



**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 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 six months ended September 30, 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)

<b>ASSETS</b>	<b>September 30,2025</b>	<b>March 31, 2025</b>
<b>Current assets</b>		
Cash	\$ 451,764	\$ 188,347
Receivables (Note 3)	15,150	138,895
Prepaid expenses	155,777	65,420
Marketable securities (Note 4)	39,286	46,074
<b>Total current assets</b>	<b>661,977</b>	<b>438,736</b>
<b>Non-current assets</b>		
Restricted cash (Note 5)	17,500	17,500
Property and equipment (Note 6)	41,212	63,646
Reclamation deposits (Note 7)	84,742	62,942
Exploration and evaluation assets (Note 8)	12,563	12,563
<b>Total non-current assets</b>	<b>156,017</b>	<b>156,651</b>
<b>TOTAL ASSETS</b>	<b>\$ 817,994</b>	<b>\$ 595,387</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payables and accrued liabilities	\$ 118,990	\$ 79,287
Due to related parties (Note 7)	224,340	257,750
Lease liability (Note 11)	25,633	23,935
Flow-through share liability	20,000	20,000
<b>Total current liabilities</b>	<b>388,963</b>	<b>380,972</b>
<b>Non-current liabilities</b>		
Lease liability (Note 11)	4,520	17,719
<b>Total non-current liabilities</b>	<b>4,520</b>	<b>17,719</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 12)	8,007,890	7,726,740
Reserves (Note 12)	298,647	265,965
Subscription received in advance (Note 16)	369,000	-
Deficit	(8,251,026)	(7,796,009)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>424,511</b>	<b>196,696</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 817,994</b>	<b>\$ 595,387</b>

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 December 1, 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	Subscriptions received in advance	Deficit	Total
<b>Balance as at March 31, 2024</b>	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	-	-	88,122	-	-	88,122
Loss for the period	-	-	-	-	(469,403)	(469,403)
<b>Balance as at September 30, 2024</b>	139,798,195	\$ 7,726,740	\$ 211,673	\$ -	\$ (7,401,625)	\$ 536,788

	Number of Common shares	Share capital	Reserves	Subscriptions received in advance	Deficit	Total
<b>Balance as at March 31, 2025</b>	139,798,195	\$ 7,726,740	\$ 265,965	\$ -	\$ (7,796,009)	\$ 196,696
Shares issued for cash	15,000,000	300,000	-	-	-	300,000
Share issue costs – cash	-	(9,450)	-	-	-	(9,450)
Share issue costs – finders warrants	-	(9,400)	9,400	-	-	-
Share-based compensation	-	-	23,282	-	-	23,282
Subscription received in advance	-	-	-	369,000	-	369,000
Loss for the period	-	-	-	-	(455,017)	(455,017)
<b>Balance as at September 30, 2025</b>	154,798,195	\$ 8,007,890	\$ 298,647	\$ 369,000	\$ (8,251,026)	\$ 424,511

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		Six Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
<b>EXPLORATION EXPENDITURES (Note 9)</b>	\$ 28,690	\$ 42,360	\$ 51,212	\$ 53,201
Less: Recoveries (Note 9)	-	(620)	-	(1,952)
Net exploration expenditures	28,690	41,740	51,212	51,249
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>				
Administrative and office	43,574	12,849	61,338	25,174
Amortization (Note 6)	9,136	7,545	17,169	14,737
Consulting and directors fees (Note 10)	86,250	79,500	165,750	161,000
Investor relations and shareholder communication	27,905	10,567	29,399	56,859
Management fees (Note 10)	38,000	22,500	53,000	45,000
Professional fees	39,123	7,667	46,789	23,030
Share-based compensation (Notes 10 & 12)	11,047	40,345	23,282	88,122
Total general and administrative expenses	255,035	180,973	396,727	413,922
<b>Loss from operations</b>	(283,725)	(222,713)	(447,939)	(465,171)
Foreign exchange gain (loss)	404	38	90	(656)
Interest income	-	220	1,186	2,121
Interest expense on lease liability (Note 11)	(380)	-	(1,566)	-
Fair value adjustments on marketable securities (Note 4)	(22,624)	(24,494)	(6,788)	(36,407)
Recovery of flow through share liability	-	-	-	30,710
<b>Loss and comprehensive loss for the period</b>	\$ (306,325)	\$ (246,949)	\$ (455,017)	\$ (469,403)
<b>Basic and diluted loss per common share</b>	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
<b>Weighted average number of common share outstanding</b>				
– basic and diluted	148,534,459	139,798,195	144,142,157	136,955,572

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)

	<b>For the six months ended September 30, 2025</b>	<b>For the six months ended September 30, 2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (455,017)	\$ (469,403)
Items not involving cash:		
Amortization	23,282	17,437
Share-based compensation	22,434	88,122
Fair value adjustments on marketable securities	6,788	36,407
Interest income	(1,186)	(2,121)
Interest expense on lease liability	1,566	478
Recovery of flow through share liability	-	(30,710)
Accrual for exploration tax credits	-	(1,952)
Changes in non-cash working capital items:		
Receivable	123,745	1,331
Prepaid expenses	(90,357)	20,954
Accounts payable and accrued liabilities	40,889	(127,187)
Due to related parties	(33,410)	20,288
Net cash used in operating activities	(361,266)	(446,356)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from private placements	300,000	722,500
Share issuance costs	(9,450)	(48,709)
Subscriptions received in advance	369,000	-
Lease payments	(13,067)	(12,546)
Net cash provided by financing activities	646,483	661,245
<b>Net change</b>	263,417	208,114
<b>Cash, beginning of period</b>	188,347	256,913
<b>Cash, end of period</b>	\$ 451,764	\$ 465,027
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Fair value of brokers' warrants granted	\$ 9,400	\$ 26,561

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 September 30, 2025

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## **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 September 30, 2025, the Company has not achieved profitable operations and has accumulated losses since inception.

As at September 30, 2025, the Company had working capital deficit of \$273,014, accumulated deficit of \$8,251,026 and cash of \$451,764. The Company completed private placements for gross proceeds of \$1,526,992 subsequent to September 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.

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 six months ended September 30, 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 September 30, 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 September 30, 2025 and March 31, 2025, the current receivables consisted of the following:

	September 30, 2025	March 31, 2025
Goods and services tax receivable	\$ 15,150	\$ 76,166
Mineral exploration tax credits	-	62,729
	\$ 15,150	\$ 138,895

During the period ended September 30, 2025, the Company received refunds of \$69,327 from GST and \$61,798 in METC .

## 4. MARKETABLE SECURITIES

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

	September 30, 2025	March 31, 2025
<b>Fair value through profit or loss</b>		
Cost	\$ 81,711	\$ 81,711
Accumulated unrealized gain (loss)	(42,425)	(35,637)
<b>Fair value</b>	\$ 39,286	\$ 46,074

## 5. RESTRICTED CASH

As at September 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.

# PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended September 30, 2025

## 6. PROPERTY AND EQUIPMENT

During the six months ended September 30, 2025, amortization of \$5,269 (2024 - \$2,700) has been included in exploration expenditures (Note 9).

	Office furniture and computer equipment	Field equipment	Vehicles and related equipment	Right-of-use assets	Total
<b>Cost</b>					
As at September 30, 2025 and March 31, 2025	\$ 58,476	\$ 29,906	\$ 19,949	\$ 94,202	\$ 202,533
<b>Accumulated amortization</b>					
As at March 31, 2025	\$ 40,985	\$ 24,637	\$ 19,949	\$ 53,316	\$ 138,887
Additions	4,899	5,269	-	12,266	22,434
As at September 30, 2025	\$ 45,884	\$ 29,906	\$ 19,949	\$ 65,582	\$ 161,321
<b>Net book Value</b>					
As at March 31, 2025	\$ 17,491	\$ 5,269	\$ -	\$ 40,886	\$ 63,646
As at September 30, 2025	\$ 12,592	\$ -	\$ -	\$ 28,620	\$ 41,212

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 September 30, 2025, \$84,742 (March 31, 2025 - \$62,942) is being held as security on the Company's mineral titles.

As at September 30, 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 six months ended September 30, 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 September 30, 2025

## 9. EXPLORATION EXPENDITURES

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

	Trident	Pinnacle	Total
Administrative costs	\$ 2,414	\$ 1,930	\$ 4,344
Amortization	5,273	-	5,273
Assays	3,626	-	3,626
Field costs	25,388	2,696	28,084
Mapping	9,885	-	9,885
Net expenditures	\$ 46,586	\$ 4,626	\$ 51,212

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

	Trident	Pinnacle	Target Generation*	Total
Administrative costs	\$ -	\$ -	\$ 8,951	\$ 8,951
Amortization	839	-	1,861	2,700
Field costs	19,470	550	11,066	31,086
Geophysics	6,026	2,219	2,219	10,464
Total Expenditures	26,335	2,769	24,097	53,201
Exploration tax credits and reimbursement and adjustment**	(1,285)	(667)	-	(1,952)
Total recoveries	(1,285)	(667)	-	(1,952)
Net Expenditures	\$ 25,050	\$ 2,102	\$ 24,097	\$ 51,249

\* Expenditures included in "Target Generation" are not project specific and are general exploratory expenditures for the six months ended September 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 September 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 six months ended September 30, 2025	Consulting fees	Management fees	Director fees	Share-based Payments	Total
Chief Executive Officer *	\$ 81,000	\$ -	\$ -	\$ 5,494	\$ 86,494
Chief Financial Officer	1,250	-	-	-	1,250
Outside directors	-	-	18,000	7,021	25,021
Seabord Management Corp. **	-	35,000	-	439	35,439
<b>Total</b>	<b>\$ 82,250</b>	<b>\$ 35,000</b>	<b>\$ 135,250</b>	<b>\$ 12,954</b>	<b>\$ 148,204</b>

  

For the six months ended September 30, 2024	Consulting fees	Management fees	Director fees	Share-based Payments	Total
Chief Executive Officer *	\$ 81,000	\$ -	\$ -	\$ 6,076	\$ 87,076
Outside directors	-	-	20,000	22,360	42,360
Seabord Management Corp. **	-	45,000	-	486	45,486
<b>Total</b>	<b>\$ 81,000</b>	<b>\$ 45,000</b>	<b>\$ 20,000</b>	<b>\$ 28,922</b>	<b>\$ 174,922</b>

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

Related party liabilities	September 30, 2025	March 31, 2025
Chief Executive Officer *	\$ 127,700	\$ 135,000
Chief Financial Officer	1,250	-
Seabord Management Corp. **	52,390	78,750
Directors	43,000	44,000
	<b>\$ 224,340</b>	<b>\$ 257,750</b>

\*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") and provides the following services: A CFO, a Corporate Secretary, accounting and administration staff, and office space to the Company. The former CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company. On September 15, 2025, Seabord terminated its services with 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).

	September 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	(13,067)	(25,441)
Interest expense on lease liabilities	1,566	1,827
	30,153	41,654
Less: current portion	(25,633)	(23,935)
Non-current – Ending balance	\$ 4,520	\$ 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 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 September 30, 2025, the expected remaining cash commitments were \$31,793.

# **PACIFIC EMPIRE MINERALS CORP.**

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars)

For the Period Ended September 30, 2025

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## **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 September 30, 2025.

*During the six months ended September 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.

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.

*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 September 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 September 30, 2025

## 12. EQUITY (Continued)

During the six months ended September 30, 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 and September 30, 2025	6,000,000	\$ 0.05

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

Date Granted	Number of Options	Exercisable	Exercise Price	Expiry Date
March 1, 2024*	5,000,000	2,500,000	\$ 0.05	March 1, 2027
May 7, 2024	1,000,000	1,000,000	0.06	May 7, 2027
	6,000,000	3,500,000		

The weighted average remaining life of the exercisable stock options is 1.45 years (March 31, 2025 – 1.95 years).

### Share-based Payments

During the six months ended September 30, 2025, the Company recorded a share-based compensation expense of \$23,282 (2024 - \$88,122), 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 six months ended September 30, 2025. The weighted average fair value of the stock options granted during the six months ended September 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

During the period ended September 30, 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	1,972,500	0.05
Balance, September 30, 2025	18,425,666	\$ 0.18

The following table summarizes the warrants outstanding as at September 30, 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	14,450,000	0.08	May 6, 2027
May 7, 2024 Finders' Warrants	521,500	0.08	May 6, 2027
August 8, 2025	1,500,000	0.05	August 8, 2027
August 8, 2025 Finders' Warrants	472,500	0.05	August 8, 2027
	18,425,166		

# **PACIFIC EMPIRE MINERALS CORP.**

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

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## **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.

## **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 September 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 September 30, 2025, included \$118,990 of accounts payable and accrued liabilities, \$224,340 in amounts due to related parties and \$25,633 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 September 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 September 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.

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## 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 six months ended September 30, 2025. Subsequent to September 30, 2025, the Company completed private placements for gross proceeds of \$1,526,992 (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:

	September 30, 2025	March 31, 2025
<b>Financial assets</b>		
Amortized cost:		
Cash	\$ 451,764	\$ 188,347
Restricted cash	17,500	17,500
Reclamation deposits	84,742	62,942
Fair value through profit or loss:		
Marketable securities	39,286	46,074
	<u>\$ 593,292</u>	<u>\$ 314,863</u>
<b>Financial liabilities</b>		
Amortized cost:		
Accounts payable and accrued liabilities	\$ 118,990	\$ 79,287
Due to related parties	224,340	257,750
	<u>\$ 343,330</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 September 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.

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## **16. SUBSEQUENT EVENTS**

Subsequent to September 30, 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 common shares and \$692,000 was raised on the issuance of 18,050,000 flow-through shares. Each common share was issued at a price per share of \$0.035 and each flow-through share was issued at a price of \$0.04 per share. The private place closed in two tranches.

In consideration for arranging the private placement, the Company paid \$56,612 in cash commissions and issued 1,539,984 finder's warrants 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. 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.