



**MANAGEMENT'S
DISCUSSION AND ANALYSIS
FOR THE
SIX MONTHS ENDED SEPTEMBER 30, 2021**

Dated: November 18, 2021

(All amounts expressed in Canadian dollars unless otherwise indicated)

GENERAL

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

The following Management Discussion and Analysis ("MD&A") of the Company's financial position and results of operations has been prepared by management in accordance with the requirements of National Instrument 51-102. The following information is prepared as at November 18, 2021, unless otherwise stated, supplements, but does not form part of the unaudited condensed interim financial statements of the Company for the six months ended September 30, 2021. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and related notes for the six months ended September 30, 2021, and the audited financial statements and related notes for the year ended March 31, 2021.

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

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

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

Thomas Hawkins, P.Geo, is the Company's Qualified Person as defined by National Instrument 43-101 and is responsible for the accuracy of the technical information in this MD&A and has approved its written disclosure.

FORWARD LOOKING STATEMENTS

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

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

commodities; d) difficulties in obtaining required approvals for the development of a mineral project; and e) other factors.

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

DESCRIPTION OF BUSINESS

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

The Company's material property is the 12,610 hectare Jean Marie Project located in the Omineca Mining Division of British Columbia. The Jean Marie Project consists of certain mineral claims whereby PEMC has the right to earn a 100% interest. In addition to the Jean Marie Project, the Company has interests in 9 other mineral properties in British Columbia and employs the hybrid prospect generator business model whereby it carries out grass-roots exploration on its mineral properties to advance them to a stage where it can attract participation of a third party with the experience and financial capability to carry out diamond drilling on the properties.

The Company also pursues Joint Venture arrangements, whereby projects that are not the current focus for the Company are available for option by arms-length companies in order to advance exploration while eliminating the Company's expenditures. Currently, the Pinnacle and Kitimat properties are under option agreements with other companies.

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

OVERALL PERFORMANCE

The Company was incorporated on July 13, 2012, and commenced business at that time. The Company is a mineral exploration company that employs the "hybrid prospect generator" business model currently focused on the acquisition, funding, and exploration of the Company's portfolio of exploration projects in British Columbia. Since 2012, the Company has (i) entered into a total of 5 agreements (3 of which have since been terminated) as the property optionor in an attempt to advance through partner-funded exploration programs mineral properties with various mineral targets (ii) entered into option agreements for the right to acquire an interest in 7 properties, and (iii) acquired an equity interest in a royalty generating entity through the sale of royalty interests on four projects.

KEY EVENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021, AND SUBSEQUENTLY

FINANCIAL SUMMARY: During the three months ended September 30, 2021 ("Q2 2022"), the Company recorded income of \$13,542 compared to a loss of \$624,799 for the three months ended September 30, 2020 ("Q2 2021"). The net income for Q2 2022 was comprised of net exploration expenditures of \$188,654 (Q2 2021 - \$234,550) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$226,027 (Q2 2021 - \$396,575) of general and administration expenditures, and income of \$428,223 (Q2 2021 – \$6,326) in other items. Significant components of other income include option and property income of \$375,000 (Q2 2021 - \$Nil), and a gain in fair value adjustments on marketable securities of \$43,351 (Q2 2021 – loss \$2,680). The Company ended the period with \$1,316,742 in cash and working capital of \$1,683,120.

Stars Copper Property: On September 29, 2021, the Company closed a purchase and sale agreement with Aurwest Resources Corporation ("Aurwest") to sell its 50% interest in the Stars Property. Upon closing Aurwest paid PEMC a cash payment of \$350,000 and granted to PEMC a 2% net smelter return royalty ("NSR") on all minerals produced from the Stars Property. Aurwest has the right to repurchase at any time one per cent of the NSR (1%) for consideration of \$1,000,000.

Appointment of a new director: In October 2021, the Company appointed Ms. Samantha Shorter to the Board of Directors. Ms. Shorter was also appointed to the Audit Committee and will serve as Chair. In connection with Ms. Shorter's appointment, the Company also announced that Mr. Larry Donaldson, is stepping down as a director and Chair of the Audit Committee.

EXPLORATION REVIEW FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

Jean Marie Property

On June 17, 2021, the Company announced that it had added an additional 5,253 hectares to the Jean Marie property by way of staking, bringing the total land position to 12,610 hectares.

During June of 2021, the Company recovered over 300 boxes of historical drill core from the property. Drill core from diamond drill programs in 1997, 1995 and some from the early 1970's was transported to the local community of Ft. Saint James where it was catalogued and re-logged.

The Company also retained Quaternary geology expert Derek Turner, to map the surficial geology of the Jean Marie area using historical survey data, as well as modern topographical data and aerial imagery. The revised surface geology map is being used to reinterpret near-surface geochemical and geophysical data.

During July and August of 2021, the Company completed a field exploration program at its Jean Marie property consisting of soil geochemical sampling, rock sampling, prospecting, and reclamation work from the 2020 reverse circulation drill program. In addition, Precision Geosystems Inc. completed a 128 sq-km high resolution, magnetic gradient, radiometric, and VLF-EM airborne geophysical survey on the property.

During July, a total of 634 soil samples were collected at Jean Marie. This work focused on expanding the current historical soil sampling coverage. Wide-spaced soil sampling focused on areas where there has been no coverage. This included zones that lie along strike with known copper and gold mineralization. Tighter spaced soil sampling focused on the mineralized drilling areas and will augment the historical soil

sampling with modern multielement data. The results will be used in conjunction with the results from the surficial mapping to interpret zones of anomalous geochemistry and subsequent considerations for identifying drill targets.

The reclamation work was completed using an excavator and focused on mechanical disturbance created during the 2020 reverse circulation drill program. Approximately 2 km of excavated exploration trail was reclaimed by replacing loose wood and debris across the trail.

In August of 2021, Eagle Mapping Ltd. was contracted to acquire and process LIDAR data from its Jean Marie project. LIDAR (Light Imaging and Detection) is a remote sensing method used to examine the surface of the earth with a high degree of resolution. Results from this work provided the Company with accurate surficial detail that was used in the interpretation of landforms related to the direction of ice flow during the most recent glaciation period and assisted in interpreting soil geochemical data.

Other Properties

A modest exploration program was completed at the Company's Copper King project in 2021 consisting of an airborne magnetic survey. In late August, Precision Geosystems Inc. completed a 470 sq-km high resolution, magnetic gradient, radiometric, and VLF-EM airborne geophysical survey on the property.

At the Nub property, the Company retained Quaternary geology expert Derek Turner, to map the surficial geology of the Nub area using historical survey data, as well as modern topographical data and aerial imagery. The revised surface geology map is being used to reinterpret near-surface geochemical and geophysical data.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company considers items included in shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

As at September 30, 2021 the Company had working capital of \$1,683,120 (March 31, 2021 - \$845,588). Working capital for the six months ended September 30, 2021, increased compared to March 31, 2021, due to cash provided by financing activities of \$1,151,595 (Q2 2021 - \$1,289,080), including gross proceeds of \$1,266,554 from a private placement. Working capital increases were offset by cash used in operating activities of \$219,727 (Q2 2021 - \$912,474) as well as cash used in investing activities of \$50,441 (Q2 2021 - \$42,879).

As at the date of this MD&A, the Company has granted 5,840,000 incentive stock options, of which 5,302,500 are exercisable as at September 30, 2021 to management, directors, consultants, and an advisor of the Company pursuant to the Company's stock option plan, and may 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 six months ended September 30, 2021.

With its current plans and budgets associated with those plans, management believes it does not need to raise additional capital resources to fund its budgeted exploration programs and administrative expenses for the next twelve months.

The Company is not subject to externally imposed capital requirements.

As at September 30, 2021, the Company had cash of \$1,316,742. Management of cash balances is conducted in-house based on internal investment guidelines. Cash is deposited with major Canadian financial institutions. Cash required for immediate operations is held in a chequing account and excess funds may be invested in accordance with the Company's capital resource objectives.

Cash Used in Operating Activities

Cash used in operations was \$219,727 for the six months ended September 30, 2021 (Q2 2021 - \$912,474), and represents expenditures primarily on mineral property exploration and general and administrative expenses for both periods. The decrease in cash used in operations for the current period was directly related to \$350,000 being received from the Company's sale of its 50% interest in the Stars property to Aurwest.

Cash Used in Investing Activities

Cash used in investing activities for the six months ended September 30, 2021, was \$50,441 compared to cash used in investing activities of \$42,879 for the comparable period. During the six months ended September 30, 2021, cash used in investing activities included \$38,530 (Q2 2021 - \$26,879) related to the acquisition of exploration and evaluation assets and \$22,357 (Q2 2021 - \$Nil) related to the purchase of office and field equipment.

Cash Generated by Financing Activities

Cash generated by financing activities for the six months ended September 30, 2021, was \$1,151,595 (Q2 2021 - \$1,289,080) and consisted of an aggregate amount of \$1,266,554 (Q2 2021 - \$1,075,000) received from the issuance of 21,109,231 (Q2 2021 - 21,650,000) common shares less \$101,2466 (Q2 2021 - \$72,568) in share issuance costs paid in the respective period.

SELECTED QUARTERLY FINANCIAL INFORMATION AND FINANCIAL RESULTS

Selected Quarterly Information

Quarter Ended	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Financial results				
Exploration expenditures (net)	\$ 188,654	\$ 97,255	\$ 59,480	\$ 222,177
Share-based payments	27,273	71,038	10,368	209,916
Income (loss) and comprehensive income (loss) for the period	13,542	(411,703)	(183,362)	(208,016)
Basic income (loss) and comprehensive income (loss) per common share	0.000	(0.005)	(0.003)	(0.004)
Diluted income (loss) and comprehensive income (loss) per common share	0.000	(0.005)	(0.003)	(0.004)
Quarter Ended	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Financial results				
Exploration expenditures (net)	\$ 234,550	\$ 71,461	\$ 62,714	\$ 122,733
Share-based payments	152,698	7,358	12,547	27,686
Income (loss) and comprehensive income (loss) for the period	(624,799)	(150,992)	(116,565)	(281,322)
Basic income (loss) and comprehensive income (loss) per common share	(0.01)	(0.003)	(0.003)	(0.01)
Diluted income (loss) and comprehensive income (loss) per common share	(0.01)	(0.003)	(0.003)	(0.01)

The Company's net loss each quarter varies mainly due to varying levels of operations activities on its exploration projects, due diligence undertaken on new prospects, and the dissemination of project information to shareholders. Losses can be offset by option payments received in cash and/or shares by optionees. The Company continues to navigate and work within local COVID-19 restrictions, as such field work and related expenditures are expected to fluctuate for much of fiscal 2022.

Financial Results

Three months ended September 30, 2021

During the three months ended September 30, 2021, the Company recorded a net income of \$13,542 compared to a net loss of \$624,799 for the three months ended September 30, 2020. This was comprised of net exploration expenditures of \$188,654 (Q2 2021- \$234,550) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$226,027 (Q2 2021 - \$396,575) of general and administration expenditures, of which \$27,273 (Q2 2021- \$152,698) related to share - based compensation, and a gain of \$428,223 (Q2 2021- \$6,326) in other items. Some items to note from period to period include the following:

- During the three months ended September 30, 2021, net exploration expenditures of \$188,654 (Q2 2021 - \$234,550) included an adjustment of \$50,490 (Q2 2021 - \$Nil) in mineral exploration tax credits accrued or received. Current period expenditures and work focused on advancing programs

on the Jean Marie and Copper King properties. See the exploration review above for a discussion of work completed.

- General and administrative expenses for the three months ended September 30, 2021, were comparable to the three months ended September 30, 2020, for most categories except for investor relations and share - based compensation. For the three months ended September 30, 2021, the Company incurred \$86,643 compared to \$138,955 in Investor relations and shareholder communications expenditures. The decrease of \$52,312 was mainly related to a business development and marketing program that was active for the three months ended September 30, 2020, and ended early Q2 2022. The decrease in share-based compensation is directly related to the timing of option grants and can vary from period to period.
- Included in other items for the three months ended September 30, 2021, was \$375,000 (Q2 2021 - \$Nil) in option and property payments received, including \$350,000 from the sale of its 50% interest in the Stars property to Aurwest and \$25,000 from 1111 Exploration Corp. related to an agreement on the Pinnacle property. Also included in the three months ended September 30, 2021, was a gain of \$43,351 (Q2 2021 - Loss \$2,680) in fair value adjustments on marketable securities predominantly related to the Company's CAVU Mining Corp. holdings received as payments on the Kitimat property.

Six months ended September 30, 2021

During the six months ended September 30, 2021, the Company incurred a net loss of \$398,161 (Q2 2021 - \$775,791). The loss for the six months ended was comprised of net exploration expenditures of \$285,909 (Q2 2021 - \$306,011), general and administration expenditures of \$557,311 (Q2 2021 - \$533,481), and a gain from other items of \$445,059 (Q2 2021 - \$63,701). Some items to note from period to period include the following:

- Exploration expenditures for the current period increased compared to the comparable period directly related to the easing of COVID restrictions allowing more work to take place. The net result was a small decrease from the comparative period as a result of field work generating an increase in the accrual of METC credits while the comparable period included more non-METC eligible expenditures.
- Investor relations and shareholder communications increased from \$182,886 for the six months ended September 30, 2020, to \$240,980 for the current six-month period. In contrast to the three-month discussions, certain multi-period marketing and business development programs covered the first three months of the current six-month period ended September 30, 2021, but started in the last half of fiscal 2021. As such, the increase for the current six-month period was expected.

Other items to note for the current period compared to the prior period are consistent with the significant items for the Q2-2022 and Q2-2021 discussion.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

NEW ACCOUNTING PRONOUNCEMENTS

Accounting standards adopted during the period

Please refer to the Company's unaudited condensed interim financial statements for the six months ended September 30, 2021 on SEDAR at www.sedar.com and on the Company's website at www.pemcorp.ca.

Accounting pronouncements not yet effective

Please refer to the Company's unaudited condensed interim financial statements for the six months ended September 30, 2021 on SEDAR at www.sedar.com and on the Company's website at www.pemcorp.ca.

RISK AND CAPITAL MANAGEMENT: FINANCIAL INSTRUMENTS

Please refer to the Company's unaudited condensed interim financial statements for the six months ended September 30, 2021 on SEDAR at www.sedar.com and on the Company's website at www.pemcorp.ca.

CRITICAL ACCOUNTING JUDGEMENTS AND SIGNIFICANT ESTIMATES AND UNCERTAINTIES

Please refer to the Company's unaudited condensed interim financial statements for the six months ended September 30, 2021 on SEDAR at www.sedar.com and on the Company's website at www.pemcorp.ca.

TRANSACTIONS WITH RELATED PARTIES

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

For the Period ended September 30, 2021	Salary and fees	Share-based Payments	Total
Management	\$ 59,200	\$ 27,660	\$ 86,860
Outside Directors	12,000	19,885	31,885
Seabord Services Corp.**	45,000	8,434	53,434
	\$ 116,200	\$ 55,979	\$ 172,179

For the Period ended September 30, 2020	Salary and fees	Share-based Payments	Total
Management	\$ 94,200	\$ 45,740	\$ 139,940
Outside Directors	22,870	22,098	44,968
Seabord Services Corp.**	22,870	7,257	30,127
	\$ 139,940	\$ 75,095	\$ 215,035

Amounts due to related parties as of September 30, 2021, and March 31, 2021, are as follows:

Related party liabilities	Items or services	September 30, 2021	March 31, 2021
BJP Consulting*	Management fees and reimbursable expenses	\$ 31,509	\$ 9,660
Directors	Fees	4,000	1,000
		\$ 35,509	\$ 10,660

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

**Seabord Services Corp. ("Seabord") provides the following services: a Chief Financial Officer ("CFO"), a Corporate Secretary, accounting and administration staff, and office space to the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

There were no changes to the Company's Board of Directors or management during the six months ended September 30, 2021. Subsequently in October 2021, the Company appointed Ms. Samantha Shorter to the Board of Directors. Ms. Shorter was also appointed to the Audit Committee and will serve as Chair. In connection with Ms. Shorter's appointment, Mr. Larry Donaldson, stepped down as a director and Chair of the Audit Committee.

RISKS AND UNCERTAINTIES

The Company has identified the following risks and uncertainties which are consisted with those risks identified for the year ended March 31, 2021: The impact of the current COVID-19 pandemic may significantly impact the Company, Mineral Property Exploration and Mining Risks, No Assurance of Titles or Borders, Joint Venture Funding Risk, Commodity Price Risk, Financing and Share Price Fluctuation Risks, Political, Regulatory and Currency Risks, Insured and Uninsured Risks, Environmental and Social Risks, Conflicts of Interest, Key Personnel Risk, and Competition.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The current and expected impacts on global commerce are far-reaching. To date there has been significant stock market volatility, volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people has become restricted. In British Columbia, Canada, the jurisdiction in which the Company operates, there were no restrictions on essential travel. There continues to be significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts it may have on demand and prices for the commodities related to our business activities. We continue to act to protect the safety and health of our employees, contractors and the communities in which we operate in accordance with guidance from governments and public health authorities including the Canadian and British Columbia Centre's for Disease Control.

For details on the above risks and uncertainties, please refer to the MD&A for the year ended March 31, 2021 on SEDAR at www.sedar.com and on the Company's website at www.pemcorp.ca.

OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common shares and preferred shares without par value. As at the date of this MD&A, the Company has 90,148,196 common shares issued and outstanding. There are also 5,840,000 stock options with expiry dates ranging from June 23, 2022, to March 10, 2024, and 47,477,286 warrants outstanding with expiry dates ranging from May 22, 2022, to June 2, 2023.