PACIFIC EMPIRE
MINERALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2024

Dated: July 26, 2024
(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 26, 2024 unless otherwise stated, supplements, but does not form part of the audited financial statements of the Company for the year ended March 31, 2024. This MD&A should be read in conjunction with the March 31, 2024 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.

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 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. 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.

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 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, 2024, AND SUBSEQUENTLY

FINANCIAL SUMMARY: During the year ended March 31, 2024, the Company recorded a comprehensive loss of $676,667 (2023 - $990,653). This was comprised of net exploration expenditures of $83,082 (2023 - $286,811) after recoveries, including accruals for the BC Minerals Exploration Tax credit, $641,929 (2023 - $589,777) of general and administration expenditures, of which $60,519 (2023 - $NIL) related to share-based compensation, and a gain of $48,344 (2023 – loss of $114,065) in other items.

Board Appointment: The Company appointed Mr. Chris Tucker to the Board of Directors during the year ended March 31, 2024, and subsequently appointed Mr. Andrew Lee to the Board of Directors.

Private Placement: In December 2023 and January 2024, the Company closed a non-brokered private placement announced on December 19, 2023, for aggregate proceeds of $425,000 in 2 tranches' by issuing 20,000,000 common shares at $0.01 per share, and 14,999,999 flow-through shares at $0.015 per flow-through share. The private placement closed in two tranches. In connection with the private placement, the Company paid to Haywood Securities Inc. ("Haywood") a commission equal to 7% of the gross proceeds raised from the shares sold to the purchasers by Haywood payable in cash and also issued to Haywood the number of finders' warrants equal to 7% of the aggregate number of shares placed by Haywood. Each finders' warrant from tranche 1 will entitle Haywood to purchase one common share at an exercise price of $0.02 per share for a period of 12 months from closing and at a price of $0.10 per share for the period from December 29, 2024 to December 29, 2026. Each finders' warrant from tranche 2 will entitle Haywood to purchase one common share at an exercise price of $0.05 per share for a period of 12 months from closing and at a price of $0.10 per share for the period from January 16, 2025 to January 16, 2027.

Subsequent to March 31, 2024, the Company completed another private placement raising an aggregate of $722,500, by issuing 14,450,000 units at a price of $0.05 per unit. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share at an exercise price of $0.08 per common share for a period of 36 months from the closing date of the offering. In consideration of the private placement, an aggregate total of $26,075 in cash finder's fees were paid and 521,500 finder's warrants were issued to qualified parties. The finder's warrants are subject to the same terms as the warrants issued as part of the units.

Pinnacle property: Pursuant to a property agreement entered into in December 2020, and amended September 2022 with Teako on the Pinnacle property, the Company received, a cash payment of $35,000 and 300,000 common shares valued at $22,500 or $0.075 per share of Teako as required by the August 25, 2023 date. Further, the Company agreed to extend the period in which the additional expenditure requirement of $400,000 can be met from August 25, 2023 to December 31, 2023 as a result of restricted access due to current wild fires in BC, Canada. Teako informed PEMC that it intended to terminate the option agreement with the Company and the property has transferred back to PEMC.

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 that it should be the focus for PEMC for the foreseeable future. Partner-funded exploration of the adjacent Pinnacle project is anticipated to continue through 2023 and 2024 thereby allowing the Company to simultaneously advance both of its 100% owned exploration projects.

Trident: In June of 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 of 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 fall when it is anticipated that forest fire activity will have subsided.

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 intends to complete an airborne mobile magnetotelluric survey ("MT") over the existing target areas prior to diamond drilling during 2024. This survey has the potential to identify conductive and resistive bodies at depths greater than traditional induced polarization surveys, providing a much larger 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.

Pinnacle: In June of 2023, Teako received its drill and road use permits for exploration at Pinnacle. During 2023, Teako intended to conduct an Induced Polarization ("IP") geophysics survey at Pinnacle. Teako contracted the geophysical services of SJ Geophysics Ltd. of Delta, BC to perform a 3D IP survey over the Aplite Ridge target area at Pinnacle. This proposed work program was intended to include soil sampling, geological mapping and rock sampling further expanding on the previous works completed in 2021 and 2022 which focused on the gold-rich Aplite Creek copper target area.

The IP program was designed to primarily target the Aplite Ridge and immediately adjacent target areas. However, due to very extensive forest fire activity across the majority of the Pinnacle property, the 2023 work program had to be suspended.
This important work would have set the stage for future anticipated drill programs at Pinnacle of which Teako had received its:

- Diamond drilling, roads and trails permit (June 23, 2023, to June 22, 2028); and
- Road use permit approval (June 6, 2023, to December 31, 2023).

The permitted drill program permit consists of up to 25 drill sites, along with road and trail construction spanning up to two (2) kilometers. Additionally, the camp location and staging areas have been approved within this permit designed to accommodate up to five structures and provide storage capacity for up to 1,500 litres of fuel.

On November 28, 2023, Teako informed PEMC that it intended to terminate the option agreement with PEMC. The permitted exploration program however is transferable to PEMC.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2024, the Company had working capital of $111,761 (March 31, 2023 - $389,722). Working capital for the year ended March 31, 2024 decreased compared to March 31, 2023 as a result of cash used in operating activities of $428,625, cash used by investing activities of $8,816, both offset by cash generated by financing activities of $380,815.

As at March 31, 2024, the Company had $256,913 in cash, approximately $163,000 in refundable taxes expected to be received in the next 12 months, reclamation deposits to be refunded should projects not continue of $62,942, and $70,445 in marketable securities for which the Company manages and could be sold for cash should market conditions be favorable. Subsequent to March 31, 2024 the Company closed a private placement for gross proceeds of $722,500. Further, as at the date of this MD&A, the Company has 5,000,000 incentive stock options and 1,481,666 warrants outstanding which are exercisable for cash to management, directors, consultants of the Company, and finders' warrants. 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 year ended March 31, 2024.

Although the Company has completed a subsequent private placement for gross proceeds of $722,500, 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 may 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, 2024, the Company had cash of $256,913. 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 $428,625 for the year ended March 31, 2024 (2023 - $764,052) 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 available capital resources. See the exploration review above for discussion on mineral property activities.

Cash Used by Investing Activities

Cash used by investing activities for the year ended March 31, 2024 was $8,816 compared to $5,466 for the comparable year. Cash used by investing activities during the year ended March 31, 2024 included $10,273 (2023 - $42,419) related to the acquisition of exploration and evaluation assets, predominately the Trident and Jean Marie property, and $Nil (2023 - $43,442) received from the sale of marketable securities.

Cash Generative by Financing Activities

Cash generated by financing activities for the year ended March 31, 2024 was $380,815 (2023 – cash used $25,010) and consisted primarily of gross proceeds of $425,000 (2023 - $Nil) from the issuance of 20,000,000 common shares (2023 – Nil) and 14,999,999 flow-through shares (2023 – Nil), net of share issue costs of $19,693 (2023 - $1,290). There was no comparative financing for the year ended March 31, 2023. The Company also made net payments of $24,492 (2023 - $23,720) in payments towards an office lease liability.

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, 2024, 2023, and 2022, and should be read in conjunction with such statements and related notes, contained in this MD&A:

As at	March 31, 2024	March 31, 2023	March 31, 2022
Financial position			
Working capital	$ 111,761	$ 389,722	$ 1,292,089
Current assets	566,556	512,271	1,406,515
Exploration and evaluation assets	12,563	2,290	77,036
Property and Equipment	34,012	66,761	53,012
Total assets	699,073	681,169	1,643,784
Total liabilities	454,795	138,754	114,426
Share capital	7,079,510	6,751,013	6,674,340
Reserves	96,990	410,619	683,934
Deficit	(6,932,222)	(6,619,217)	(5,828,916)
Number of share outstanding	125,348,195	90,348,196	90,148,196

Year ended	March 31, 2024	March 31, 2023	March 31, 2022
Financial results			
Net exploration expenditures	$ 83,082	$ 286,811	$ 451,421
Loss and comprehensive loss for the year	(676,667)	(990,653)	(974,946)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.01)

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, 2024

During the year ended March 31, 2024, the Company incurred a net loss of $676,667 (2023 - $990,653). The loss for the year then ended was comprised of net exploration expenditures of $83,080 (2023 - $286,811), general and administration expenditures of $641,929 (2023 - $589,777), and income from other items of $48,344 (2023 – loss of $114,065). Some items to note from year to year include the following:

During the year ended March 31, 2024, Exploration expenditures decreased compared to the prior year. For both periods reduced available capital has led to increased planning considerations for spring and summer programs, as well as the dedication of time to financing activities. There were no active work programs being carried out by the Company during the year. 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, 2024, the Company incurred $111,266 compared to $169,565 in investor relations and shareholder communications expenditures, a decrease of $58,299 from the comparative year. Most of these expenditures related to shareholder communications and business development programs. The decrease is the result of certain marketing programs from the comparative year not continuing in the current year. The decrease was expected, and the company continues with its internal efforts with dissemination of information to the public and shareholders.

During the year ended March 31, 2024, the Company recorded share-based compensation expense of $60,519 (2023 - $Nil). The change is directly related to the timing of options grants and can vary from year to year. There were no stock option grants in the prior period and the expense for the current year ended March 31, 2024 related to vesting of options granted.

In general, and accounting for annual adjustments of certain costs, except as related to investor relations and share-based compensation, the Company's general and administrative expenses have been consistent from year to year.

Included in other items for the year ended March 31, 2023, was $57,500 (2023 - $51,500) in annual option and property payments of cash and shares on the Pinnacle property from Teako. The Company recorded an impairment of exploration and evaluation assets of $Nil in the current year compared to $122,165 in the prior year for the impairment of the Jean Maria and Abby properties. Also Included in other items for fiscal 2024 was a loss of $21,079 (2023 – $77,859) in fair value adjustments on marketable securities predominantly related to the Company's Alpha Copper Corp. holdings received as payments on the Kitimat property.

SELECTED QUARTERLY FINANCIAL INFORMATION AND FINANCIAL RESULTS

Selected Quarterly Information

Quarter Ended	**March 31, 2024**	**December 31, 2023**	**September 30, 2023**	**June 30, 2023**
Financial results				
Exploration expenditures (net)	$ 69,200	$ 3,400	$ 3,174	$ 7,308
Share-based payments	60,519	-	-	-
Loss and comprehensive loss for the period	(325,277)	(107,829)	(102,143)	(141,418)
Basic loss and comprehensive loss per common share	(0.01)	(0.00)	(0.00)	(0.00)
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)	(0.00)	(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 March 31, 2024

During the three months ended March 31, 2024 (“Q4 2024”), the Company recorded a net loss of $325,277 compared to $227,085 for the three months ended March 31, 2023 (“Q4 2023”). This was comprised of net exploration expenditures of $69,200 (Q4 2023- $13,434) after recoveries, including accruals for the BC Minerals Exploration Tax credit, $268,645 (Q4 2023 - $145,010) of general and administration expenditures, of which $60,519 was related to share - based compensation for Q4 2024 and $Nil for Q4 2023, and a gain of $12,568 (Q4 2023- loss of $68,641) in other items.

Exploration expenditures increased from a net amount of $13,434 in Q4 2023 to $69,200 in Q4 2024. 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. Capital restraints limited expenditures in Q4 2023 and time was dedicated to financing in Q4 2024 related to the closing of the January 2024 and April 2024 private placements.

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 loss on the Jean Marie property, there was no comparative transaction for Q4 2024.

Other changes for the three months ended March 31, 2024 compared to the three months ended March 31, 2023 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, 2024 on SEDARPLUS at www.sedarplus.ca 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, 2024 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 year ended March 31, 2024 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 year ended March 31, 2024 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 year ended March 31, 2024		Salary and fees		Share-based Payments		Total
Management	$	162,000	$	15,130	$	177,130
Outside directors *		30,000		15,735		45,735
Seabord Management Corp.**		90,000		1,210		91,210
Total	$	282,000	$	32,075	$	314,075

For the year ended March 31, 2023		Salary and fees		Share-based Payments		Total
Management	$	155,000	$	-	$	155,000
Outside directors *		24,000		-		24,000
Seabord Management Corp.**		90,000		-		90,000
Total	$	269,000	$	-	$	269,000

Amounts due to related parties as of March 31, 2024 and March 31, 2023 are as follows:

Related Party Assets and Liabilities	Service or Term		March 31, 2024		March 31, 2023
President *	Management fees and reimbursable expense:	$	115,250	$	28,350
Seabord Management Corp**	Management fees and reimbursable expense:	$	70,875	$	-
Directors	Fees		19,400		1,000
		$	205,525	$	29,350

*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.

During the year ended March 31, 2024, the Company appointed Mr. Chris Tucker to the Board of Directors and subsequently appointed Mr. Andrew Lee to the Board of Directors.

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, 2023: 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.

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 139,798,195 common shares issued and outstanding. There are also 6,000,000 stock options with expiry dates ranging from March 1, 2027 to May 7, 2027, and 15,931,666 warrants with expiry dates ranging from December 29, 2026 to May 6, 2027.