the following services: A 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.

11. LEASE LIABILITY

The Company's right-of-use asset consists of office space and is included in property and equipment (Note 6).

	June 30, 2025	March 31, 2025
Lease liability net carry amount - Opening balance	\$ 41,654	\$ 16,205
Additions	-	49,063
	41,654	65,268
Lease payments made	(6,535)	(25,441)
Interest expense on lease liabilities	843	1,827
	35,962	41,654
Less: current portion	(18,243)	(23,935)
Non-current - Ending balance	\$ 17,719	\$ 17,719

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended June 30, 2025

11. LEASE LIABILITY (Continued)

In May 2021, the Company entered into a lease agreement with 525 Seymour Inc. for office space in Vancouver, BC. The lease was for 18 months until November 30, 2022. On December 1, 2022, the Company extended the lease agreement with 525 Seymour Inc. for 2 additional years until November 30, 2024, and on December 1, 2024, the Company extended the lease for a further 2 additional years until November 30, 2026. As a result of the December 2024 extension, the Company recognized an additional \$49,063 in right-of-use assets as at December 1, 2024. As at June 30, 2025, the expected remaining cash commitments were \$38,328.

12. EQUITY

Authorized

The Company is authorized to issue an unlimited number of common shares and preferred shares without par value.

Share Capital

No preferred shares have been issued from incorporation to June 30, 2025.

During the three months ended June 30, 2025, there was no changes to share capital.

During the three months ended June 30, 2024:

The Company completed a private placement raising an aggregate of \$722,500, by issuing 14,450,000 units at a price of \$0.05 per unit. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share at an exercise price of \$0.08 per common share for a period of 36 months from the closing date of the offering.

In consideration of the private placement, an aggregate total of \$26,075 in cash finder's fees were paid and 521,500 finder's warrants valued at \$26,561 were issued to qualified parties. The finder's warrants are subject to the same terms as the warrants issued as part of the units. The weighted average fair value of the finder's warrants issued as part of the private placement was estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.03%, dividend yield of 0%, volatility of 213% and an expected life of three years.

The Company paid an additional \$12,319 in legal and filing fees included in share issue costs.

Pursuant to the application of the residual value method with respect to the measurement of shares and warrants issued as private placement units. The Company determined the fair value of the share component to be the more easily measurable component and determined there was no residual fair value to allocate to the warrant component.

Stock Option Plan

As at June 30, 2025, the Company had a stock option plan that allows the Board of Directors to grant incentive stock options to the Company's officers, directors, related company employees and consultants to purchase up to that number of common shares equal to 10% of its outstanding shares for a term of up to ten years. The exercise price of each option is to be not less than the fair market value of the Company's stock as determined by the Plan administrator. The vesting terms are determined at the time of the option grant.

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended June 30, 2025

12. EQUITY (Continued)

There were no changes in stock options outstanding for the three months ended June 30, 2025.

The following table summarizes the stock options outstanding and exercisable as at June 30, 2025:

Date Granted	Number of Options	Exercisable	Exercise Price	Expiry Date
March 1, 2024*	5,000,000	3,750,000	\$ 0.05	March 1, 2027
May 7, 2024	1,000,000	1,000,000	0.06	May 7, 2027
	6,000,000	4,750,000		

*100,000 options expired unexercised subsequently.

The weighted average remaining life of the exercisable stock options is 1.71 years (March 31, 2025 – 1.95 years).

Share-based Payments

During the three months ended June 30, 2025, the Company recorded a share-based compensation expense of \$12,235 (2024 - \$47,777), which represents the fair value of options vested during the period with the offsetting amount credited to reserves. There were no stock options granted during the three months ended June 30, 2025. The weighted average fair value of the stock options granted during the three months ended June 30, 2024 was \$0.05 per stock option. The fair value of stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows: risk-free interest rate of 4.03%, dividend yield of Nil, volatility of 213%, forfeiture rate of Nil, and an expected life of 3 years.

Warrants

There were no changes in warrants outstanding for the three months ended June 30, 2025.

The following table summarizes the warrants outstanding as at June 30, 2025:

Date Granted	Number of Warrants*	Exercise Price	Expiry Date
December 29, 2023 Finders' Warrants	466,666	\$ 0.10	December 29, 2026
January 16, 2024 Finders' Warrants	1,015,000	0.10	January 16, 2027
May 7, 2024 Finders' Warrants	521,500	0.08	May 6, 2027
May 7, 2024	14,450,000	0.08	May 6, 2027
	16,453,166		

13. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the acquisition and exploration of mineral properties. As such, all of the Company's property and equipment and exploration and evaluation assets are located in Canada.

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended June 30, 2025

14. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk, interest rate risk, and market risk.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Although the Company operates only in Canada and all expenditures are incurred in Canadian dollars, U.S. dollars are sometimes held by the Company. As at June 30, 2025, the Company did not hold a significant balance of U.S. dollars. Therefore, a change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar would have an immaterial effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

Credit Risk

Credit risk arises from cash as well as credit exposures to counterparties of outstanding receivables and committed transactions. There is no concentration of credit risk other than on cash, deposits and receivables. The Company's cash deposits are primarily held with a Canadian chartered bank. Further, receivables comprise amounts due from the federal government. Therefore, credit risk is considered low.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to pay obligations as they fall due. Financial liabilities, at June 30, 2025, included \$57,972 of accounts payable and accrued liabilities, \$299,000 in amounts due to related parties and \$18,243 of current lease liabilities. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Interest Rate Risk

When the Company has sufficient cash, it will invest in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at June 30, 2025, the Company did not have any interest-bearing loans. Accordingly, the Company does not have a significant interest rate risk.

Market Risk

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The markets in which the Company holds equity investments are subject to volatility and price changes. The Company has no control over these fluctuations and does not hedge its investments. Based on the June 30, 2025 value of marketable securities a 10% increase or decrease in the share prices of these companies would have an immaterial impact on loss and comprehensive loss.

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended June 30, 2025

14. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of shareholders' equity. The Company also has receivables including mineral exploration tax credits, GST, and reclamation deposits to be received. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. There have been no changes in the approach to managing capital during the three months ended June 30, 2025. Subsequent to June 30, 2025, the Company completed a private placement for gross proceeds of \$300,000 (Note 17). Management believes that it will still need to seek additional capital to continue its exploration programs and general and administrative costs. The Company is not subject to externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS BY CATEGORY

The Company classified its financial instruments as follows:

	June 30, 2025	March 31, 2025
Financial assets		
Amortized cost:		
Cash	\$ 54,738	\$ 188,347
Restricted cash	17,500	17,500
Reclamation deposits	84,742	62,942
Fair value through profit or loss:		
Marketable securities	30,238	46,074
	\$ 187,218	\$ 314,863
Financial liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	\$ 57,972	\$ 79,287
Due to related parties	299,000	257,750
	\$ 356,972	\$ 337,037

Fair Values

The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1: inputs represent quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: inputs other than quoted prices that are observable, either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates, and volatility factors, which can be observed or corroborated in the marketplace.
- Level 3: inputs that are less observable, unavoidable or where the observable data does not support the majority of the instruments' fair value.

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended June 30, 2025

15. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

As at June 30, 2025, there were no changes in the levels in comparison to the year ended March 31, 2025.

Financial instruments which are measured using the fair value hierarchy include marketable securities, which are categorized as Level 1.

The carrying values of cash, restricted cash, receivables, reclamation deposits, accounts payable and accrued liabilities and due to related parties approximate their fair value because of the short-term nature of these instruments.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions during the three months ended June 30, 2025 included the recording of \$Nil (2024 - \$26,561) in share capital and reserves related to the fair value of finders' warrants (Note 12).

17. EVENT SUBSEQUENT TO THE REPORTING DATE

Subsequent to June 30, 2025, the Company completed a non-brokered private placement for gross proceeds of \$300,000 and has issued 15,000,000 units at a price of \$0.02 per Unit. Each Unit consists of one common share in the capital of the Company and one Common Share purchase warrant. Each Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.05 per Share for a period of 24 months from the date of closing.