



**MANAGEMENT'S
DISCUSSION AND ANALYSIS
FOR THE
YEAR ENDED MARCH 31, 2023**

Dated: July 31, 2023

(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 July 31, 2023 unless otherwise stated, supplements, but does not form part of the audited financial statements of the Company for the year ended March 31, 2023. This MD&A should be read in conjunction with the March 31, 2023 financial statements and the related notes therein.

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.

Kristian Whitehead, B.Sc., 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 flagship property is the Trident property (formerly the COL property) in the Omineca Mining Division of British Columbia. 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. In addition to the Trident Project, the Company has interests in 3 other mineral properties in British Columbia.

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 property is under an option agreement with Teako Minerals Corp. ("Teako") (formerly 1111 Exploration Corp.)

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 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 (4 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 (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.

KEY EVENTS FOR THE YEAR ENDED MARCH 31, 2023, AND SUBSEQUENTLY

FINANCIAL SUMMARY: During the year ended March 31, 2023, the Company recorded a comprehensive loss of \$990,653 (2022 - \$974,946). This was comprised of net exploration expenditures of \$286,811 (2022 - \$451,421) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$589,777 (2022

- \$834,655) of general and administration expenditures, of which \$NIL (2022 - \$104,780) related to share-based compensation, and loss of \$114,065 (2022 – gain of \$311,130) in other items.

Trident Property: In June 2022, the Company completed the acquisition of 100% interest in the Trident Property. Pursuant to the terms of a purchase agreement amongst the Company, Indata Resources Ltd. and Nation River Resources Ltd. (together, the “Vendors”), the Company acquired a 100% interest in the Trident Property in exchange for granting the Vendors a 2% net smelter return royalty on the claims, one-half (1%) of such 2% net smelter return royalty may be purchased for \$500,000 by the Company.

Pinnacle Property: During the year ended March 31, 2023, the Company and Teako revised the terms of the option agreement on the Company’s Pinnacle property. Under the revised option terms, Teako may earn a 70% interest in Pinnacle by completing \$3,000,000 in exploration expenditures on the project, paying PEMC an aggregate of \$460,000 in cash payments (\$75,000 paid), and issuing 3,800,000 common shares (500,000 issued) to PEMC by August 2026. Following the exercise of the Option, PEMC will retain a 30% free-carried interest in the Project until the date that Teako publishes a NI 43-101 compliant Pre-Feasibility Study ("PFS") on the Project. Following completion of the PFS, PEMC and Teako will form a joint venture with Teako holding a 70% initial interest and PEMC holding a 30% initial interest.

Worldstock Property: During the year ended December 31, 2023, the Company terminated its option agreement on the Worldstock agreement.

EXPLORATION REVIEW FOR THE YEAR ENDED MARCH 31, 2023, and SUBSEQUENTLY

Jean Marie Property

In June of 2022, the Company completed 701 metres of NQ diameter diamond drilling at Jean Marie. The diamond drilling consisted of 2 holes at the highest-ranking target area, Target 1. Diamond drilling was carried out by Atlas Drilling of Kamloops British Columbia. The geological support crew consisted of a project manager, core logging geologist and core cutter. Accommodation for the crew was provided at the Paradise Lodge located north of the property on the southern shore of Tchentlo Lake.

The drill core was cut, logged and sampled on site. Intervals of approximately 2 metres were selected for laboratory analysis at ALS Labs in North Vancouver. A total of 334 samples were sent to ALS for multi-element analysis which included quality controls such as standards and blanks inserted into the sample stream.

Prior to the initiation of the diamond drilling program, a bridge providing necessary access to the property was repaired in order to ensure it was in good working order and capable of supporting and facilitating the required heavy machinery access to the proposed drill sites. This work was carried out by a qualified contractor.

Due to current market conditions, a decision was made to limit the diamond drilling program to 2 holes in order to ensure the Company had sufficient working capital for the next 12 months. In addition, the exploration completed at Jean Marie was sufficient to meet the minimum annual work commitments under the terms of the Jean Marie Option Agreement.

Highlights from 2022 diamond drilling:

- JM-22-02 returned 178 m of 0.32% copper equivalent (“CuEq”), including 76 m of 0.52% CuEq and 31 m of 0.68%CuEq, including 10 m of 1.15% CuEq
- JM-22-01 returned 155 m of 0.20% CuEq
- Mineralized hydrothermal breccia was encountered in both holes
- Selected Highlights from 2022 Diamond Drilling at Jean Marie:

Hole	Width (m)	From (m)	To (m)	Cu (eq) %	Copper %	Molybdenum (ppm)	Silver - g/t
JM-22-01	155	51	206	0.20%	0.18%	19	1.0
JM-22-02	178	94	272	0.32%	0.29%	42	1.8
	200.45	95.55	296	0.30%	0.26%	35	1.6
(Entire Hole)	282	18.00 TOH	300 EOH	0.23%	0.21%	27	1.3
Including	76	144	222	0.52%	0.46%	71	3.0
Including	31	191	222	0.68%	0.64%	6	4.7
Including	10	191	201	1.15%	1.08%	6	7.2

- **Copper Equivalent (CuEq) % calculated using copper, molybdenum and silver length weighted assay results, with commodity prices assumed to be Copper = \$3.49 USD/lb, Molybdenum = \$19.31 USD/lb and Silver = \$0.65 USD/g (20.13 USD/troy ounce). CuEq grade including copper, gold and silver assumes 100% recoveries is calculated using the following equation: CuEq. = Cu % + (Mo grade (%) x 5.65) + (Ag grade (ppm) x 84.36). No metallurgical data have been used in this calculation.*

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 March 31, 2023, the Company had working capital of \$389,722 (March 31, 2022 - \$1,292,089). Working capital for the year ended March 31, 2023 decreased compared to March 31, 2022 as a result of cash used in operating activities of \$764,052, cash provided by investing activities of \$5,466, and cash used in financing activities of \$25,010.

As at March 31, 2023, the Company has granted 3,750,000 incentive stock options which were exercisable as at March 31, 2023 to management, directors, consultants, and an advisor of the Company pursuant to the Company's stock option plan, and the Company may receive option payments in cash related to property agreements including the Pinnacle property. Further, the Company has approximately \$107,000 in refundable taxes expected to be received in the next 12 months, reclamation deposits to be refunded should projects not continue, and \$69,024 in marketable securities for which the Company manages and could be sold for cash should market conditions be favorable. 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 year ended March 31, 2023.

Although the Company 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 March 31, 2023, the Company had cash of \$313,539. 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 operating activities was \$764,052 for the year ended March 31, 2023 (2022 - \$1,013,108) and represents expenditures primarily on mineral property exploration and general and administrative expenses for both years. The decrease from the comparative year predominately relates to settlement of prior period payables offset with a significant decrease in investor relation costs. Exploration expenditures will fluctuate from period to period depending on opportunities, level of activity, and capital resources. See the exploration review above for discussion on mineral property activities.

Cash Used by Investing Activities

Cash generated by investing activities for the year ended March 31, 2023 was \$5,466 compared to \$539,575 for the comparable year. Cash generated by investing activities during the year ended March 31, 2023 included \$42,419 (2022 - \$54,104) related to the acquisition of exploration and evaluation assets, predominately the Jean Marie property, and \$43,442 (2022 - \$25,463) received from the sale of marketable securities. The comparative period for the year ended March 31, 2022 also included \$375,000 from the sale of Stars property and \$225,000 from the sale of certain property and equipment. There was no comparative sales in the year ended March 31, 2023.

Cash Used by Financing Activities

Cash used by financing activities for the year ended March 31, 2023 was \$25,010 (2022 – cash generated \$1,135,353) and consisted of \$23,720 (2022 - \$29,955) in payments towards an office lease liability, and 2022 included an aggregate amount of \$1,266,554 received from the issuance of 21,109,231 common shares less \$101,246 in share issuance costs paid in the respective period. There was no comparative financing for the year ended March 31, 2023.

RESULTS OF OPERATIONS AND SELECTED FINANCIAL INFORMATION

Selected Annual Information

The following table summarizes selected financial data from the Company's audited financial statements for the years ended March 31, 2023, 2022, and 2021, and should be read in conjunction with such statements and related notes, contained in this MD&A:

As at	March 31, 2023	March 31, 2022	March 31, 2021
Financial position			
Working capital	\$ 389,722	\$ 1,292,089	\$ 845,588
Current assets	512,271	1,406,515	916,946
Exploration and evaluation assets	2,290	77,036	56,432
Property and Equipment	66,761	53,012	209,976
Total assets	681,169	1,643,784	1,290,575
Total liabilities	138,754	114,426	71,358
Share capital	6,751,013	6,674,340	5,505,294
Reserves	410,619	683,934	653,666
Deficit	(6,619,217)	(5,828,916)	(4,939,743)
Number of share outstanding	90,348,196	90,148,196	68,788,965

Year ended	March 31, 2023	March 31, 2022	March 31, 2021
Financial results			
Net exploration expenditures	\$ 286,811	\$ 451,421	\$ 587,668
Loss and comprehensive loss for the year	(990,653)	(974,946)	(1,167,169)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.02)

The Company's net loss varies mainly due to the level of operating activities on its exploration projects and due diligence undertaken on new prospects, timing of stock-based compensation, and the dissemination of project information to shareholders.

Year Ended March 31, 2023

During the year ended March 31, 2023, the Company incurred a net loss of \$990,653 (2022 - \$974,946). The loss for the year then ended was comprised of net exploration expenditures of \$286,811 (2022 - \$451,421), general and administration expenditures of \$589,777 (2022 - \$834,655), and a loss from other items of \$114,065 (2022 – gain of \$311,130). Some items to note from year to year include the following:

During the year ended March 31, 2023, Exploration expenditures decreased compared to the prior year. Exploration related activities included work programs on the Jean-Marie property including a reduced drill program. Exploration activities will fluctuate from period to period depending on capital resources and planning. See the exploration review at the top of this MD&A for discussion of current activities.

For the year ended March 31, 2023, the Company incurred \$169,565 compared to \$323,441 in investor relations and shareholder communications expenditures. The decrease of \$153,876 from the comparative year was mainly the result of the Company entering into marketing, business development, and financial consulting programs that were active in 2022 and not continued in 2023. The significant decrease was

expected and the company continues with its efforts with dissemination of information to the public and shareholders.

During the year ended March 31, 2023, the Company recorded share-based compensation expense of \$Nil (2022 - \$\$104,780). The decrease of \$104,780 is directly related to the timing of options grants and can vary from year to year. There was no stock option grants in either period and the expense for the comparable year ended March 31, 2022 related to vesting of previously granted options.

In general, except as related to investor relations and share-based compensation, the Company's general and administrative expenses have been fairly consistent from period to period.

Included in other items for the year ended March 31, 2023, was \$51,500 (2022 - \$385,000) in option and property payments received including \$51,500 (2022 - \$35,000) in annual payments of cash and shares on the Pinnacle property from Teako, and \$Nil (2022 - \$350,000) from the sale of its 50% interest in the Stars property to Aurwest. The Company also recorded an impairment of \$122,165 (2022 - \$48,500) in the current year related to the impairment of exploration and evaluation assets for the impairment of the Jean Maria and Abby properties (2022 – Worldstock property). Also Included in other items for fiscal 2023 was a loss of \$77,859 (2022 – gain of \$12,451) in fair value adjustments on marketable securities predominantly related to the Company's Alpha Copper Corp. holdings received as payments on the Kitimat property.

During the year ended March 31, 2022, the Company sold certain field equipment, vehicles and related equipment, and related spare parts and supplies for \$225,000. The disposal resulted in the recognition of an impairment of \$85,470 included in loss and comprehensive loss for the 2022 fiscal year. There was no comparative transaction for the year ended March 31, 2023.

SELECTED QUARTERLY FINANCIAL INFORMATION AND FINANCIAL RESULTS

Selected Quarterly Information

Quarter Ended	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Financial results				
Exploration expenditures (net)	\$ 13,434	\$ 14,716	\$ 143,108	\$ 115,553
Share-based payments	-	-	-	-
Loss and comprehensive loss for the period	(227,085)	(163,048)	(257,557)	(342,963)
Basic loss and comprehensive loss per common share	(0.01)	(0.01)	(0.00)	(0.00)
Quarter Ended	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Financial results				
Exploration expenditures (net)	\$ 43,896	\$ 121,616	\$ 188,654	\$ 97,255
Share-based payments	-	6,469	27,273	71,038
Income (Loss) and comprehensive income (loss) for the period	(135,041)	(441,744)	13,542	(411,703)
Basic income (loss) and comprehensive income (loss) per common share	(0.00)	(0.01)	(0.00)	(0.01)

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 March 31, 2023

During the three months ended March 31, 2023 ("Q4 2023"), the Company recorded a net loss of \$227,085 compared to \$135,041 for the three months ended March 31, 2022 ("Q4 2022"). This was comprised of net exploration expenditures of \$13,434 (Q4 2022- \$43,896) after recoveries, including accruals for the BC Minerals Exploration Tax credit, \$145,010 (Q4 2022 - \$138,469) of general and administration expenditures, of which \$Nil was related to share - based compensation for both periods, and a loss of \$68,641 (Q4 2022- gain of \$47,324) in other items.

Exploration expenditures decreased from a net amount of \$43,896 in Q4 2022 to \$13,434 in Q4 2023. Historically, Q4 of a fiscal year has been a period of reduced expenditures as the Company reviews its portfolio of projects and prepares budgets and plans for the upcoming spring and summer seasons.

General and administrative expenditures were consistent from period to period including investor relations and shareholder communications as programs in fiscal 2022 ended during Q4 of that year.

In other items, in Q4 2023, the Company recorded a \$112,644 impairment on the Jean Marie property, there was no comparative transaction for Q4 2022.

Other changes for the three months ended March 31, 2023 compared to the three months ended March 31, 2022 are consistent with the significant items for the annual discussion.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

Accounting standards adopted during the year

Please refer to the Company's audited financial statements for the year ended March 31, 2023 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 audited financial statements for the year ended March 31, 2023 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 audited financial statements for the year ended March 31, 2023 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 audited financial statements for the year ended March 31, 2023 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:

	Management & Consulting fees	Share-based Payments	Total
For the year ended March 31, 2023			
Management*	\$ 155,000	\$ -	\$ 155,000
Outside Directors	24,000	-	24,000
Seabord Management Corp.**	90,000	-	90,000
	<u>\$ 269,000</u>	<u>\$ -</u>	<u>\$ 269,000</u>
For the year ended March 31, 2022			
Management*	\$ 118,000	\$ 29,616	\$ 147,616
Outside Directors	23,000	21,089	44,089
Seabord Management Corp.**	90,000	9,035	99,035
	<u>\$ 231,000</u>	<u>\$ 59,740</u>	<u>\$ 290,740</u>

Amounts due to related parties as of March 31, 2023 and March 31, 2022 are as follows:

Related party liabilities	Items or services	March 31, 2023	March 31, 2022
President *	Management fees and reimbursable expenses	\$ 28,350	\$ 31,302
Directors	Fees	1,000	8,260
		<u>\$ 29,350</u>	<u>\$ 39,562</u>

*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.

RISKS AND UNCERTAINTIES

The impact of the COVID-19 pandemic may significantly impact the Company

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.

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

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 90,348,196 common shares issued and outstanding. There are also 3,750,000 stock options with expiry dates ranging from August 12, 2023, to March 10, 2024.