The following discussion and analysis, prepared as of November 22, 2012, should be read in conjunction with the unaudited condensed interim financial statements for the three months ended September 30, 2012 and audited financial statements and related notes attached thereto of the Company for the year ended June 30, 2012. This MD&A was approved by the Board of Directors prior to its release. All amounts are stated in Canadian dollars unless otherwise indicated.

This Management Discussion & Analysis summarizes the activities of the Company to date, and provides financial information for the three months ended September 30, 2012. The discussion may contain statements that are forward-looking in nature, involving known and unknown risks and uncertainties such as general economic and business conditions, operating costs, changes in foreign currency exchange rates, and other factors. Since forward-looking statements address future events and conditions, by their nature, they involve inherent risks and uncertainties. Therefore, actual results may be materially different from those expressed or implied in such statements. Additional information on the Company is also available at www.sedar.com

Adoption of International Financial Reporting Standards ("IFRS")

As of July 1, 2010, the Company adopted IFRS. These financial statements and other financial information for the years ended June 30, 2012, June 30 2011 and July 1, 2010 have been prepared in accordance with IFRS. The Company has restated its comparative financial statements and other financial information following its IFRS accounting policies.

Description of Business and Overall Performance

Pacific Imperial Mines Inc. is a mineral exploration company engaged in the acquisition and exploration of mineral properties.

In September 2004, through a reverse take-over ("RTO") the Company acquired a mineral exploration venture which included two mineral exploration licenses and three mining licenses in "Tangshang Gold" and "Salachong Gold" located in Guangnan County, Yunnan province, in the People's Republic of China. On December 3, 2007, the Company determined that it had lost control of the assets and operations of the Company's wholly owned subsidiary Guangnan Tangshang Gold Co. ("GGC"), including the properties in China and the related mineral exploration and mining licenses to Yunnan Non-Ferrous Metals Geological Bureau ("YNGB") and Yunnan Non-Ferrous Metals Resource (Group) Co. Ltd. (the "Operator") As the Company no longer controlled the net assets and operations of GGC, it effectively recognized their disposal on that date. On August 20, 2010, the Company entered into a Share Purchase Agreement to sell its interest in its wholly-owned subsidiaries, Goldchina Holdings Group Limited ("Goldchina") including GGC, to the Operator for $476,000 in cash and the return of the 15,104,760 common shares of the Company. These common shares were subsequently cancelled in November 2010.

Currently, the Company does not have a mineral property. The Company is actively seeking and evaluating various projects.

As the Company is still in exploration stage and non-revenue producing, the Company has experienced losses since its inception. During the three months ended September 30, 2012, the Company recorded a net loss of $82,598. As of September 30, 2012, the Company has accumulated deficit of $4,489,233.

The Company can meet its current commitments as they become payable, but any future commitments including the completion of acquisitions, exploration and development of mineral properties and projects, is dependent on the ability of the Company to obtain the necessary financing. As of September 30, 2012, the Company had a working capital of $336,585. The Company may need to raise additional funds to maintain the Company's operation for the next twelve months.

Mineral Interests

The Company is currently actively searching for a mineral property in Canada and Brazil.

Exploration Activities

There was no exploration activity during the three month period ended September 30, 2012.

Results of Operations

Three Months Ended September 30, 2012:

During the three month period ended September 30, 2012, the Company recorded a net loss of $82,598 compared to a net loss of $92,433 of the same period last year. The decrease of $9,835 in net loss was primarily due to the follows:

(1) Accounting and audit fees decreased by $2,440 due to lower accounting fees incurred for the quarter;
(2) Legal fees increased by $1,800 due to increased legal services during the quarter;
(3) Office and miscellaneous expenses decreased by $1,577 due to cost-cutting measures;
(4) Share based payments decreased by $5,072 due to no stock options granted in the current period as compared to last year; and
(5) Wages decreased by $2,189 due to lower employee benefits for the quarter.

Summary of Quarterly Results

Quarter Ended	Revenue	Operating Income/ (Loss)	Basic & Fully Diluted Earning/(Loss) Per share	Total Assets	Long Term Liabilities	Cash Dividend
	($)	($)	($)	($)	($)	($)
September 30, 2012	Nil	(82,598)	-	357,295	Nil	Nil
June 30, 2012	Nil	(145,939)	(0.02)	223,227	Nil	Nil
March 31, 2012	Nil	(58,293)	-	273,952	Nil	Nil
December 31, 2011	Nil	(81,265)	-	336,541	Nil	Nil
September 30, 2011	Nil	(92,433)	-	440,352	Nil	Nil
June 30, 2011	Nil	(58,143)	-	224,200	Nil	Nil
March 31, 2011	Nil	(13,114)	-	260,528	Nil	Nil
December 31, 2010	Nil	(58,857)	-	274,968	Nil	Nil

*Note: The loss for the quarter ended June 30, 2012 was significantly higher then the other quarters mainly due to the stock options granted during the period.

Investor Relations

The Company is responsible for its investor relations activities and has not engaged a third party to handle this duty.

Management Change

At the annual meeting on November 16, 2011, Roman Shklanka, Leo King and Geir Liland were re-elected as directors.

Balances and Transactions with Related Parties

As of September 30, 2012, the amounts due to related parties, which are unsecured and have no specific terms of repayment, are as follows:

		Sept. 30, 2012		June 30, 2012
Roman Shklanka, director of the Company		-		-
Albert Wu & Associates Ltd., a company controlled by Albert Wu, Chief Financial Officer of the Company		1,916		-
H. Leo King & Associates Inc., a company controlled by Leo King, President of the Company		-		-
Total	$	1,916	$	-

During the three months ended September 30, 2012, the following related party transactions were incurred in the normal course of operations:-

(a) The Company incurred management fees of $7,200 (2011 - $7,200) to Kobex Minerals Inc. a company with a director (Roman Shklanka) in common;

(b) The Company incurred management fees of $1,500 (2011 - $1,500) to H. Leo King & Associates Inc., a private company controlled by Leo King, the President and a director of the Company;

(c) The Company paid $4,860 (2011 - $4,500) for accounting fees to Albert Wu & Associates Ltd., a company controlled by Albert Wu, CFO of the Company;

(d) The Company paid $750 (2011 - $750) for book-keeping and corporate secretary services to Chelsia Cheam, Secretary of the Company; and

(e) The Company incurred stock-based payment of $nil (2011 – 5,072) relating to stock options granted to directors and officers.

Liquidity and Capital Resources

The Company's business is exploration and it does not generate cash flow from operations to adequately fund its activities and has therefore relied principally upon the issuance of securities and loans and advances from directors for financing. During the three months ended September 30, 2012, the Company incurred a net loss of $82,598. As of September 30, 2012, the Company had working capital of $336,585 (June 30, 2012 – 219,121). The increase in working capital of $117,464 as compared to year ended June 30, 2012 was primarily due to the proceeds received of $200,000 from the private placement of 2,000,000 shares offset with expenditure of the

Company's operating activities. The Company may not have enough resources to acquire new mineral properties and finance its operations in the next twelve months and may need to raise additional funds.

The Company intends to continue relying upon the issuance of securities to finance the Company's future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

Risk and Uncertainties

While the Company does not currently hold an interest in mineral properties in a foreign country, it is in the business of acquisition, exploration and evaluation of mineral properties, and accordingly it will be exposed to the laws governing the mining industry in the country from which the mineral properties are acquired with respect to such matters as taxation, repatriation of profits, restrictions on production, export controls, environmental compliance, and expropriation of property or limitations on foreign ownerships, as well as shifts in the political stability of the country and labour unrest, any of which could adversely affect the Company and its exploration and production activities in the country.

The Company's business, results of operations, financial condition, and the trading price of the Company's common shares could be materially adversely affected by any of the foregoing risks and by other risks, including risks related to development of mineral deposits, metal prices, title matters, reclamation costs, gold and other base metal prices volatility, competition, additional funding requirements, insurance, currency fluctuations, conflicts of interest, and share trading volatility. Any of these risks could have a material adverse effect on the business, operations or financial condition of the Company.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the period. Actual results could differ significantly from those estimates. Specific items requiring estimates are amortization, asset retirement obligations, future income taxes, share-based compensation, fair value of financial instruments, other accrued liabilities and contingent liabilities.

Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The carrying value of cash and cash equivalents, receivables, accounts payable and accrued liabilities, and amount due to related parties approximates the fair value because of the short-term nature of those instruments. The Company is not subject to significant interest and credit risks arising from these financial instruments. As the Company no longer operates in a foreign country, the Company is therefore not subject to foreign currency risk arising from changes in exchange rates between the foreign currency and Canadian dollar.

Changes in Accounting Policies

Implementation of International Financial Reporting Standards ("IFRS")

In 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the transition to IFRS as issued by the International Accounting Standards Board, from Canadian GAAP will be effective for fiscal years beginning on or after January 1, 2011 for publicly accountable enterprises. Accordingly, the Company has commenced reporting on an IFRS basis in the current condensed interim financial statements. The transition date, July 1, 2010, required the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011.

The June 30, 2012 financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and IFRS 1, First-time Adoption of IFRS (IFRS 1). Subject to available elections and exemptions under IFRS 1, the Company has applied the same accounting policies in its opening IFRS balance sheet as at July 1, 2010 and throughout all periods presented, as if the policies had always been in effect. The impact of the changes to IFRS is detailed in note 10 to the financial statements.

Recent Accounting Policies Pronouncement not yet been adopted include the following:-

IFRS 7, Financial Instruments: Disclosures

The amendments will increase disclosure required regarding the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions undertaken around the end of the reporting period, and the possible effects of any risks that may remain with the entity that transferred the asset. This new standard, which is applicable for annual periods beginning on or after July 1, 2011, is not expected to significantly impact the Company.

IFRS 9, Financial Instruments

This new standard introduces new requirements for classifying and measuring financial assets and liabilities and carries over from the requirements of IAS 39, Financial Instruments: Recognition and measurement, derecognition of financial assets and liabilities.

In December 2011, the IASB extended the mandatory effective date to on or after January 1, 2015 with early adoption permitted. As a result, there were amendments to IAS 32, Financial Instruments: Presentation to clarify the offsetting between financial assets and liabilities, which are mandatory effective on or after January 1, 2014. The Company has not yet assessed the impact of this standard.

IFRS 10, Consolidated Financial Statements

This standard requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. This new standard is effective for periods beginning on or after January 1, 2013, with early application permitted. The Company has not yet assessed the impact of this standard.

IFRS 11, Joint arrangements

The standard provides for accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard also eliminates the option to account for jointly controlled entities using the proportionate consolidation method. The new standard is effective for periods beginning on or after January 1, 2013, with early application permitted. The Company has not yet assessed the impact of this standard.

IFRS 12, Disclosure of Interests in Other Entities

This standard establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted, and is not expected to significantly impact the Company.

IFRS 13, Fair value measurement

The standard sets out in a single IFRS a framework for measurement of fair value and related disclosures. The definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. This new standard is applicable for periods beginning on or after January 1, 2013, with early application permitted. The Company has not yet assessed the impact of this standard.

IAS 28, Investments in associates

IAS 28 was amended in 2011 which prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted, and is not expected to significantly impact the Company.

Off-Balance-Sheet Arrangements

The Company has not entered into any off-balance-sheet arrangements.

Latest Outstanding Share Data

As of the date of this report, the Company has the following outstanding securities:

Common shares	-	20,841,968
Stock options	-	1,700,000
Warrants	-	Nil