



**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2025**

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

Under National Instrument 51-102, Part 4 subsection 4.3 (3), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Pacific Empire Minerals Corp. have been prepared by and are the responsibility of management.

These condensed interim consolidated financial statements for the nine months ended December 31, 2025 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Condensed Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

ASSETS	December 31, 2025	March 31, 2025
Current assets		
Cash	\$ 402,504	\$ 188,347
Receivables (Note 3)	80,502	138,895
Prepaid expenses	311,090	65,420
Marketable securities (Note 4)	44,249	46,074
Total current assets	838,345	438,736
Non-current assets		
Restricted cash (Note 5)	17,500	17,500
Property and equipment (Note 6)	33,648	63,646
Reclamation deposits (Note 7)	84,742	62,942
Exploration and evaluation assets (Note 8)	12,563	12,563
Total non-current assets	148,453	156,651
TOTAL ASSETS	\$ 986,798	\$ 595,387
LIABILITIES		
Current liabilities		
Accounts payables and accrued liabilities	\$ 80,259	\$ 79,287
Due to related parties (Note 7)	205,163	257,750
Lease liability (Note 11)	24,108	23,935
Flow-through share liability	-	20,000
Total current liabilities	309,530	380,972
Non-current liabilities		
Lease liability (Note 11)	-	17,719
Total non-current liabilities	-	17,719
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	9,705,068	7,726,740
Reserves (Note 12)	567,156	265,965
Subscription received in advance (Note 16)	65,000	-
Deficit	(9,659,956)	(7,796,009)
TOTAL SHAREHOLDERS' EQUITY	677,268	196,696
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 986,798	\$ 595,387

Nature of Operations and Ability to Continue as a Going Concern (Note 1)

Subsequent Events (Note 16)

Approved on behalf of the Board of Directors February 27, 2026.

"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	Subscriptions received in advance	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	-	(48,709)	-	-	-	(48,709)
Share issue costs – finders warrants	-	(26,561)	26,561	-	-	-
Share-based compensation	-	-	119,515	-	-	119,515
Loss for the period	-	-	-	-	(637,128)	(637,128)
Balance as at December 31, 2024	139,798,195	\$ 7,726,740	\$ 243,066	\$ -	\$ (7,569,350)	\$ 400,456

	Number of Common shares	Share capital	Reserves	Subscriptions received in advance	Deficit	Total
Balance as at March 31, 2025	139,798,195	\$ 7,726,740	\$ 265,965	\$ -	\$ (7,796,009)	\$ 196,696
Shares issued for cash	56,049,770	1,826,992	-	-	-	1,826,992
Share issue costs – cash	-	(66,202)	-	-	-	(66,202)
Share issue costs – finders warrants	-	(52,500)	52,500	-	-	-
Shares issued for options exercise	500,000	46,038	(21,038)	-	-	25,000
Shares issued for warrants exercise	4,725,000	314,250	-	-	-	314,250
Flow-through premium	-	(90,250)	-	-	-	(90,250)
Share-based compensation	-	-	269,729	-	-	269,729
Subscription received in advance	-	-	-	65,000	-	65,000
Loss for the period	-	-	-	-	(1,863,947)	(1,863,947)
Balance as at December 31, 2025	201,072,965	\$ 9,705,068	\$ 567,156	\$ 65,000	\$ (9,659,956)	\$ 677,268

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		Nine Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
EXPLORATION EXPENDITURES (Note 9)	\$ 1,011,028	\$ 4,954	\$ 1,062,240	\$ 58,155
Less: Recoveries (Note 9)	-	-	-	(1,952)
Net exploration expenditures	1,011,028	4,954	1,062,240	56,203
GENERAL AND ADMINISTRATIVE EXPENSES				
Administrative and office	19,136	12,845	80,474	38,019
Amortization (Note 6)	7,560	7,705	24,729	22,442
Consulting and directors' fees (Note 10)	146,333	66,500	312,083	227,500
Investor relations and shareholder communication	64,665	10,910	94,064	67,769
Management fees (Note 10)	11,500	22,500	64,500	67,500
Professional fees	62,308	30,527	109,097	53,557
Share-based compensation (Notes 10 & 12)	246,447	31,393	269,729	119,515
Total general and administrative expenses	557,949	182,380	954,676	596,302
Loss from operations	(1,568,977)	(187,334)	(2,016,916)	(652,505)
Foreign exchange loss	(827)	(151)	(737)	(807)
Interest income	-	-	1,186	2,121
Interest expense on lease liability (Note 11)	(599)	-	(2,165)	-
Fair value adjustments on marketable securities (Note 4)	4,963	19,760	(1,825)	(16,647)
Recovery of flow through expenditure commitment (Note 12)	110,250	-	110,250	30,710
Gain on debt settlement	46,260	-	46,260	-
Loss and comprehensive loss for the period	\$ (1,408,930)	\$ (167,725)	\$ (1,863,647)	\$ (637,128)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common share outstanding				
- basic and diluted	193,777,729	139,798,195	160,605,968	137,906,559

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PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Condensed Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	For the nine months ended December 31 2025	For the nine months ended December 31 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (1,863,947)	\$ (637,128)
Items not involving cash:		
Amortization	29,998	25,467
Share-based compensation	269,729	119,515
Fair value adjustments on marketable securities	1,825	16,647
Interest income	(1,186)	(2,121)
Interest expense on lease liability	2,165	876
Recovery of flow through share liability	(110,250)	(30,710)
Accrual for exploration tax credits	-	(1,952)
Gain on debt settlement	(46,260)	-
Changes in non-cash working capital items:		
Receivable	58,393	(4,827)
Prepaid expenses	(245,670)	38,912
Accounts payable and accrued liabilities	2,158	(92,809)
Due to related parties	(6,327)	20,288
Net cash used in operating activities	(1,909,372)	(547,842)
CASH FLOWS FROM INVESTING ACTIVITIES		
Reclamation deposits	(21,800)	-
Interest received on cash	-	2,121
Purchase of property and equipment, net	-	(14,396)
Refund of restricted cash	-	5,500
Net cash used in investing activities	(21,800)	(6,775)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	1,826,992	722,500
Share issuance costs	(66,202)	(48,709)
Proceeds from options exercise	25,000	-
Proceeds from warrants exercise	314,250	-
Subscriptions received in advance	65,000	-
Lease payments	(19,711)	(18,906)
Net cash provided by financing activities	2,145,329	654,885
Net change	214,157	100,268
Cash, beginning of period	188,347	256,913
Cash, end of period	\$ 402,504	\$ 357,181
SUPPLEMENTAL CASH FLOW INFORMATION		
Fair value of brokers' warrants granted	\$ 52,500	\$ -
Fair value of options exercised	\$ 21,038	\$ -
Flow-through premium liability	\$ 90,250	\$ -

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PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended December 31, 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 December 31, 2025, the Company has not achieved profitable operations and has accumulated losses since inception.

As at December 31, 2025, the Company had working capital of \$528,815, accumulated deficit of \$9,659,956 and cash of \$402,504. 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.

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 nine months ended December 31, 2025, are consistent with those applied in the Company's March 31, 2025 audited 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 December 31, 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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 December 31, 2025 and March 31, 2025, the current receivables consisted of the following:

	December 31, 2025	March 31, 2025
Goods and services tax receivable	\$ 80,502	\$ 76,166
Mineral exploration tax credits	-	62,729
	\$ 80,502	\$ 138,895

During the period ended December 31, 2025, the Company received refunds of \$78,445 from GST and \$61,798 in METC.

4. MARKETABLE SECURITIES

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

	December 31, 2025	March 31, 2025
Fair value through profit or loss		
Cost	\$ 81,711	\$ 81,711
Accumulated unrealized loss	(37,462)	(35,637)
Fair value	\$ 44,249	\$ 46,074

5. RESTRICTED CASH

As at December 31, 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.

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended December 31, 2025

6. PROPERTY AND EQUIPMENT

During the nine months period ended December 31, 2025, amortization of \$5,269 (2024 - \$3,023) 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 March 31, 2024	\$ 44,080	\$ 29,906	\$ 19,949	\$ 45,139	\$ 139,074
Additions	14,396	-	-	49,063	63,459
As at March 31, 2025 and December 31, 2025	\$ 58,476	\$ 29,906	\$ 19,949	\$ 94,202	\$ 202,533
Accumulated amortization					
As at March 31, 2024	\$ 33,730	\$ 21,291	\$ 19,949	\$ 30,092	\$ 105,062
Additions	7,255	3,346	-	23,224	33,825
As at March 31, 2025	40,985	24,637	19,949	53,316	138,887
Additions	6,327	5,269	-	18,402	29,998
As at December 31, 2025	\$ 47,312	\$ 29,906	\$ 19,949	\$ 71,718	\$ 168,885
Net Book Value					
As at March 31, 2025	\$ 17,491	\$ 5,269	\$ -	\$ 40,886	\$ 63,646
As at December 31, 2025	\$ 11,164	\$ -	\$ -	\$ 22,484	\$ 33,648

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 December 31, 2025, \$84,742 (March 31, 2025 - \$62,942) is being held as security on the Company's mineral titles.

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

8. EXPLORATION AND EVALUATION ASSETS

There were no changes to the Company's exploration and evaluation assets during the nine months ended December 31, 2025.

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended December 31, 2025

9. EXPLORATION EXPENDITURES

During the nine months ended December 31, 2025, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Trident	Pinnacle	Total
Administrative costs	\$ 14,840	\$ 1,930	\$ 16,770
Amortization	5,269	-	5,269
Assays	3,626	-	3,626
Drilling	521,689		521,689
Field costs	502,099	2,902	505,001
Mapping	9,885	-	9,885
Net expenditures	\$ 1,057,408	\$ 4,832	\$ 1,062,240

During the nine months ended December 31, 2024, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Trident	Pinnacle	Target Generation*	Total
Administrative costs	\$ -	\$ 704	\$ 10,871	\$ 11,575
Amortization	-	922	2,101	3,023
Field costs	19,470	550	13,073	33,093
Geophysics	8,245	2,219	-	10,464
Total Expenditures	27,715	4,395	26,045	58,155
Exploration tax credits and reimbursement and adjustment**	(1,285)	(667)	-	(1,952)
Total recoveries	(1,285)	(667)	-	(1,952)
Net Expenditures	\$ 26,430	\$ 3,728	\$ 26,045	\$ 56,203

* Expenditures included in "Target Generation" are not project specific and are general exploratory expenditures for the nine months ended December 31, 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 December 31, 2025

10. RELATED PARTYs 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 nine months ended December 31, 2025	Consulting fees	Management fees	Director fees	Share-based Payments	Total
Chief Executive Officer *	\$ 121,500	\$ -	\$ -	\$ 69,398	\$ 190,898
Chief Financial Officer	8,750	-	-	12,229	20,979
Outside directors	-	-	27,000	71,037	98,037
Seabord Management Corp. **	-	35,000	-	660	35,660
Total	\$ 130,250	\$ 35,000	\$ 27,000	\$ 153,324	\$ 345,574

For the nine months ended December 31, 2024	Consulting fees	Management fees	Director fees	Share-based Payments	Total
Chief Executive Officer *	\$ 121,500	\$ -	\$ -	\$ 18,096	\$ 139,596
Outside directors	-	-	26,000	18,820	44,820
Seabord Management Corp. **	-	67,500	-	1,448	68,948
Total	\$ 121,500	\$ 67,500	\$ 26,000	\$ 38,364	\$ 253,364

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

Related party liabilities	December 31, 2025	March 31, 2025
Chief Executive Officer *	\$ 153,163	\$ 135,000
Seabord Management Corp. **	-	78,750
Directors	52,000	44,000
	\$ 205,163	\$ 257,750

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

** Seabord Management Corp. ("Seabord") is partially controlled by the former Chief Financial Officer ("CFO") which prior to the former CFO's resignation provided the following services: A CFO, a Corporate Secretary, accounting and administration staff, and office space to the Company. The former CFO and Corporate Secretary were employees of Seabord and were not paid directly by the Company. On September 15, 2025, concurrent with the resignation of the former CFO, Seabord terminated its services with the Company.

The amounts due to related parties are unsecured, non-interest bearing and are due on demand.

11. LEASE LIABILITY

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

	December 31, 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	(19,711)	(25,441)
Interest expense on lease liabilities	2,165	1,827
	24,108	41,654
Less: current portion	(24,108)	(23,935)
Non-current – Ending balance	\$ -	\$ 17,719

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 extended the lease for a further 2 additional

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended December 31, 2025

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 December 31, 2025, the expected remaining cash commitments were \$25,150.

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 December 31, 2025.

During the nine months ended December 31, 2025

In August 2025, the Company completed a non-brokered private placement for gross proceeds of \$300,000 and 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.

In consideration of the private placement, an aggregate total of \$9,450 in cash finder's fees were paid and 475,500 finder's warrants valued at \$9,400 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 2.67%, dividend yield of 0%, volatility of 204% and an expected life of two years.

In October 2025, the Company completed a private placement raising an aggregate of \$1,526,992, of which \$804,992 was raised on the issuance of 22,999,770 units at a price per unit of \$0.035 and \$692,000 was raised on the issuance of 18,050,000 flow-through units at a price of \$0.04 per unit. The private placement closed in two tranches. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each flow-through 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.

Pursuant to the application of the residual value method with respect to the measurement of shares and warrants issued in private placements, and the determination of any flow-through share premium on the issuance of flow-through shares, there was no residual value allocated to the warrant component, and a flow-through premium liability of \$90,250 was recognized related to the difference between the subscription price of a flow-through share compared to the units issued concurrently.

Funds raised from the issuance of flow-through shares require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions for tax purposes to the Company. As at December 31, 2025, the Company fulfilled its spending requirements and the full flow-through premium liability has been extinguished.

In consideration for arranging the private placement, the Company paid \$56,752 in cash commissions and issued 1,539,984 finder's warrants valued at \$43,100 in two tranches. Each of 1,329,830 finder's warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.05 per share until October 6, 2027. 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 2.47%, dividend yield of 0%, volatility of 192% and an expected life of two years. Each of 210,154 finder's warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.05 per share until October 14, 2027. 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 2.44%, dividend yield of 0%, volatility of 193% and an expected life of two years.

The Company issued 4,725,000 common shares valued at \$314,250 pursuant to the exercise of warrants.

The Company issued 500,000 common shares valued at \$46,038 pursuant to the exercise of options, and reallocated \$21,038 from contributed surplus to share capital.

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(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended December 31, 2025

12. EQUITY (Continued)

During the year ended March 31, 2025:

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 3 years.

The Company paid an additional \$22,634 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 December 31, 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.

During the nine months ended December 31, 2025 and the year ended March 31, 2025, the change in stock options outstanding is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2024	5,000,000	\$ 0.05
Issued	1,000,000	0.06
Balance, March 31, 2025	6,000,000	0.05
Issued	7,700,000	0.05
Exercised	(500,000)	0.05
Balance, December 31, 2025	13,200,000	\$ 0.05

The following table summarizes the stock options outstanding and exercisable as at December 31, 2025:

Date Granted	Number of Options	Exercisable	Exercise Price	Expiry Date
March 1, 2024*	4,500,000	2,000,000	\$ 0.05	March 1, 2027
May 7, 2024**	1,000,000	1,000,000	0.06	May 7, 2027
October 6, 2025***	7,700,000	7,700,000	0.05	October 6, 2030
	13,200,000	10,700,000		

* 715,000 options were exercised subsequently.

** 1,000,000 options were exercised subsequently.

*** 1,500,000 options were exercised subsequently.

The weighted average remaining life of the exercisable stock options is 3.28 years (March 31, 2025 – 1.95 years).

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended December 31, 2025

12. EQUITY (Continued)

Share-based Payments

During the nine months ended December 31, 2025, the Company recorded share-based compensation expense of \$269,729 (2024 - \$119,115), which represents the fair value of options vested during the period with the offsetting amount credited to reserves. The weighted average fair value of the stock options granted during the nine months ended December 31, 2025 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 2.75%, dividend yield of Nil, volatility of 141%, forfeiture rate of Nil, and an expected life of 5 years.

Warrants

During the period ended December 31, 2025 and the year ended March 31, 2025, the change in warrants outstanding is as follows:

	Number of Warrant*	Weighted Average Exercise Price
Balance, March 31, 2024	1,481,666	\$ 0.04
Issued	14,971,500	0.08
Balance, March 31, 2025	16,453,166	0.08
Issued	58,062,254	0.05
Exercised	(4,725,000)	0.07
Balance, December 31, 2025	69,790,420	\$ 0.06

The following table summarizes the warrants outstanding as at December 31, 2025:

Date Granted	Number of Warrant	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*	11,850,000	0.08	May 6, 2027
May 7, 2024 Finders' Warrants	521,500	0.08	May 6, 2027
August 8, 2025**	12,875,000	0.05	August 8, 2027
August 8, 2025 Finders' Warrants	472,500	0.05	August 8, 2027
October 6, 2025***	21,122,570	0.05	October 6, 2027
October 6, 2025	16,175,000	0.06	October 6, 2027
October 6, 2025 Finders' Warrants	1,329,830	0.05	October 6, 2027
October 14, 2025	1,877,200	0.05	October 14, 2027
October 14, 2025	1,875,000	0.06	October 14, 2027
October 14, 2025 Finders' Warrants	210,154	0.05	October 14, 2027
	69,790,420		

* 1,700,000 warrants were exercised subsequently.

** 3,100,000 warrants were exercised subsequently.

*** 800,000 warrants were exercised subsequently.

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 December 31, 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 December 31, 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 December 31, 2025, included \$80,259 of accounts payable and accrued liabilities, \$205,163 in amounts due to related parties and \$24,108 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 December 31, 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 December 31, 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.

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 nine months ended December 31, 2025. 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.

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended December 31, 2025

15. FINANCIAL INSTRUMENTS BY CATEGORY

The Company classified its financial instruments as follows:

	December 31, 2025	March 31, 2025
Financial assets		
Amortized cost:		
Cash	\$ 402,504	\$ 188,347
Restricted cash	17,500	17,500
Reclamation deposits	84,742	62,942
Fair value through profit or loss:		
Marketable securities	44,249	46,074
	<u>\$ 548,995</u>	<u>\$ 314,863</u>
Financial liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	\$ 80,259	\$ 79,287
Due to related parties	205,163	257,750
	<u>\$ 285,422</u>	<u>\$ 337,037</u>

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.

As at December 31, 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. SUBSEQUENT EVENTS

Subsequent to December 31, 2025, the Company:

- issued 5,600,000 common shares pursuant to the exercise of warrants.
- issued 3,215,000 common shares pursuant to the exercise of options.
- granted 1,000,000 stock options exercisable at \$0.08 and expiring on February 17, 2031.