

PACIFIC
IRON ORE
CORPORATION



Pacific Iron Ore Corporation
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
OPERATIONS AND FINANCIAL CONDITION**

FOR THE PERIOD ENDED
MARCH 31, 2025 and 2024

Pacific Iron Ore Corporation

Management's Discussion and Analysis of Operations and Financial Condition for the period ended March 31, 2025

The following management's discussion and analysis of financial condition and the results of operations (the "MD&A") dated May 27, 2025 of Pacific Iron Ore Corporation ("Pacific Iron" or the "Corporation") incorporates all relevant information and considerations to that date and should be read in conjunction with the financial statements for the Corporation together with the accompanying notes thereto. Additional information regarding Pacific Iron is available under its SEDAR profile at www.sedar.com

Basis of Presentation

The financial statements of the Corporation for the period ended March 31, 2025, are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Nature of Business

The Corporation was previously in the process of exploring its mineral properties until they were forfeited or sold during 2019 as described below. The Corporation is currently searching for new business opportunities.

The financial statements have been prepared on the basis of the Corporation continuing as a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Corporation is currently in the exploration stage. As at the date of this MD&A, the Corporation is in a deficit position and is not yet generating operating cash flows, which places significant doubt on the ability of the Corporation to continue as a going concern. The Corporation's continued existence as a going concern is dependent upon its ability to obtain adequate financing arrangements to continue with exploration, complete development and/or achieve profitable mining operations. There is no certainty that these matters will be achieved. These financial statements do not reflect the adjustments that would be necessary if the Corporation does not continue, and such adjustments may be significant.

Corporate Direction and Strategy

The Corporation's primary focus was previously on exploring its remaining British Columbia properties in the Port Renfrew Block and one of its properties located in Ontario (The St Anthony's Project). In April 2019, the British Columbia claims were forfeited back to the Province of British Columbia and in December 2019 the Ontario properties were sold to an arm's length private purchaser. The Corporation is currently examining other business opportunities available to it.

Other Ontario Properties:

The Corporation also carried out limited exploration activities on its other properties until the date of the sale. These activities may consist of prospecting reconnaissance; line-cutting; geological mapping; ground magnetometer, VLF EM (electromagnetic) and radiometric geophysical surveys; rock, 'A and B' horizon soils and vegetation sampling, assaying and other analytical work; trenching and light equipment test drilling.

Results of Operations

The following is a summary of the quarterly operating results of the Corporation.

	For the three months ended 03/31/25	For the three months ended 12/31/24	For the three months ended 09/30/24	For the three months ended 06/30/24	For the three months ended 03/31/24	For the three months ended 12/31/23	For the three months ended 09/30/23	For the three months ended 06/30/23	For the three months ended 03/31/23	For the three months ended 12/31/22
Operating expenses (\$)	-	-	-	-	-	-	-	-	-	-
General and administrative expenses (\$)	6,000	14,060	6,588	8,934	6,615	16,614	6,000	10,704	10,772	15,605
Net financial expense (income) (\$)		(140)	(486)	(178)	(144)	(163)	(83)	(72)	(40)	26
Loss before income taxes (\$)	(6,000)	(13,920)	(6,102)	(8,756)	(6,471)	(16,451)	(5,917)	(10,632)	(10,732)	(15,631)
Income tax expense (recovery) (\$)	-	-	-	-	-	-	-	-	-	-
Net Income (Loss) (\$)	(6,000)	(13,920)	(6,102)	(8,756)	(6,471)	(16,451)	(5,917)	(10,632)	(10,732)	(15,631)
Weighted average shares outstanding	7,257,858	7,257,858	7,257,858	7,257,858	7,257,858	7,257,858	7,257,858	7,257,858	7,257,858	7,257,858
Net Income (Loss per common share)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Comparison of the three months-ended March 31, 2025 to March 31, 2024

Revenue - the Corporation has no revenue from operations.

Operating expenses totalled \$nil in 2025 (\$nil in 2024)

General and administrative expenses totalled \$6,000 in 2025 as compared to \$6,615 in 2024, a decrease of \$615. In 2025, the major categories of expenditure included:

- Legal and accounting fees \$6,000 (\$6,615 in 2024). The costs are associated with consulting services provided in the preparation of interim statements and regulatory filings, maintenance of the accounting records and general corporate advisory services.

Net financial expenses (income) during the period totalled of \$(0) as compared to \$(144) in the prior period. Financial income consists of interest earned on invested cash deposits. Cash deposits are comprised solely of bank investment certificates with a maturity date of less than one month and are on deposit with a Canadian Chartered Bank. Financial expenses are comprised of interest, bank charges.

The net loss for the quarter amounted to \$6,000 (2024 - \$6,471).

Assets of the Corporation

As at March 31, 2025, the Corporation had Cash and cash equivalents of \$11,641 (2024 - \$3,492), accrued goods and services input tax credits of \$3,770 (2024- \$7,996) and prepaid expenses of \$9,000 (2024- \$9,000).

Liquidity

Pacific Iron has historically relied upon advances from its shareholders and the equity capital markets to raise sufficient funds to finance its mineral property acquisitions and exploration programs. In 2025 the Corporation began the year with a cash and short term deposit balance of \$11,641 and a negative working capital of \$308,092. These sources of capital were used to fund operations and invest in working capital. As of March 31, 2025, the Corporation has a cash and short-term deposit balance of \$11,641 and a negative working capital of \$314,092. The Corporation will use future issuances of common shares to fund its operations. In the near-term the Corporation's liquidity risk is low as it has adequate cash balances to cover its expenses.

As of March 31, 2025 the Corporation has no outstanding letter of credit.

As of March 31, 2025 the Corporation had no flow through obligations outstanding.

Share Capital

Common shares

As of the date of this MD&A, total number of common shares outstanding was 7,257,858 (2024 – 7,257,858). The Corporation does not declare dividends.

Critical Accounting Estimates and Judgments

The Corporation makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive statement of loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

There were no significant judgements or critical accounting estimates applied in preparing the financial statements.

Financial Risk Management

Financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable and trade and other payables. Cash and cash equivalents, restricted cash and accounts and notes receivable are categorized as amortized cost and trade and other payables are categorized as amortized cost.

The carrying values of cash and cash equivalents, restricted cash, accounts and notes receivable, and trade and other payables approximate their fair values and any difference would not be significant.

Risk Exposures

The Corporation's risk management policies are established to identify and analyze the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Corporation's activities. The Corporation has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Corporation's exposure to each of the above risks and the Corporation's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Corporation's policy is to ensure that its investments are liquid and not to invest in asset backed commercial paper products. On March 31, 2025 the Corporation's credit risk was \$15,411 (2024 - \$11,488) and is concentrated in cash and cash equivalents and accounts receivable.

The Corporation's accounts receivable is with respect to filed and unfilled claims for the recovery of goods and services tax paid by the Corporation.

As the Corporation has not entered any hedging arrangements, it is not exposed to credit risk associated with possible non-performance by counterparties to any such derivative financial instrument contracts.

Credit Risk

	2025	2024
Cash and cash equivalents	\$ 11,641	\$ 3,492
Accounts receivable	3,770	7,996
	\$ 15,411	\$ 11,488

The Corporation's trade and other receivable are aged as follows:

As at March 31	2025	2024
Current (less than 90 days)	\$ 780	\$ 2,340
Past due (more than 90 days)	\$ 2,990	5,656
	\$ 3,770	\$ 7,996

The Corporation does not anticipate any defaults from the Canada Revenue Agency.

Liquidity risk

Liquidity risk is the risk that the Corporation will incur difficulties meeting its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Corporation's reputation. However, since the Corporation dependent upon capital markets to provide sufficient funds, the Corporation may not be able to limit its liquidity risk during

periods of uncertainty in the capital markets (also see Nature of Business and Basis of Presentation). The Corporation prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. The Corporation uses authorizations for expenditures and board approval of significant individual expenditures to further manage capital expenditures. The Corporation anticipates it will have adequate liquidity to fund its existing financial liabilities through its existing working capital. The Corporation's financial liabilities are comprised of trade and other payables which have expected maturities of less than one year resulting in their current classification on the balance sheet.

Liquidity Risk

	2025		2024	
Trade and other payables	\$	309,688	\$	270,988

The following are the contractual maturities of financial liabilities.

As at March 31, 2025						
		Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-3 Years	3-5 Years
Trade and other payables	\$	309,688	34,650	275,038	0	34,650

Market risk

Market risk consists of foreign currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Corporation may use both financial derivatives to manage market risks. All such transactions are conducted in accordance with a risk management policy as set out herein.

(i) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Corporation is exposed to interest rate risk through its variable interest rate on its cash and short term deposits and notes payable. There were no interest rate contracts outstanding as of March 31, 2025 and 2024. The Corporation's interest revenue would not have been affected in a material manner by changes in the interest rate. A 1% change in interest rate would have an impact of approximately \$nil (2024 - \$nil) on comprehensive loss.

Off-Balance Sheet Arrangements

The Corporation had no off-balance sheet arrangements as of March 31, 2025 and the date of this MD&A.

Forward-Looking Statements

This MD&A contains "forward-looking statements" that reflect Pacific Iron's current expectations and projections about its future results. When used in this MD&A, forward looking statements can be identified by the use of words such as "estimate", "consider", "expect", "anticipate", "objective" and similar expressions or variations of such words. Forward looking statements are, by their very nature, not guarantees of Pacific Iron's future operational or financial performance and are subject to risks and uncertainties and other factors that could cause Pacific Iron's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. No representation or warranty is intended with respect to anticipated future results, that estimates, and projections will be sustained or that any project will otherwise prove to be economic.

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 and uncertainties, including the risks and uncertainties elsewhere in this MD&A, actual events may differ materially from current expectations. Pacific Iron 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.