

PACIFIC RIM MINING CORP.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

31 JULY 2001

Prepared by Management

Pacific Rim Mining Corp.
(An Exploration Stage Company)
Interim Consolidated Balance Sheet
Canadian Funds
Prepared by Management

Statement 1

| ASSETS | | As at 31 July 2001 | As at 30 April 2001 |
|--|---------------------------------|-------------------------------|--------------------------------|
| Current | Cash and short term investments | \$ 952,815 | \$ 1,341,047 |
| | Accounts receivable | 23,741 | 25,449 |
| | Prepaid expenses and deposits | 23,669 | 32,821 |
| | | <u>1,000,225</u> | <u>1,399,317</u> |
| Capital Assets , <i>less accumulated amortization</i> | | 175,120 | 176,733 |
| Mineral Property Costs - <i>Schedule</i> | | 5,155,472 | 1,401,891 |
| Investment in Salta Gold Ltd. | | - | 3,633,933 |
| | | <u>\$ 6,330,817</u> | <u>\$ 6,611,874</u> |

LIABILITIES

| | | | |
|----------------|--|-----------|-----------|
| Current | Accounts payable and accrued liabilities | \$ 57,566 | \$ 57,473 |
|----------------|--|-----------|-----------|

SHAREHOLDERS' EQUITY

| | | | |
|-------------------------------------|--|---------------------|---------------------|
| Share Capital | Authorized: 100,000,000 common shares without par value | | |
| | Issued and fully paid: 23,398,600 (23,398,600) shares | 33,589,783 | 33,589,783 |
| Deficit - <i>Statement 2</i> | | <u>(27,316,532)</u> | <u>(27,035,382)</u> |
| | | <u>6,273,251</u> | <u>6,554,401</u> |
| | | <u>\$ 6,330,817</u> | <u>\$ 6,611,874</u> |

ON BEHALF OF THE BOARD:

Catherine McLeod-Seltzer , Director

Bill Myckatyn , Director

Pacific Rim Mining Corp.
(An Exploration Stage Company)

Statement 2

Consolidated Statement of Changes in Shareholders' Equity
As at 31 July

Canadian Funds
Prepared by Management

| | Common Shares | Amount | Deficit Accumulated | Total |
|-------------------------------|--------------------------|----------------------|--------------------------------|-------------------|
| Balance - 30 April 2000 | 21,650,570 | \$ 26,864,033 | \$ (17,400,502) | 9,463,531 |
| Exercise of options | 37,000 | 56,240 | - | 56,240 |
| Allotted: Special warrants | 1,707,530 | 7,329,493 | - | 7,329,493 |
| Financing costs | - | (570,711) | - | (570,711) |
| Loss for the period | - | - | (312,672) | (312,672) |
| Balance - 31 July 2000 | 23,395,100 | \$ 33,679,055 | \$ (17,713,174) | 15,965,881 |
| Balance - 30 April 2001 | 23,398,600 | \$ 33,589,783 | \$ (27,035,382) | 6,554,401 |
| Loss for the period | - | - | (281,150) | (281,150) |
| Balance - 31 July 2001 | 23,398,600 | \$ 33,589,783 | \$ (27,316,532) | 6,273,251 |

See Accompanying Notes

Pacific Rim Mining Corp.
(An Exploration Stage Company)
Interim Consolidated Statement of Operations
For The Three Months Ended 31 July

Statement 3

Canadian Funds

Prepared by Management

| | 2001 | 2000 |
|-------------------------------------|------------------------|------------------------|
| Operating Expenses | | |
| Write-off of mineral property costs | \$ 135,645 | \$ 155,800 |
| Wages and employee benefits | 77,515 | 86,671 |
| Office, secretarial and bookkeeping | 36,075 | 40,265 |
| Professional fees | 12,912 | 20,518 |
| Rent | 9,914 | 20,942 |
| Audit and accounting | 6,000 | 13,502 |
| Amortization | 3,260 | 3,552 |
| Shareholder information | 2,902 | 12,427 |
| Foreign exchange loss (gain) | 4,342 | (21,461) |
| Listing and filing fees | 1,400 | 8,001 |
| Transfer agent fees | 1,291 | 7,363 |
| Travel | 468 | 26,434 |
| Interest and bank charges - net | <u>(10,574)</u> | <u>(61,342)</u> |
| Loss for the Period | (281,150) | (312,672) |
| Deficit - Beginning of period | <u>(27,035,382)</u> | <u>(17,400,502)</u> |
| Deficit - End of Period | \$ (27,316,532) | \$ (17,713,174) |
| Loss per Share - Basic | \$ (0.01) | \$ (0.24) |

See Accompanying Notes

Pacific Rim Mining Corp.
(An Exploration Stage Company)
Interim Consolidated Statement of Cash Flow
For The Three Months Ended 31 July

Statement 4

Canadian Funds

Prepared by Management

| | 2001 | 2000 |
|---|-------------------|---------------------|
| Operating Activities | | |
| Loss for the period | \$ (281,150) | \$ (312,672) |
| Items not affecting cash: | | |
| Amortization | 3,260 | 3,552 |
| Write-off of mineral property costs | 135,645 | 155,800 |
| | <u>(142,245)</u> | <u>(153,320)</u> |
| Changes in: | | |
| - Accounts receivable | 1,708 | (7,241) |
| - Prepaid expenses | 9,152 | 6,409 |
| - Accounts payable | 93 | (323,083) |
| Cash used in operating activities | <u>(131,292)</u> | <u>(477,235)</u> |
| Investing Activities | | |
| Mineral property costs | (255,292) | (1,330,388) |
| Purchase of capital assets | (1,648) | - |
| Investment in Salta Gold Ltd. | - | (1,811) |
| Cash used in investing activities | <u>(256,940)</u> | <u>(1,332,199)</u> |
| Financing Activities | | |
| Share capital issued | - | 56,240 |
| Share capital allotted | - | 6,758,782 |
| Cash received in financing activities | <u>-</u> | <u>6,815,022</u> |
| Net Increase (Decrease) in Cash Position | (388,232) | 5,005,588 |
| Cash position - Beginning of period | <u>1,341,047</u> | <u>1,347,676</u> |
| Cash Position - End of Period | \$ 952,815 | \$ 6,353,264 |

Supplemental Schedule of Non-Cash Transactions:

| | |
|--|------------------|
| Transfer of Investment in Salta Gold Ltd. to Mineral Property Costs | 3,633,933 |
|--|------------------|

See Accompanying Notes

Pacific Rim Mining Corp.
(An Exploration Stage Company)
Interim Consolidated Schedule of Mineral Property Costs
For The Three Months Ended 31 July

Schedule

Canadian Funds

Prepared by Management

| | 2001 | 2000 |
|--|---------------------|---------------------|
| Direct | | |
| South American Properties | | |
| Various claims - Investigation costs | \$ 135,641 | \$ 155,800 |
| Diablillos | 119,651 | - |
| San Francisco Claims | - | 19,375 |
| Luicho | - | 1,090,164 |
| Prometedora Claims | - | 38,585 |
| Sol Brillante Claims | - | 32,970 |
| Costs for the Period | 255,292 | 1,181,094 |
| Balance - Beginning of period | 1,401,891 | 4,698,216 |
| Trasfer of Investment in Salta Gold Ltd. to mineral property | 3,633,933 | - |
| Write-off of mineral property costs | (135,644) | (155,800) |
| Balance - End of Period | \$ 5,155,472 | \$ 5,723,510 |

See Accompanying Notes

Pacific Rim Mining Corp.
(An Exploration Stage Company)
Notes to Interim Consolidated Financial Statements
31 July 2001
Prepared by Management

1. Significant Accounting Policies

The notes to the consolidated financial statements as at 30 April 2001, as set forth in the company's 2001 Annual Report substantially apply to these interim consolidated financial statements and are not repeated here.

2. Interim Consolidated Financial Statements Adjustments

The financial information given in the accompanying unaudited interim consolidated financial statements reflects all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods reported. All such adjustments are of a normal recurring nature. All financial statements presented herein are prepared by management.

3. Mineral Property Costs

28 June 2001, the company repurchased 70% interest and one share of Pacific Rim Mining Corp. Argentina S.A. at a nominal amount, thereby restoring the company's ownership in Salta Gold Ltd. to 100% ("Salta"). The major asset of Salta at the date of repurchase is the Diablillos mineral property in Argentina, which has had approximately \$ 16,000,000 in exploration expenditures incurred to date. The company has transferred its Investment in Salta Gold Ltd. to mineral property costs during the current period.

4. Share Capital

During the current quarter the company issued 1,463,800 stock options exercisable at \$ 0.29 per share.