PACIFIC EMPIRE
MINERALS CORP.

**MANAGEMENT'S
DISCUSSION AND ANALYSIS
FOR THE
THREE MONTHS ENDED JUNE 30, 2026**

Dated: August 31, 2026
(All amounts expressed in Canadian dollars unless otherwise indicated)

## GENERAL

Pacific Empire Minerals Corp. (the "Company" or "PEMC") is a Vancouver–based mineral exploration company whose principal business is the acquisition and exploration of copper–gold porphyry mineral exploration properties, with a focus on British Columbia, Canada. The Company is a reporting issuer in British Columbia, Alberta and Ontario, and trades on the TSX Venture Exchange ("TSX–V") as a Tier 2 issuer under the symbol PEMC.

The following Management Discussion and Analysis ("MD&A") of the Company's financial position and results of operations has been prepared by management in accordance with the requirements of National Instrument 51–102. The following information is prepared as at August 31, 2026, unless otherwise stated, supplements but does not form part of the unaudited financial statements of the Company for the three months ended June 30, 2026. This MD&A should be read in conjunction with the March 31, 2026 audited financial statements and the related notes therein.

The Company reports its financial position, results of operations and cash flows in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in Canadian dollars except where noted.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable.

Additional information relevant to the Company's activities can be found on www.sedarplus.ca and on the Company's website at www.pemcorp.ca.

Ron Voordouw, P.Geo., Ph.D., is a Qualified Person as defined by National Instrument 43-101. Dr. Voordouw is independent of Pacific Empire Minerals Corp. as defined in NI 43-101 and has reviewed and approved the scientific and technical information contained in this MD&A.

## FORWARD LOOKING STATEMENTS

This MD&A may contain "forward–looking statements" that reflect the Company's current expectations and projections about its future results. Forward–looking statements are statements that are not historical facts, and include, but are not limited to: a) estimates and their underlying assumptions; b) statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, capital raising initiatives, the impact of regulatory initiatives on the Company's operations, and market opportunities; c) general industry and macroeconomic performance and growth rates; d) expectations related to possible business opportunities, joint or strategic ventures; and e) statements regarding future performance.

Forward–looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to; a) unavailability of financing; b) failure to identify commercially viable mineral reserves; c) fluctuations in the market valuation for commodities; d) difficulties in obtaining required approvals for the development of a mineral project; and e) other factors.

Readers are cautioned not to place undue reliance on these forward–looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward–looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

## DESCRIPTION OF BUSINESS

The Company is a mineral exploration company whose principal business is the acquisition and exploration of mineral exploration properties, with a focus on British Columbia, Canada.

The Company's flagship properties include the Trident property (formerly the COL property), and the Pinnacle property, both in the Omineca Mining Division of British Columbia. The Trident property is located approximately 50 km to the southeast of Northwest Copper Corp.'s Kwanika Deposit and 50 km to the northwest of Centerra Gold's Mt. Milligan Mine, the Trident property covers 6,618 hectares and is accessible by vehicle using well–established logging roads.

To date, equity financing has provided the main source of financing. The recovery of the Company's investment in its mineral properties will be dependent upon the execution of earn–in agreements with incumbent partners, assuming there are monetary, or equity payments issued, or the discovery of economically recoverable mineral reserves and the ability to raise sufficient capital to finance these operations. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

## OVERALL PERFORMANCE

The Company was incorporated on July 13, 2012, and commenced business at that time. The Company is a mineral exploration company focused on the discovery of gold–enriched copper deposits in British Columbia. Since 2012, the Company has (i), entered into a total of 5 agreements as the property optionor to advance mineral properties with various targets through partner-funded exploration programs with various mineral targets (ii), entered into option agreements for the right to acquire an interest in 7 properties (iii), sold its 50% interest in the Stars property in exchange for cash and royalty interests, and (iv), acquired an equity interest in a royalty generating entity through the sale of royalty interests on four projects.

## FINANCINGS

In May 2026, the Company completed the first tranche of a private placement and issued 53,249,230 common shares for gross proceeds of $3,439,000, of which $266,400 was raised on the issuance of 4,440,000 common shares at a price of $0.06 per share and $3,172,600 was raised on the issuance of 48,809,230 flow-through common shares at a price of $0.065 per share.

In consideration for arranging the private placement, the Company paid $227,327 in cash commissions and issued 2,000,000 common shares valued at $120,000 and 3,015,384 finder's warrants valued at $145,400. Each finder's warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.06 per share until May 11, 2028. The 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 2.88%, dividend yield of 0%, volatility of 180% and an expected life of two years.

Pursuant to the application of the residual value method with respect to the measurement of shares issued in private placements, and the determination of any flow-through share premium on the issuance of flow-through shares, flow-through premium liability of $244,046 was recognized related to the difference between the subscription price of a flow-through share compared to the common shares 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 June 30, 2026, the Company fulfilled 5% spending requirements resulting in a recovery of $11,729 (2025 - $Nil).

In June 2026, the Company completed the second tranche of a private placement and issued 2,967,000 common shares at a price of $0.06 for gross proceeds of $178,020.

In consideration for arranging the private placement, the Company paid $7,001 in cash commissions and issued 133,360 finder's warrants valued at $6,400. Each finder's warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.06 per share until June 19, 2028. The 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 2.76%, dividend yield of 0%, volatility of 180% and an expected life of two years.

In July 2026, the Company completed a non-brokered private placement and issued 35,207,775 units at a price of $0.045 for gross proceeds of $1,584,350. 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 $0.07 per warrant share for a period of 36 months from the closing date of the offering.

In connection with the private placement, the Company paid cash finders' fees of $23,468 and issued 521,500 finder's warrants. Each finder's warrant entitles the holder to acquire one common share at a price of $0.07 per share until July 31, 2029.

**Outlook and Property Review**

Since 2012, the Company has primarily followed the "Prospect Generator" business model, where the Company acquires projects and completes low-cost exploration and target development in order to attract larger partners to advance the project, primarily through diamond drilling. The acquisition of the Trident property in 2022 marked a turning point for the Company. The Company believes that the Trident property is of sufficient merit and that it should be the focus for PEMC for the foreseeable future.

**Trident:** In June 2022, the Company acquired a 100% interest in the Trident property, in exchange for granting the Vendors a 2% net smelter return royalty (the "NSR") on the claims, one–half (1%) of such 2% net smelter return royalty may be purchased for $500,000 by PEMC. Following this, the Company applied Portable Assessment Credits on the recently acquired mineral tenures in order to advance the expiry date of the claims to 2027. As a result, the Company does not have any required exploration expenditures until 2027.

In June 2022, the Company completed a comprehensive review of all existing data related to the Trident property. Historical data was compiled and assembled into a database and is being used to develop targets for further exploration. Due to forest fire activity on the Trident property and the adjacent Pinnacle property, mobilization to the property was postponed until the following year.

Following data compilation and review of existing data on the Trident property, management has selected several areas as the focus for continued exploration. Historical drilling on the property has returned intriguing copper–gold–silver grades associated with widespread alteration and soil geochemical anomalies. Based on reviews of historical drill core the highest–grade intercepts from diamond drilling appear to be directly associated with discrete porphyry dykes and intrusions, however the source of these porphyry intrusions remains unknown. In order to better understand the nature and location of a potential hydrothermal system related to the porphyry intrusions, management planned to complete an airborne Mobile Magnetotelluric survey ("MobileMT") over the existing target areas prior to diamond drilling. This survey was completed in March 2024, as further described below. This survey has the potential to identify conductive and resistive bodies at depths greater than traditional induced polarization surveys, providing a broader-scale picture at depth.

Due to the presence of extensive forest fires at both the Trident and Pinnacle properties starting in July of 2023, field work at Trident was postponed until 2024. Fire activity continued through late September. At Trident the fire activity was predominantly in the northwest area of the property.

In March 2024, an airborne MobileMT survey was completed over the main target area at Trident and the southern portion of Pinnacle. The survey is capable of detecting basement electromagnetic (EM) conductors and anomalous resistivity zones which may indicate copper–gold porphyry systems.

The survey totaled 164 line–kilometres and covered the primary target area, which includes historical assays such as DDH-1971-13: 70.1 m averaging 0.69% Cu, and DDH 2007-2: 100.0 m grading 0.59% Cu and 0.18 g/t Au, including 2.0 m that returned 2.73% Cu and 0.36 g/t Au.

Results from the survey confirmed the presence of a significant resistivity high signature in the immediate area of the primary porphyry target area on the Trident property and facilitated the identification and prioritization of target areas for drilling, completed in the Fall of 2025 as described below.

In July 2024, a work program consisting of rock chip and historical drill core sampling was completed. Samples were sent to ALS Laboratories in North Vancouver for analysis. Access to the property was evaluated and downed trees were removed from the existing access road.

In December 2024, PEMC submitted a three–year, area–based Notice of Work permit application for the Trident property. Year–one exploration plans include five diamond drill holes, ground–based geophysics (induced polarization and magnetotellurics), soil and rock geochemistry, and an exploration camp. PEMC has since been granted a Multi-Year Area Based (MYAB) work permit consisting of up to 20 diamond drill holes and 1 km of road building in addition to camp construction and geophysical surveys.

In May and June 2025, a small crew was mobilized to the Trident property to assess access and infrastructure, locate and sample historical drill core, and evaluate access to the proposed drill holes for the 2025 diamond drilling program. This program included the resampling of historical drillhole 2008-01, with 20 samples of quarter core collected and submitted to ALS Laboratories in North Vancouver, BC for multi-element analysis. Results were presented in a News Release dated August 13, 2025 and included multiple samples with >0.40% Cu and elevated gold, as summarized below:

- 1.6 metres grading 0.93% Cu and 1.06 g/t Au from 20.4 m depth
- 12.6 metres grading 0.45% Cu and 0.48 g/t Au from 17.0 m depth
- 16.0 metres grading 0.42% Cu and 0.58 g/t Au from 31.0 m depth

On August 19, 2025, the Company announced that it had received its MYAB permit for the Trident property. The Company has also retained Eagle Mapping to complete a 3.8 $km^2$ LiDAR and orthophoto survey over the primary target area at the Trident property, with orthophotos delivered at 15 cm resolution.

Field crews were mobilized to the Trident property on October 1, 2025, to establish a temporary exploration camp and prepare for the Company’s inaugural diamond drilling program. Omineca Diamond Drilling Ltd. was retained as the drilling contractor.

Diamond drilling commenced on October 14, 2025, and was completed on November 20, 2025. A total of six (6) NQ-diameter diamond drill holes were completed for an aggregate of 2,602 metres.

Following completion of the 2025 diamond drilling program, holes DD25-TRI-001 through DD25-TRI-003 were logged, cut, and sampled, and assays were received for all three holes. Results for hole DD25-TRI-001 were disclosed in the Company's news releases dated December 15, 2025, and January 21, 2026. Holes DD25-TRI-002 and DD25-TRI-003 did not return significant intersections of copper or gold mineralization. The best interval from DDH25-TRI-002 returned 18.5 metres of 0.27% Cu from a depth of 325 metres, whereas DDH25-TRI-003 returned intervals of and 3.5 metres grading 0.25% Cu from 343.9 metres depth as well as 10.5 metres averaging 0.16% Cu from a depth of 403.5 metres. Associated gold values averaged below 0.1 g/t for all three of these composites.

In December 2025, the Company began discussions with MSA Labs ("MSALABS") regarding sample preparation and analytical work on holes DD25-TRI-004 through DD25-TRI-006, the remaining core from the 2025 program, and MSALABS was subsequently engaged for this work. Cutting and sampling remained outstanding for hole DD25-TRI-004 and a portion of hole DD25-TRI-005 prior to analysis. MSALABS engaged a third-party contractor to complete this core cutting. In early June 2026, the Company was advised that cutting was expected to be completed by the end of June 2026. Cutting was not completed by that date, and as of early July 2026 a substantial portion of the material had not received completed geochemical analysis. To expedite completion of the 2025 program results, the Company elected in early July 2026 to have all outstanding drill core — both cut and uncut — returned to its storage facility in Fort St. James, British Columbia.

In May 2026, the Company engaged Equity Exploration Consultants Ltd. ("Equity") to manage the 2026 exploration program, including review and re-logging of the returned core. Equity has been on site since June 2026 and has visually reviewed and logged the material. The core is being reprocessed for submission to ALS Laboratories in North Vancouver, British Columbia, which the Company has engaged for sample preparation and analytical work going forward. Core processing and analytical work related to the 2025 drill program remains ongoing as of the date of this MD&A.

Prior to the commencement of drilling, the Company completed two ground-based induced polarization ("IP") lines at Trident, expanding on a chargeability anomaly originally identified in a 2014 survey. Interpretation of the expanded IP dataset identified a significantly larger area of anomalous chargeability in the eastern portion of the property, which has been prioritized as the next drill target following completion of drilling at the Trident Main Zone.

Diamond drilling under the Company's 2026 exploration program at the Trident property commenced in August 2026, with initial holes testing the Trident Main Zone to follow up on the Company's 2025 drill results (holes DD25-TRI-001, DD25-TRI-005, and DD25-TRI-006). Following completion of drilling at the Trident Main Zone, the drill rig is planned to move to the eastern portion of the property to test the expanded IP chargeability anomaly.

**Pinnacle:** The Pinnacle Property (formerly comprising the separate "Pinnacle Reef" and "NWT" claim groups, consolidated in 2019) is a copper-gold porphyry exploration project located in the Omineca Mining Division of north-central British Columbia.

The property is subject to a pre-existing 1% net smelter return royalty held by optionor.

In February 2025, PEMC submitted a three–year, area–based Notice of Work permit application for the Pinnacle property. Year–one exploration plans include five diamond drill holes, ground–based geophysics (induced polarization and magnetotellurics), soil and rock geochemistry, and an exploration camp. In August 2025, this permit was amended due to the presence of obstacles placed on bridges by the logging company to deter motorized vehicles and additional areas for exploration were added. This application was subsequently superseded by an updated application, as described below.

In late 2025, the Company submitted an amended three-year, area-based Notice of Work permit application for the Pinnacle property. The amended application incorporates the use of the existing exploration camp infrastructure established at the Trident property to reduce the requirement for separate camp installations. Management believes this approach enhances operational efficiency and reduces overall environmental footprint and capital expenditures associated with maintaining multiple exploration camps.

The amended permit application contemplates up to twenty (20) diamond drill holes over a three-year period, in addition to ground-based geophysical surveys, soil and rock geochemistry, and related exploration activities.
In May 2026, the Company received a MYAB work permit authorizing up to twenty (20) diamond drill holes at the Pinnacle property over a three-year period.

In June 2026, the Company completed an airborne magnetic survey over the northern portion of the Pinnacle property, identifying target areas for planned diamond drilling. Following completion of drilling at the Trident Main Zone and Trident East IP target, the Company's 2026 diamond drilling program is planned to move to the Pinnacle property to test these targets, as well as the Pinnacle South target.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2026, the Company had a working capital of $3,185,987 (March 31, 2026 - $547,606). Working capital for the three months ended June 30, 2026, increased compared to March 31, 2026, as a result of cash provided by financing activities of $3,375,833 offset by cash used in operating activities of $727,142.

The Company may also receive option payments in cash related to property agreements. See "Risks and Uncertainties" and "Forward looking statements" in this MD&A for risks related to the Company's expectations and ability to obtain sources of funding. To maintain its properties in good standing, the Company is required to make minimal maintenance payments; however, these can be terminated at any time without penalty once an option agreement is cancelled, or mineral title is dropped. There have been no changes in the approach to managing capital during the three months ended June 30, 2026.

Although the Company closed a private placement for gross proceeds of $3,617,020, expects funds from refundable tax credits and potential sale of marketable securities, the Company's working capital and cash flows may not be sufficient to meet its current plans and budgets associated with those plans. In order to continue funding its administrative and exploration expenditures from the date of this MD&A, the Company will need to obtain additional cash and anticipates either financing or selling one or more of its assets.

The Company is not subject to externally imposed capital requirements.

As at June 30, 2026, the Company had cash of $3,277,809. Management of cash balances is conducted in-house based on internal investment guidelines. Cash is deposited with major Canadian financial institutions. Cash required for immediate operations is held in a checking account and excess funds may be invested in accordance with the Company's capital resource objectives.

**Cash Used in Operating Activities**

Cash used in operating activities was $727,142 for the three months ended June 30, 2026 (2025 - $106,460) and represents expenditures primarily on mineral property exploration and general and administrative expenses for both periods. The increase from the comparative period predominately relates to the increase in prepaid expenses and increase in consulting costs for the comparative period. Exploration expenditures will fluctuate from period to period depending on opportunities, level of activity, and available capital resources. See the exploration review above for discussion on mineral property activities.

**Cash Used by Investing Activities**

Cash used in investing activities for the three months ended June 30, 2026 was $Nil compared to $20,614 cash used for the comparable period. Cash used during 2025 was mostly related to reclamation bond and offset with interest received from GIC held against the Company credit cards.

**Cash Generated by Financing Activities**

Cash provided by financing activities for the period ended June 30, 2026 was $3,375,833 (2025 – used in $6,535), which consists of proceeds from private placements of $3,617,020 (2025 - $Nil), share issuance costs of $234,328 (2025 - $Nil), and lease payments of $6,859 (2025 - $6,535).

## SELECTED QUARTERLY FINANCIAL INFORMATION AND FINANCIAL RESULTS

### Selected Quarterly Information

| Quarter Ended | June 30, 2026 | March 31, 2026 | December 31, 2025 | September 30, 2025 |
|---|---|---|---|---|
| **Financial results** | | | | |
| Exploration expenditures (net) | $ 201,869 | $ (2,122) | $ 1,011,028 | $ 28,690 |
| Share-based compensation | 4,240 | 149,366 | 246,447 | 11,047 |
| Loss and comprehensive loss for the period | (510,984) | (496,235) | (1,408,930) | (305,139) |
| Basic loss and comprehensive loss per common share | (0.00) | (0.00) | (0.01) | (0.00) |

| Quarter Ended | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 |
|---|---|---|---|---|
| **Financial results** | | | | |
| Exploration expenditures (net) | $ 22,522 | $ 56,377 | $ 4,954 | $ 41,740 |
| Share-based compensation | 12,235 | 22,899 | 31,393 | 40,345 |
| Loss and comprehensive loss for the period | (177,364) | (226,659) | (167,725) | (246,949) |
| Basic loss and comprehensive loss per common share | (0.00) | (0.01) | (0.00) | (0.00) |

The Company's net loss or income each quarter varies mainly due to varying levels of operations activities on its exploration projects, due diligence undertaken on new prospects, timing of incentive stock option grants, and the dissemination of project information to shareholders. Losses can be offset by option payments received in cash and/or shares by optionees.

**Three Months Ended June 30, 2026**

During the three months ended June 30, 2026 and June 30, 2025, the Company recorded a comprehensive loss of $510,984 and $177,364 respectively. This was comprised of:

i) net exploration expenditures of $201,869 (2025 - $22,522) after recoveries and adjustments, including accruals for the BC Minerals Exploration Tax Credit.
ii) general and administrative expenditures of $326,917 (2025 – $140,506) of which $4,240 (2025 – $12,235) related to share–based compensation.
iii) gain relating to other items of $17,802 (2025 – loss of $14,336) which included a recovery of flow-through expenditure commitment of $11,729 (2025 – $Nil).

General and administrative expenditures increased to $326,917 in three months ended June 30, 2026 compared to $140,506 in three months ended June 30, 2025. The significant increase related to an increase of $21,348 in administrative and office expenses due to more business activities in the current period. Consulting and directors' fees increased by $69,000 due to hiring of consultants to improve business operation during the current period. Investor relations and shareholder communication increased by $87,109 due to an increase in the Company's brand awareness during the quarter. Professional fees increased by $33,519 due to more professional services being rendered during the current period.

## OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## NEW ACCOUNTING POLICIES AND PRONOUNCEMENTS

Please refer to the Company's audited financial statements for the years ended March 31, 2026 and 2025 on SEDARPLUS at www.sedarplus.ca and on the Company's website at www.pemcorp.ca.

## RISK AND CAPITAL MANAGEMENT: FINANCIAL INSTRUMENTS

Please refer to the Company's audited financial statements for the years ended March 31, 2026 and 2025 on SEDARPLUS at www.sedarplus.ca and on the Company's website at www.pemcorp.ca.

## CRITICAL ACCOUNTING JUDGEMENTS AND SIGNIFICANT ESTIMATES AND UNCERTAINTIES

Please refer to the Company's audited financial statements for the years ended March 31, 2026 and 2025 on SEDARPLUS at www.sedarplus.ca and on the Company's website at www.pemcorp.ca.

## TRANSACTIONS WITH RELATED PARTIES

The Company entered into certain transactions with key management personnel, which the Company has defined as Officers and Directors of the Company. The aggregate value of these transactions and outstanding balances are as follows:

| For the three months ended June 30, 2026 | Consulting fees | Director fees | Total |
|---|---|---|---|
| Chief Executive Officer * | $ 40,500 | $ - | $ 40,500 |
| Chief Financial Officer | 7,500 | - | 7,500 |
| Outside directors | - | 9,000 | 9,000 |
| Total | $ 48,000 | $ 9,000 | $ 57,000 |

| For the three months ended June 30, 2025 | | Consulting and Management fees | | Share-based Payments | | Total |
|---|---|---|---|---|---|---|
| Chief Executive Officer * | $ | 40,500 | $ | 2,732 | $ | 43,232 |
| Outside directors | | 9,000 | | 4,149 | | 13,149 |
| Seabord Management Corp. ** | | 15,000 | | 1,842 | | 16,842 |
| Total | $ | 64,500 | $ | 8,723 | $ | 73,223 |

Amounts due to related parties as of June 30, 2026 and March 31, 2026 are as follows:

| Related party liabilities | | June 30, 2026 | | March 31, 2026 |
|---|---|---|---|---|
| Chief Executive Officer * | $ | 135,675 | $ | 135,675 |
| Directors | | 34,000 | | 33,000 |
| | $ | 169,675 | $ | 168,675 |

*BJP Consulting is controlled by Brad Peters, President and CEO.

** 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.

## RISKS AND UNCERTAINTIES

### Mineral Property Exploration and Mining Risks

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

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

### No Assurance of Titles or Borders

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

**Joint Venture Funding Risk**

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

**Commodity Price Risk**

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

**Financing and Share Price Fluctuation Risks**

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

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

**Political, Regulatory and Currency Risks**

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

**Insured and Uninsured Risks**

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

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

**Environmental and Social Risks**

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

**Conflicts of Interest**

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

**Key Personnel Risk**

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

**Competition**

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

**OUTSTANDING SHARE DATA**

*Common Shares*

As at August 31, 2026 the Company had 303,311,970 common shares outstanding.

*Share purchase warrants*

| Number of warrants outstanding | Expiry date | Exercise price |
|---:|:---:|:---:|
| 466,666 | December 29, 2026 | $0.10 |
| 1,015,000 | January 16, 2027 | $0.10 |
| 521,500 | May 6, 2027 | $0.08 |
| 10,150,000 | May 6, 2027 | $0.08 |
| 9,775,000 | August 8, 2027 | $0.05 |
| 472,500 | August 8, 2027 | $0.05 |
| 20,322,570 | October 6, 2027 | $0.05 |
| 16,175,000 | October 6, 2027 | $0.06 |
| 1,329,830 | October 6, 2027 | $0.05 |
| 1,877,200 | October 14, 2027 | $0.05 |

| | | |
|---|---|---|
| 1,875,000 | October 14, 2027 | $0.06 |
| 210,154 | October 14, 2027 | $0.05 |
| 3,015,384 | May 11, 2028 | $0.06 |
| 133,360 | June 19, 2028 | $0.06 |
| 35,207,775 | July 31, 2029 | $0.07 |
| 521,500 | July 31, 2029 | $0.07 |
| 103,068,439 | | |

*Stock options*

| **Number of stock options outstanding** | **Number of stock options exercisable** | **Expiry date** | **Exercise price** |
|---|---|---|---|
| 3,650,000 | 2,487,500 | March 1, 2027 | $0.05 |
| 5,450,000 | 5,450,000 | October 6, 2030 | $0.05 |
| 1,000,000 | 1,000,000 | February 17, 2031 | $0.08 |
| 17,700,000 | 17,700,000 | August 7, 2031 | $0.05 |
| 27,800,000 | 26,637,500 | | |

Fully Diluted: 434,180,409 common shares