PACIFIC RIDGE exploration ltd.

(An Exploration Stage Company)

Management's Discussion and Analysis (MD&A)

(Form 51-102F1)

Nine months ended September 30, 2022

This Management's Discussion and Analysis ("MD&A") of Pacific Ridge Exploration Ltd. ("Pacific Ridge" or the "Company"), dated **November 18, 2022**, provides an update on the Company's business activities, financial condition, financial performance and cash flows for the nine months ended September 30, 2022, and to the date of this MD&A. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") in Canadian dollars (unless otherwise indicated). The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3", and "Q4" respectively.

The following information should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2021 and 2020, the annual MD&A for the year ended December 31, 2021, and the condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 (together, the "Financial Statements"), available on the SEDAR website at www.sedar.com.

The Company's shares are listed on the TSX Venture Exchange under the symbol "PEX" and on the Over-the-Counter Venture Markets (OTC-QB) under symbol PEXZF. Additional information related to Pacific Ridge is also available on the Company's website at www.pacificridgeexploration.com or on SEDAR at www.sedar.com

Forward Looking Statements and Risk Factors

This MD&A contains forward-looking statements that are related to the Company's activities and future financial results. The results for the current periods are not necessarily indicative of the results for any future period. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance as the mineral exploration business is not without risk and most exploration projects will not become mines. The Company is subject to a number of risks and uncertainties due to the nature of its business and the early stage of its exploration projects. A detailed discussion of risks is presented in the annual MD&A for the year ended December 31, 2021, under its *Risk Factors* section.

Pacific Ridge's disclosure of a technical or scientific nature has been reviewed and approved by Gerald G. Carlson, Ph.D., P. Eng., Executive Chairman of the Company, and a Qualified Person under the definition of National Instrument 43-101.

Highlights for the first quarter of 2022

On January 31, 2022, the Company announced results of the second hole from the 2021 drill program on its Kliyul copper-gold porphyry project. Hole KLI21-037 returned 566.7 m of 0.48% copper equivalent or 0.76 gpt gold equivalent, comprising 0.20% Cu and 0.44 gpt Au, including 316.7 m of 0.75% CuEq or 1.17 gpt AuEq, comprising 0.30% Cu and 0.70 gpt Au.

On January 27, 2022, the Company entered into a property purchase agreement to acquire a 100% interest in the Onjo copper-gold porphyry project ("Onjo) in north-central British Columbia. The Company paid $50,000 in cash and issued 750,000 common shares with a fair value of $0.35 per share or $262,500. The vendor of Onjo retains a 2% NSR, with the Company having an option to purchase one quarter of the NSR at any time for USD $1,500,000.

On February 8, 2022, the Company announced that it had signed an earn-in agreement with Antofagasta Minerals S.A. on the Company's RDP copper-gold project, located in north-central British Columbia. The Agreement grants Antofagasta an option to acquire a 75% interest in RDP by making payments of $1,350,000, plus a success payment of $800,000 upon exercise of the option, by spending $10,000,000 on exploration over eight years, of which $1,000,000 should be spent during the first year, and by delivering a NI 43-101 compliant preliminary economic assessment report.

On February 15, 2022, the Company announced results of the third and final hole from the 2021 drill program on its Kliyul copper-gold porphyry project. KLI-21-038 returned 0.40% copper equivalent or 0.63 gpt gold equivalent, or 0.15% Cu and 0.39 g/t Au, over 507 m, from the top of bedrock, including 88.0 m of 0.80% CuEq or 1.25 gpt AuEq, comprising 0.26% Cu and 0.84 gpt Au.

On February 22, 2022, the Company entered into a sale and purchase agreement to acquire a 100% interest in four internal claims at Onjo by paying $25,000 cash and issuing 250,000 common shares with a fair value of $0.265 per share or $66,250. With the acquisition of these claims, Pacific Ridge now owns 100% of the claims within the Onjo project boundary.

On March 14, 2022, the Company announced that it had contracted Dorado Drilling Ltd., based in Vernon, B.C., as its diamond drill contractor for the planned 6,000 metre drill campaign at the Kliyul copper-gold porphyry project.

Highlights for the second quarter of 2022

On April 22, 2022, The Company announced that it had closed a $7.4 million financing, through the issuance of 19,150,000 charity flow-through units ("CFT Units") at a price of $0.328 per CFT Unit and 5,000,000 common share units ("CS Units") at a price of $0.23 per CS Unit.

On May 9, 2022, the Company announced it had agreed to an option to acquire up to a 75% interest in the Chuchi porphyry copper-gold property from AuRico Metals Inc., a wholly owned subsidiary of Centerra Gold Inc. The property is road accessible, located 35 km west of Centerra's Mount Milligan mine in central British Columbia.

On June 1, 2022, the Company announced its 2022 summer field program plans, including a 6,000 m core drilling program at its flagship Kliyul porphyry copper-gold project, airborne ZTEM geophysical surveys at its Chuchi and Onjo porphyry projects, followed by mapping, prospecting and sampling, and a surface exploration program at its Redton porphyry project. The Company announced a 1,500 m drill program at its RDP porphyry copper-gold project, funded by Antofagasta Minerals, S.A., who have the option to earn up to a 75% interest in the project.

On June 14, 2022, the Company announced the hiring of Paul Jago as its Chief Geologist.

On June 29, 2022, the Company announced that it had mobilized crews to its Kliyul project site to commence camp construction in preparation for the arrival of two drill rigs in early July.

Highlights for the third quarter of 2022

On July 11, 2022, the Company announced that drilling was underway on its flagship Kliyul Cu-Au porphyry project. The Company announced completion of the drilling, including 7014.7 m of drilling in 12 holes, on September 27, 2022. Results have yet to be announced.

On August 9, 2022, the Company announced the commencement of drilling on it's RDP Cu-Au porphyry project, funded by Antofagasta Minerals S.A. ("Antofagasta") and operated by Pacific Ridge. On September 1, 2022, the Company announced the completion of the program that included 1,861 m of drilling in six drill holes. Subsequent to the quarter, on October 25, 2022, the Company announced results from hole RDP-22-005 at RDP that returned 497.2 m of 0.66% copper equivalent ("CuEq") or 0.96 g/t gold equivalent ("AuEq"), including 107.2 m of 1.41% CuEq or 2.04 g/t AuEq. Results for the remaining five holes are pending.

On August 16, 2022, the Company announce that it had completed airborne ZTEM geophysical surveys over its Chuchi and porphyry Cu-Au projects in central British Columbia.

On September 22, 2022, the Company closed a non-brokered private placement raising gross cash proceeds of $780,000 in units issued at a price of $0.23 per unit, each unit comprised of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant exercisable to purchase one additional common share at an exercise price of $0.35 for a period of 2 years.

Subsequent to the quarter, on November 16, 2022, the Company announced the results for the first six holes from this drill program. The highlight was from drill hole KLI-22-041, that returned 588.0 m of 0.41% CuEq or 0.56 g/t AuEq (0.12% copper, 0.39 g/t gold, and 0.90 g/t silver), including 278.0 m of 0.67% CuEq or 0.92 g/t AuEq (0.14% copper, 0.72 g/t gold, and 0.95 g/t silver).

Also subsequent to the quarter, on November 17, 2022, the Company announced a brokered private placement aiming at raising gross proceeds of up to $11,485,000 (see *Subsequent Events*, at the end of this MD&A for details.

Mineral Properties

Kliyul and Redton, British Columbia

In January 2020, the Company entered into an earn-in property agreement, as amended on April 7, 2020, and on July 22, 2020, with Aurico Metals Inc., with respect to the Kliyul and Redton properties located in British Columbia.

Kliyul is a 6,000 ha advanced exploration project located 50 km southeast of the Kemess mine and 5 km from the Omineca mining road and power line, in one of the most geochemically anomalous areas for copper and gold in the Quesnel Terrane. The property contains several Minfile database occurrences, including four major target areas: Kliyul, Bap Ridge, Ginger-Shadow and M39, each representing an interpreted porphyry centre over a 4 km strike length.

Redton is a porphyry copper-gold property that adjoins Northwest Copper Corporation's Kwanika property along its eastern and northern boundary. The property is road accessible in a proven porphyry belt, underlain by rocks of the Hogem Batholith within the prolific Quesnel Terrane.

In 2020, the Company completed a surface exploration program at Kliyul designed to extend the depth of investigation of the chargeability and resistivity response related to the Kliyul mineralization as well as to define vectors to mineralization for a drill test of priority copper-gold targets planned for 2021. At Redton, the Company completed a one-hole, 434 m drill program. The drill hole tested the Redton North target, a 550 m by 250 m magnetic and IP chargeability anomaly with a coincident 500 m x 100 m copper-molybdenum soil anomaly, located 2.5 km north of Northwest Copper's Kwanika Central Zone deposit. No significant copper or gold assays were encountered in the hole.

During August and September of 2021, Pacific Ridge completed 1,544 m of diamond drilling in three holes at Kliyul. All three holes encountered porphyry-style mineralization consisting of pyrite, chalcopyrite and lesser bornite in veins and as disseminations. Logging of the drill core has identified an early magnetite-chlorite alteration and veining which is cross-cut by later-stage banded quartz-magnetite veins as well as later generations of quartz+magnetite+chalcopyrite veining. The later stage veining brings in chalcopyrite+bornite with quartz as well as epidote and/or anhydrite+magnetite. Early magnetite and quartz-magnetite veins are interpreted to represent the higher temperature part of the porphyry system at Kliyul Main Zone. The presence of bornite is also an indication of proximity to the higher temperature core of a porphyry system and may be a positive vector towards the core of Kliyul Main Zone. All these characteristics are associated with classic porphyry copper occurrences.

Pacific Ridge's 2021 drill program produced the longest and highest-grade intervals ever returned from Kliyul. A summary of assay results from the three holes is shown in the table below:

Hole	From(m)	To(m)	Width(m)	Cu(%)	Au(gpt)	CuEq(%)**	AuEq(gpt)***
KLI-21-036	12.0	449.0*	437.0	0.22	0.60	0.61	0.96
including	12.0	33.0	21.0	0.34	1.30	1.17	1.84
including	**294.0**	**435.0**	**141.0**	**0.36**	**1.11**	**1.07**	**1.68**
KLI-21-037	12.3	579.0*	566.7	0.20	0.44	0.48	0.76
including	**12.3**	**329.0**	**316.7**	**0.30**	**0.70**	**0.75**	**1.17**
including	243.9	268.0	24.1	1.09	2.21	2.50	3.92
KLI-21-038	9.0	516.0*	507.0	0.15	0.39	0.40	0.63
including	**9.0**	**351.0**	**342.0**	**0.17**	**0.50**	**0.50**	**0.78**

* End of hole
**CuEq = ((Cu%) x $Cu x 22.0462) + (Au(g/t) x $Au x 0.032151)) / ($Cu x 22.0462)
***AuEq = ((Cu%) x $Cu x 22.0462) + (Au(g/t) x $Au x 0.032151)) / ($Au x 0.032151)
Commodity prices: $Cu = US$4.00/lb and $Au = US$1,750/oz.
Factors: 22.0462 = Cu% to lbs per tonne, and 0.032151 = Au g/t to oz per tonne
Recovery for Cu and Au is assumed to be 100%

Between late June and late September 2022, the company completed a 12-hole, 7014.7 m drill program at the Kliyul Main Zone ("KMZ") and adjacent targets.

Subsequent to the quarter, on November 16, 2022, the Company announced the results for the first six holes from this drill program. The highlight was from drill hole KLI-22-041, that returned 588.0 m of 0.41% CuEq or 0.56 g/t AuEq (0.12% copper, 0.39 g/t gold, and 0.90 g/t silver), including 278.0 m of 0.67% CuEq or 0.92 g/t AuEq (0.14% copper, 0.72 g/t gold, and 0.95 g/t silver). Every drill hole returned significant intersections at or above 0.54% CuEq or 0.74 g/t AuEq. Drilling successfully extended the Kliyul Main Zone ("KMZ") mineralized body to the north, south, and at depth; it now measures approximately 550 m (WSW to ENE) x 200 m (NNW-SSE) x 600 m vertical depth. Results from the final six holes are expected before year end.

In addition to the drill program, Pacific Ridge advanced several other interpreted porphyry centres that occur along a 4 km long northwest-trending corridor of quartz-sericite-pyrite (phyllic) alteration. The Company completed a 27 line-km Induced Polarization (IP) survey across the Ginger zone, Parish Hill/Bap Ridge zone, and M-39 zone, as well as a mapping and rock geochemical sampling program over the same areas, a high-resolution aeromagnetic survey over the central portion of the Property and a LiDAR survey over the entire Property. The Company plans an expanded drill program for 2023.

At the Redton project, the Company completed a program of mapping, soil and rock sampling.

RDP, British Columbia

In May 2021, the Company acquired an option on the RDP copper-gold porphyry project in central British Columbia, approximately 40 km west of its flagship Kliyul copper-gold project. Pacific Ridge has the option to earn a 100% interest in RDP by making payments of $125,000, issuing 1,200,000 shares and completing $860,000 in exploration in stages by December 15, 2023. In addition, the Company will issue 300,000 shares to the vendor on completion of 5,000 m of drilling and an additional 500,000 shares upon defining a 1,000,000 ounces of gold equivalent resource in the inferred or greater category. The property is also subject to a 2% NSR payable to the vendor, half of which can be purchased at any time for $1.5 million.

RDP is a 3,800 ha project lying within the Stikine Terrane, which is host to numerous significant porphyry deposits in northern British Columbia, including Kemess, Red Chris, Kerr - Sulphurets and Galore Creek. Exploration at RDP since the early 1970's has included prospecting and mapping, various geochemical surveys, ground and airborne geophysical surveys, trenching and a limited amount of drilling. This work has identified three porphyry centres. Mineralization at the Roy showing consists of a quartz-magnetite-chalcopyrite stringer stockwork within a monzonite intrusive. Trenching in 1991 encountered 0.121% Cu and 0.55 gpt Au over 62 m within an 80 m trench. Only a single hole has been documented at Roy, in 2011, and it encountered 0.11% Cu and 0.64 gpt Au over 122.95 m. At the Day showing, mineralization includes pyrite, magnetite, chalcopyrite, minor molybdenite, and traces of bornite as disseminations and fracture fillings in diorite and adjacent altered volcaniclastic rocks. Historical drill highlights include 0.67% Cu and 0.93 gpt Au over 58.8 m in hole D-74-13 and 0.54% Cu and 0.75 gpt Au over 57 m in hole C-92-13. The Porcupine target was initially explored as a stratabound massive sulphide target, but recent interpretation of the alteration and soil geochemistry suggests the potential for porphyry style mineralization.

During 2021, the Company completed a mapping and sampling program at RDP, focusing on the Roy and Day showing areas.

On February 8, 2022, the Company announced that it had signed an earn-in agreement with Antofagasta Minerals S.A. on RDP. The Agreement grants Antofagasta an option to acquire a 75% interest in RDP by making payments of $1,350,000 of which $50,000 were paid, plus a success payment of $800,000 upon exercise of the option, by spending $10,000,000 on exploration over eight years, and of which $1,000,000 is to be spent during the first year, and delivering a NI 43-101 compliant preliminary economic assessment report. Antofagasta has advanced $2,000,000 for exploration of which $1,610,769 have been spent to the end of the third quarter on RDP.

During the 2022 field season, the Company completed an 1,861 m drill program in six drill holes. Subsequent to the quarter, the Company announced results from hole RDP-22-005 that returned 497.2 m of 0.66% copper equivalent ("CuEq") or 0.96 g/t gold equivalent ("AuEq"), including 107.2 m of 1.41% CuEq or 2.04 g/t AuEq. Results for the remaining five holes are pending.

Chuchi, British Columbia

The Company has the option to acquire up to a 75% interest in the Chuchi porphyry copper-gold project from AuRico Metals Inc., a wholly owned subsidiary of Centerra Gold Inc. ("Centerra"). Pacific Ridge has the right to earn a 51% interest by making cash payments totaling $60,000 of which $10,000 have been paid, issuing 2.0 million shares, and spending $5 million on exploration by the fourth anniversary of the agreement. The Company then has the right to increase its interest in the Project to 75% by making additional payments totaling $100,000, issuing 1.5 million shares and completing an additional $5 million in exploration by the sixth anniversary of the agreement. Various claims are subject to up to 6% in net smelter royalties, which can be bought down to 2.1%.

Chuchi is located in the prolific Quesnel Trough, north central British Columbia. Over 6,100 hectares (61 sq. km) in size, the road accessible project is located 90 km north of Fort St. James and 35 km northwest of Centerra's Mount Milligan mine. The Project is in the Quesnel Terrane and is underlain by lower Jurassic volcanic and sedimentary rocks of the Takla Group. Porphyry copper-gold mineralization at the BP and Rio Algom Zones is associated with a cluster of early Jurassic monzodiorite to syenite porphyry intrusions, dated at 188.5 Ma ± 2.5 Ma. The main BP Zone is defined by 4 km x 3 km halo of outer propylitic alteration surrounding a central 1.5 km x 1.5 km area of copper-gold mineralization, which is open to depth and potentially to the east across the north-south trending Valley Fault.

Chuchi has a long history of exploration by companies such as Noranda, BP, Rio Algom, Kiska Metals and AuRico, including 8,886 m of drilling in 48 holes, of which 39 holes have targeted the main BP Zone. An additional 27 holes were drilled in 1991, but the records for this drilling have been lost. Most of the drilling was shallow, less than 150 m in depth, with many of the drill holes ending in mineralization. Grades within the mineralized portion of the BP Zone range from 0.21% to 0.4% Cu and from 0.21 g/t to 0.44 g/t Au. Pacific Ridge believes that the core of the porphyry system has yet to be identified. The Project also contains other targets that could represent porphyry centres.

During the quarter, the Company completed a 720 line-km airborne ZTEM survey over the Chuchi claim block. The Company then carried out a two-week program of mapping and soil sampling over key areas of the Property as indicated by previous studies and the results of the ZTEM survey.

Onjo, British Columbia

On January 27, 2022, the Company entered into a property purchase agreement to acquire a 100% interest in the Onjo copper-gold porphyry project in north-central British Columbia. The Company paid $50,000 in cash and issued 750,000 common shares with a fair value of $0.35 per share or $262,500. The vendor retains a 2% NSR, with the Company having an option to purchase one quarter of the NSR at any time for USD $1,500,000. On February 22, 2022, the Company entered into a sale and purchase agreement to acquire a 100% interest in four internal claims at Onjo by paying $25,000 cash and issuing 250,000 common shares with a fair value of $0.265 per share or $66,250. With the acquisition of these internal claims, Pacific Ridge now owns 100% of the claims within the Onjo project boundary.

The 9,700 ha road accessible Onjo property lies in the 1,300 km long Quesnel Trough which hosts numerous alkalic porphyry copper-gold deposits from southern to northern B.C., and on the same magnetic trend that hosts the Mt Milligan, Chuchi and Kwanika porphyry discoveries.

The Onjo property hosts skarn and alkalic porphyry copper-gold mineralization associated with monzonitic phases of the Witch Lake intrusions cutting Takla volcanic rocks, similar to the mineralization and host rocks at the Mount Milligan Mine. The style of copper-gold mineralization returned in historical drilling, combined with the presence of nearby skarn occurrences, leads Pacific Ridge to believe that past operators at Onjo encountered the upper levels of an alkalic porphyry system. Based on the above exploration hypothesis, the Company believes that the Project has the potential to host an alkalic porphyry copper-gold deposit at depth.

During the quarter, the Company completed a 667 line-km airborne ZTEM survey over the Onjo claim block. The Company then carried out a ten-day program of mapping and soil sampling over key areas of the Property as indicated by previous studies and the results of the ZTEM survey.

Spius, British Columbia

On April 27, 2018, as amended on December 12, 2019, October 25, 2020, and December 27, 2021, the Company acquired an option to earn a 100% interest in the Spius Cu-Mo porphyry property by making payments of $110,000 ($50,000 paid), issuing 1,400,000 shares (400,000 issued) and completing $825,000 in exploration by December 31, 2022. The property is road accessible and located 40 km southwest of Merritt, British Columbia.

The Spius property was explored for its porphyry potential in the 1960's and early 1970's. Exploration focused on a gossan area where work included an IP survey, trenching and 27 percussion and core drill holes. The drilling was shallow, with none of the drill holes exceeding 100 m. Recent exploration has defined a central copper soil geochemical anomaly. Two float samples of porphyry style mineralization with disseminated chalcopyrite assayed 2.53% Cu and 1.43% Cu.

Due to the weak results from a four-hole drill program in 2019, the Company decided to impair the $71,000 carrying value for Spius.

On October 20, 2020, the Company entered into an Option Agreement with Arctic Fox Ventures Inc. whereby the Company granted Arctic Fox an option to acquire a 60% interest in Spius by making payments of $50,000, issuing 1,000,000 shares and spending $550,000 on exploration, originally by December 31, 2022. In consideration for an amendment dated September 27, 2022, which extended the final commitments of

Arctic Fox with the underlying owners of Spius to December 31, 2024, the Company received 33,334 common shares of Arctic Fox. With this agreement, Arctic Fox assumes all the Company's obligations under the original agreement with the underlying owners of Spius, including its amendments.

In June 2021, Arctic Fox completed a two-hole 457.4 m drill program at Spius. The first hole encountered porphyry style mineralization, averaging 0.114% Cu, 23.5 ppm Mo and 0.7 ppm Ag over 41.45 m from 35.85 m to the bottom of the hole, including a higher-grade copper zone: 0.886% Cu over 1.3 m (66.05 to 67.35 m). The second hole encountered porphyry style mineralization throughout its length, including 0.155% Cu, 71 ppm Mo and 0.8 ppm Ag over 15.2 m (341.25 to 356.45 m), with two intervals of higher-grade copper: 0.832% Cu over 0.65 m (257.5 to 258.4 m) and 0.658% Cu over 1.32 m (346.18 to 347.5 m). These higher-grade intervals occur within zones of quartz-sericite-pyrite veins with potassium feldspar altered selvages, with chalcopyrite and traces of molybdenite. Arctic Fox is evaluating these results to determine its future plans for the property.

Gap, British Columbia

The Gap project is a reconnaissance porphyry Cu-Au exploration program in central British Columbia. The Company is evaluating known properties and showings as well as examining regional geological, geophysical and geochemical databases for evidence of potential porphyry Cu-Au mineralization. The Orbison claims were staked as a part of the Gap project.

Mariposa, Yukon

The Company's 100% owned 295 km^2 Mariposa property is in the Yukon's White Gold District, 120 km southeast of Dawson City, 40 km southeast of White Gold's Golden Saddle deposit and 30 km east-northeast of Newmont's Coffee property. Prior exploration identified an open-ended 7 km long horizon of altered sulphide bearing quartz mica schist in the Skookum Zone area, in a setting favorable for hosting gold mineralization.

Since 2010, The Company has spent over $6 million exploring the Mariposa property, including geological mapping, soil geochemical surveys, geophysical surveys, trenching and drilling. Results are summarized on the Company's web site.

During the 2022 field season, the Company completed a program of re-sampling and reclamation of some historical trenches dating from 2012.

The plans for advancing Mariposa include seeking a potential farm-out for the property.

Eureka Dome, Yukon

The Company's 100% owned 32 km^2 Eureka Dome property is located 70 km southeast of Dawson City, within the Klondike-White Gold District. Placer mining activity in Eureka Creek dates to the 1896 gold rush, with estimated historical production from Eureka and Black Hills Creeks of greater than 140,000 oz. Au.

The plans for advancing Eureka Dome include seeking a potential farm-out for the property.

Gold Cap, Yukon

The 100% owned 1,100 ha Gold Cap property adjoins the northeast boundary of White Gold Corp's Golden Saddle property. The property was staked in 2009 based on an anomalous gold silt sample reported by the Geological Survey of Canada. In 2010, Pacific Ridge collected 1,766 soil samples and defined two anomalous gold zones.

The plans for advancing Gold Cap include seeking a potential farm-out for the property.

Fyre Lake, Yukon

The Company holds a 100% interest in the Fyre Lake copper-gold-cobalt massive sulphide project in the Yukon's Finlayson Lake District. The Company has spent approximately $6.0 million on diamond drilling that resulted in definition of a NI 43-101 compliant mineral resource estimated, at a 1.0% copper cut-off, to contain an indicated mineral resource of 3.6 million tonnes grading 1.57% copper, 0.10% cobalt and 0.61 grams gold per tonne and an inferred mineral resource of 5.4 million tonnes grading 1.5% copper, 0.08% cobalt and 0.53 grams gold per tonne. The resource remains open for expansion.

In December 2016, the Company announced that it had agreed to option a 100% interest in the project to BMC Minerals Ltd., as amended on December 19, 2018, and on April 10, 2020, whereby BMC has the right to acquire a 100% interest in Fyre Lake. The Company received a non-refundable deposit and initial option payment of $375,000 ($25,000 received in November 2016 and $350,000 received in January 2017), a second option payment of $300,000 in December 2017, and a third option payment of $1,200,000 on December 28, 2018. In addition, BMC has agreed to make a bonus payment of $1,000,000 if and when BMC's Kudz Ze Kayah property has reached commercial production for one year.

In April 2020, the Company renegotiated the terms of the final $1.22 million payment, which had been due upon BMC obtaining production financing for its Kudz Ze Kayah project, but in any event no later than December 31, 2020. As renegotiated, BMC paid $250,000 to Pacific Ridge in April 2020, and would pay $1.0 million within thirty days of BMC receiving the Type A Water License for the development of its proposed ABM Mine, but in any event no later than December 31, 2021. BMC would continue to pay $75,000 to Pacific Ridge every six months until the final tranche has been paid, with the June 30, 2022, payment received. In 2019 the Company received payments of $150,000, $400,000 in 2020 and $325,000 in 2021.

On December 29, 2021, the Company announced that it had agreed to amend payment terms to its agreement with BMC. As renegotiated, BMC paid $250,000 on December 24, 2021, to Pacific Ridge and will pay an additional $850,000 by December 31, 2022, or within 10 business days of BMC listing on an internationally recognized stock exchange, whichever comes first. BMC will continue to pay $75,000 to Pacific Ridge every six months until the final payment of $850,000 has been paid. The $75,000 payment that was due by June 30, 2022, has been received. All other terms and conditions of the agreement remain the same, including the bonus payment of $1,000,000 that is due if and when BMC's Kudz Ze Kayah property has reached commercial production for one year.

Summary of capitalized acquisition costs and exploration expenses:

The following acquisition-related costs are carried by the Company in its consolidated statement of financial position presented with its Financial Statements:

	Company-owned properties			On option from third parties				Total
	Mariposa YT	Onjo BC	Gap BC	Kliyul BC	Redton BC	RDP BC	Chuchi BC	
	$	$	$	$	$	$	$	$
Balance, December 31, 2020 and June 30, 2021	429,619	-	-	12,500	12,500	-	-	454,619
Option payments in cash	-	-	-	10,000	10,000	15,000	-	35,000
Option payments in shares	-	-	-	-	-	52,000	-	52,000
Staking costs	-	-	-	-	-	16,449	-	16,449
Balance, December 31, 2021	429,619	-	-	22,500	22,500	83,449	-	558,068
Option payments in cash	-	75,000	-	-	-	-	10,000	85,000
Other payments in cash	-	4,434	12,261	-	-	-	18,323	35,018
Option payments in shares	-	328,750	-	-	-	-	-	328,750
Balance, September 30, 2022	**429,619**	**408,184**	**12,261**	**22,500**	**22,500**	**83,449**	**28,323**	**1,006,836**

The following is a summary of exploration expenses incurred in each of the Company's projects, the total of which is presented with the Company's statement of loss and comprehensive loss presented with its Financial Statements:

Property	Province / Territory	Nine months ended September 2022	2021
		$	$
Kliyul	BC	**4,377,840**	1,146,221
Chuchi	BC	**262,751**	-
Onjo	BC	**222,346**	-
Redton	BC	**111,933**	33,306
RDP *	BC	**33,079**	59,379
Gap	BC	**12,331**	-
Mariposa	YT	**2,640**	3,797
Spius **	BC	**(4,261)**	18,434
General exploration not allocated to a specific property		**91,474**	44,907
Total exploration expenses incurred by the Company:		**5,110,133**	1,306,044
* Additional exploration in RDP financed by Antofagasta:		**1,610,769**	-
Total exploration expenses		**6,720,902**	1,306,044

* More information with respect to the Antofagasta agreement is provided under the RDP project description, above.

** The Spius amount reflects the receipt of 33,334 common shares of Arctic Fox Ventures valued at $4,333.

Financing Activities

- On September 22, 2022, the Company raised gross cash proceeds of $780,000 on closing of a non-brokered private placement. The Company issued 3,391,304 units at a price of $0.23 per unit. Each unit consisted of one common share and one half of a share purchase warrant. Each whole share purchase warrant entitles its owner to purchase one common share of the Company at a price of $0.35 per share for two years from the date of issuance. The proceeds are to be used for general working capital and for exploration activities. Share issuance costs in connection with this placement amounted to $6,586.

  The Company applied the residual value approach to allocate the proceeds received from the unit offering to their respective components (shares and warrants). Using this approach, the Company attributed no fair value to the warrant portion of the units issued to investors.

- On April 22, 2022, the Company closed a "best efforts" brokered private placement (the "Financing") with M Partners Inc. and Red Cloud Securities Inc., co-lead agents and joint book runners ("Agents"), and raised total gross cash proceeds of $7,431,200 through the issuance of 19,150,000 charity flow-through units ("CFT Units") at a price of $0.328 per CFT Unit and 5,000,000 common share units ("CS Units") at a price of $0.23 per CS Unit, including exercise in full of the Agent's 15% over-allotment option.

  The CFT Units issued in connection with the Financing consist of one flow-through common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). The CS Units issued in connection with the Financing consist of one non-flow-through common share of Pacific Ridge and one-half of one Warrant. Each Warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of $0.35 for a period of 24 months.

  The Company applied the residual value approach to allocate the proceeds received from the unit offering to their respective components (shares, flow-through premium liability, and warrants). Using this approach, the Company attributed no fair value to the flow-through premium liability and warrant portions of the units issued to investors

  In connection with the Financing, the Company paid the Agents an aggregate cash commission of $358,446 and issued the Agents an aggregate of 1,299,999 compensation warrants. Each compensation warrant is exercisable to purchase one common share of the Company at a price of $0.23 for a period of 24 months. All securities issued in connection with the Financing carry a legend restricting trading of the securities until August 22, 2022.

  The fair value of the 1,299,999 compensation warrants was calculated at $416,289 using the Black-Sholes option pricing model with the following parameters: expected volatility: 126.9%, risk-free interest rate 2.5% and expected life of two years.

  In addition, the Company reimbursed the Agents for legal fees and expenses amounting to $61,500. Other share issue costs incurred in connection with the preparation of agreements, transfer agent fees, filing fees, etc., amounted to $207,324.

- During the nine months ended September 30, 2022, the Company issued 1,354,500 common shares upon exercise of a similar number of share purchase warrants for cash proceeds of $239,540.

- During the same period, the Company issued 690,000 common shares upon exercise of a similar number of stock options for cash proceeds of $67,900.

- Total share issuance costs for the nine months ended September 30, 2022, amounted to $633,855 paid in cash (included amounts mentioned in note 6(a)(i) and 6(a)(ii)), and $416,289 attributed to the fair value of the Agent's warrants, which was charged to contributed surplus.

- See *Subsequent Events* at the end of this MD&A for details on the brokered private placement announced on November 17, 2022, expecting to raise aggregate gross proceeds of $11,485,000.

Results of Operations

Year-to-date:

A summary of comparative administrative and other expense is provided in the table below:

	Nine months ended September 30		
	2022	2021	Increase (decrease)
Administration expenses	**$**	$	$
Amortization of right-of-use asset	**27,652**	27,903	(251)
Depreciation	**3,532**	1,813	1,719
Finance lease interest	**1,108**	3,737	(2,629)
Insurance	**26,559**	20,160	6,399
Professional and consulting	**20,684**	94,737	(74,053)
Management and administrative	**264,940**	207,580	57,360
Office operations and facilities	**98,420**	30,466	67,954
Shareholder communications	**407,687**	225,497	182,190
Share-based payments	**791,402**	220,887	570,515
Transfer agent and regulatory fees	**51,934**	49,639	2,295
	1,693,918	882,419	811,499
Exploration-related expenses (income)			
Exploration and evaluation costs	**5,110,133**	1,306,044	3,804,089
Mining tax credit	**(267,372)**	(157,070)	(110,302)
Property option payments	**(125,000)**	(75,000)	(50,000)
	4,717,761	1,073,974	3,643,787
Other expenses (income)			
Interest received	**(31,229)**	(3,066)	(28,163)
Foreign exchange (gain) loss	**2,643**	3,151	(508)
	(28,586)	85	(28,671)
Net loss	**(6,383,093)**	(1,956,478)	(4,426,615)
Other comprehensive income (loss):			
Net change in fair value of marketable securities	**(8,800)**	10,300	(19,100)
Total comprehensive loss	**(6,391,893)**	(1,946,178)	(4,445,715)
Loss per share (basic and diluted)	**(0.09)**	(0.04)	
Weighted average number of shares outstanding basic and diluted	**70,784,938**	45,781,886	

Results of Operations (continued)

The Company has not yet determined whether any of its resource properties contain mineral reserves that are economically recoverable. All direct costs associated with the exploration of these properties have been expensed as incurred.

Administration expenses:

The first and third lines of the above table reflect the leasing costs of the Company's administration offices, with added space during 2021 to accommodate the Chief Executive Officer, and thus having a larger amortization during the current year, but lower finance lease interest as the end of the lease approaches. The second line relates to the depreciation of computing equipment, furniture and field equipment. The office lease expired on August 31, 2022, and no new lease has been entered into, thus paying the rental for the office on a month-to-month basis.

The increase in Insurance is due to more ample coverage upon renewal of its directors and officers' insurance as well as its commercial general liability insurance.

Professional and consulting were higher during the prior year's comparative period mainly due to legal fees incurred in the negotiation and preparation of contracts related to exploration and acquisition of properties.

Management and administrative expenses increased over the comparative period as compensation to executive officers was increased during Q2 2022.

Office operations also increased as a result of adding office services for supporting staff.

Shareholder communications had the greatest increase over the comparative period of the prior year due to activities related to raising the Company's profile with potential investors.

Share-based payments relate to the fair value of the stock options granted during the periods. This is a non-cash expense reflected in the contributed surplus line of the Company's statement of financial position. During Q2 2022, stock options were granted to directors, officers, employees and certain consultants, hence the larger amount as compared to the equivalent expense during the prior year.

The slightly larger transfer agent and regulatory fees during the current period relate to the acquisition of the Onjo and Chuchi properties, and also higher TSX Venture Exchange annual fees (paid in Q1 of each year) as a result of the Company having a larger market capitalization, and also to the fact that the Company is also listed in the OTC, causing additional listing maintenance fees during Q1 2022.

Exploration-related expenses

With the financing that took place during April 2022, the planning and initiation of exploration expenses for the current year included a much larger budget as compared with the same period in 2021. Please see the first sections of this MD&A, which describe in more detail the exploration activities carried out.

The Company received $267,372 corresponding to the British Columbia Mining and Exploration tax credit ("BCMETC") for work carried out during 2021. During the equivalent period of 2021, the Company received $157,070 of BCMETC corresponding to amounts expensed in qualifying exploration activities during 2019 and 2020.

Other income

With larger amounts of cash in the bank, the Company earned more interest than during the comparative period.

Most recent quarter:

	Three months ended September 30		
	2022	2021	Increase (decrease)
Administration expenses	$	$	$
Amortization of right-of-use asset	**6,913**	10,369	(3,456)
Depreciation	**1,278**	869	409
Finance lease interest	**94**	1,164	(1,070)
Professional and consulting	**7,773**	35,124	(27,351)
Management and administrative	**89,647**	74,216	15,431
Office operations and facilities	**24,310**	13,459	10,851
Shareholder communications	**160,952**	99,144	61,808
Share-based payments	**15,583**	165,610	(150,027)
Transfer agent and regulatory fees	**15,750**	23,366	(7,616)
	322,300	423,321	(101,021)
Exploration-related expenses (income)			
Exploration and evaluation costs	**4,451,027**	1,071,490	3,379,537
Mining tax credit	**(267,372)**	(80,801)	(186,571)
Property option payments	**(50,000)**	-	(50,000)
	4,133,655	990,689	3,142,966
Other expenses (income)			
Interest received	**(22,387)**	(1,174)	(21,213)
Foreign exchange (gain) loss	**400**	1,103	(703)
	(21,987)	(71)	(21,916)
Net loss	**(4,433,968)**	**(1,413,939)**	(3,020,029)
Other comprehensive income (loss):			
Net change in fair value of marketable securities	**(800)**	(2,400)	1,600
Total comprehensive loss	**(4,434,768)**	(1,416,339)	(3,018,429)
Loss per share (basic and diluted)	(0.05)	(0.03)	
Weighted average number of shares outstanding basic and diluted	**81,412,056**	53,815,319	

The discussion used for the year-to-date expenses (above) is applicable to expenses incurred during the most recent quarter. Significant shareholder communications expenses were incurred during Q3 2022 as compared to Q3 2021.

Summary of Quarterly Results

The following table sets forth a comparison of information for the previous eight quarters:

	Quarter ended (three-month figures) ($)			
	30-Sep 2022 (Q3)	30-Jun 2022 (Q2)	31-Mar 2022 (Q1)	31-Dec 2021 (Q4)
Revenues	**-**	-	-	-
General and administration	**(298,832)**	(314,457)	(259,578)	(255,989)
Lease amortization and interest	**(7,007)**	(10,741)	(11,012)	(11,276)
Depreciation of plant and equipment	**(1,278)**	(1,133)	(1,121)	(1,020)
Share-based payments	**(15,583)**	(764,478)	(11,341)	(12,621)
Exploration and evaluation costs	**(4,451,027)**	(482,722)	(176,384)	(1,030,513)
Interest received	**22,387**	8,539	303	300
Mining tax credit and government grants	**267,372**	-	-	-
Flow-through income tax recovery	**-**	-	-	213,855
Property option payments	**50,000**	75,000	-	250,000
Net loss for the period	**(4,433,968)**	(1,489,992)	(459,133)	(847,264)
Basic and diluted loss per share	**(0.05)**	(0.03)	(0.01)	(0.02)
Total assets	**4,166,355**	9,399,606	1,747,614	1,336,262
Total liabilities	**469,097**	2,055,401	598,077	252,047
Shareholders' equity	**3,697,258**	7,344,205	1,149,537	1,084,215
Cash dividends declared	**Nil**	Nil	Nil	Nil

	Quarter ended (three-month figures) ($)			
	30-Sep 2021 (Q3)	30-Jun 2021 (Q2)	31-Mar 2021 (Q1)	31-Dec 2020 (Q4)
Revenues	-	-	-	
General and administration	(246,412)	(186,261)	(198,557)	(72,243)
Lease amortization and interest	(11,533)	(11,785)	(8,322)	(8,704)
Depreciation of plant and equipment	(869)	(572)	(372)	(367)
Share-based payments	(165,610)	-	(55,277)	(24,956)
Exploration and evaluation costs	(1,071,490)	(143,205)	(91,349)	(243,282)
Interest received	1,174	1,316	576	372
Mining tax credit and government grants	80,801	-	76,269	-
Property option payment	-	-	-	75,000
Flow-through income tax recovery	-	75,000	-	19,554
Net income (loss) for the period	(1,413,939)	(265,507)	(277,032)	(254,626)
Basic income (loss) per share	(0.03)	(0.01)	(0.01)	(0.01)
Total assets	2,231,951	3,476,562	2,120,290	1,227,771
Total liabilities	355,660	382,742	354,751	152,446
Shareholders' equity	1,876,291	3,093,820	1,765,539	1,075,325
Cash dividends declared	Nil	Nil	Nil	Nil

Quarterly Results

- During Q3, 2022 the Company raised gross cash proceeds of $780,000 through a non-brokered private placement explained in the Financings section of this MD&A, above. Also during Q3, the cost of significantly increased exploration activities took place, reflecting a much larger exploration program than during Q3 of the prior year, with Q3 being a major part of the year's exploration season. During Q3 2022, the Company received $267,372 corresponding to BCMETC for qualifying expenses carried out during 2021. The reduction in total liabilities as compared to Q2 2022 reflects the application of funds received from Antofagasta during Q2 2022 for exploration on the RDP project.

- During Q2, 2022, the Company raised $7.4 million as described under *Financing Activities*, above, hence the substantial increase in total assets. The increase in total liabilities and in shareholders' equity is mostly due to the $2M received from Antofagasta for exploration of the Company's RDP property, of which $159,960 has been spent on the project, with the rest remaining a financial liability for the Company. The Company also granted stock options to directors, officers, employees and certain consultants, resulting in the non-cash share-based payments expense. The Company increased its exploration expenses during this quarter. The amount of interest received was also higher due to a larger amount of cash held in bank accounts after the aforementioned private placement.

- During Q1, 2022, the Company finished compiling its data from the 2021 drilling program at its Kliyul property, but with significantly less expenses than during the more active Q4, 2021. The efforts of the Company during Q1, 2022, were also directed to the financing transaction that closed during April 2022, as indicated above under *Financing Activities*.

- During Q4, 2021, the Company still incurred significant exploration activities at its Kliyul property. The Company also received $250,000 from BMC with respect to the Company's Fyre Lake property, as described before. Some previously granted stock options vested during the quarter and hence the corresponding share-based payment was incurred. In addition, as explained in the previous section, the flow-through liability that had been set up in connection with the March 2021 private placement was derecognized as a flow-through tax recovery during this quarter.

- Q3 2021 reflects that the majority of the 2021 exploration program, which includes the Kliyul drilling campaign, took place during this quarter. The Company also received the BCMETC tax credit corresponding to fiscal year 2020, and there was a significant non-cash share-based payment due to stock options granted during this quarter.

- During Q2, 2021, the company raised an additional $1,500,000 through a non-broker and non-flow-through private placement of units, as described in the initial section of this MD&A. This resulted in a substantial increase in the total assets of the Company.

- During Q1 2021 the company raised $1,136,000 through a non-brokered flow-through private placement; hence the increase in total assets from Q4 2020. Also, as discussed in the section immediately above, administration expenses were increased with the addition of a new chief executive officer and some adjustment to compensation of other officers of the Company, as well as the increase in insurance expenses, as previously discussed. Also during this quarter, the Company received the BCMETC amount for 2019, also contributing to the increase in assets of the Company. A grant of stock options also took place during the quarter, after the closing of the aforementioned financing. The quarter's net loss, however, is consistent with that of Q4 2020.

- During Q4 2020 the Company concluded the year's exploration programs in Kliyul and Redton, at which time many of the related costs were incurred. A grant of stock options also took place during this quarter, resulting in the share-based payments figure. During the quarter the Company received an additional $75,000 from BMC related to the Fyre Lake property. Also during Q4 2020 the Company incurred all of the amounts raised in the flow-through private placement in qualifying exploration expenses, and thus it de-recognized a flow-through premium liability of $19,554 as flow-through tax recovery.

Liquidity, Working Capital, and Capital Resources

The Company's liquidity and working capital figures are as follows:

	September 30, 2022	December 31, 2021
	$	$
Cash	**2,020,628**	549,391
Other receivable	**233,510**	31,012
Marketable securities	**49,533**	54,000
Liquidity:	**2,303,671**	634,403
Prepaid	**781,446**	83,792
Trade payables and accrued liabilities	**(79,866)**	(222,795)
Committed to RDP	**(389,231)**	-
Office lease liability - current portion	**-**	(29,252)
Working capital:	**2,616,020**	466,148

The Company is dependent on raising funds through the issuance of shares or disposition of interests in resource properties in order to finance further acquisitions, undertake exploration and meet general and administrative expenses. As at November 18, 2022, the Company has cash on hand of approximately $1,892,000 and working capital of approximately $1,961,000.

The Company believes it has sufficient cash to sustain its operations for at least the next 12 months. The longer-term ability of the Company to continue its business is dependent on the continuing success of its exploration programs coupled with available funding through sale of its share capital, funding from option/joint venture parties or disposition of property interests.

Transactions with related parties:

The following transactions with related parties took place:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	**2022**	2021
	$	$	**$**	$
Management fees paid to a Company controlled by the Executive Chairman of the Company, and salary paid to him *	**26,400**	24,000	**76,000**	72,000
Salary paid to the CEO of the Company	**52,290**	49,800	**153,550**	111,925
Management fees paid to a company controlled by the CFO of the Company	**18,000**	15,000	**50,000**	41,000
Share-based payments recorded for stock options granted to directors and officers of the Company (non-cash expense)	**493,323**	100,132	**493,323**	154,402
	590,013	188,932	**772,873**	379,327

* A percentage of the Executive Chairman's compensation is charged to exploration and evaluation expenses

Management is of the opinion that these transactions have occurred in the normal course of operations.

Outstanding Share Data

	Date of this MD&A	September 30, 2022	December 31, 2021
Common shares issued and outstanding	**84,718,790**	84,675,312	54,089,508
Share purchase warrants outstanding	**22,027,174**	22,070,652	9,850,002
Finders' warrants outstanding	**1,299,000**	1,299,000	16,500
Stock options outstanding	**7,000,000**	7,000,000	4,840,000
Fully diluted capital:	**115,044,964**	115,044,964	68,796,010

As at September 30, 2022, and as at the date of this MD&A the following share purchase warrants were outstanding and exercisable:

Issue date	Type of warrants	Expiry date	Exercise price	Warrants outstanding
			$	#
March 8, 2021	Investor warrants	March 8, 2023	0.15	4,000,000
June 1, 2021	Investor warrants	June 3, 2023	0.23	4,300,002
April 22, 2022	Investor warrants	April 21, 2024	0.35	12,074,998
April 22, 2022	Agents' warrants	April 21, 2024	0.23	1,299,000
September 22, 2022	Investor warrants	September 22, 2024	0.35	1,695,652
			0.29	23,369,652

The following stock options were exercisable:

Expiry date	Exercise price	**Date of MD&A**	September 30, 2022	December 31, 2021
	$	#	#	#
June 16, 2022	0.060	**-**	-	340,000
July 21, 2022	0.050	**-**	-	200,000
January 12, 2023	0.060	**200,000**	200,000	200,000
November 1, 2023	0.065	**200,000**	200,000	200,000
January 4, 2024	0.050	**900,000**	900,000	900,000
March 16, 2025	0.050	**750,000**	750,000	750,000
October 22, 2025	0.075	**350,000**	350,000	350,000
March 9, 2026	0.105	**850,000**	850,000	800,000
July 15, 2026	0.250	**900,000**	900,000	900,000
May 12, 2027	0.360	**2,450,000**	2,400,000	-
June 14, 2027	0.360	**300,000**	300,000	-
	0.208	**6,900,000**	6,850,000	4,640,000

As at September 30, 2022, an aggregate of 150,000 stock options had not yet vested and were not exercisable. As at the date of this MD&A, 100,000 stock options had not yet vested and were not exercisable.

Off-Balance Sheet Arrangements

None

Proposed Transactions

There are no proposed transactions as of the date of this MD&A.

Changes in Accounting Policies

There were no changes in accounting policies during the nine months ended September 30, 2022. For the current set of accounting policies, please refer to note 2 to the annual audited consolidated financial statements for the year ended December 31, 2021.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed consolidated interim financial statements for the nine months ended September 30, 2022 and 2021, and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

Financial Instruments

The Company has classified cash, other receivables, and trade payable and accrued liabilities at amortized cost; marketable securities as FVTOCI, and warrants as FVTPL.

Fair values

As at September 30, 2022, the recorded amounts for cash, other receivables and trade payable and accrued liabilities approximate their fair values due to their short maturity. The Company's marketable securities and warrants are measured at fair value on a recurring basis. These financial instruments are grouped into Level 1 to 3 based on the degree to which the significant inputs used to determine the fair value are observable. Marketable securities are classified within level 1 of the fair value hierarchy as their fair value measurement is derived from quoted prices in active markets for identical assets. Warrants are classified within level 2 of the fair value hierarchy as their fair value measurement is derived from inputs other than quoted prices included within level 1, that are observable either directly or indirectly. No financial instruments were considered level 3, which are fair value measurements derived from valuation techniques that include significant inputs that are not based on observable market data.

Interest rate risk

The Company's cash held in financial institutions earns interest at variable interest rates. During 2022, interest rates have been on the rise and the Company has received higher interest on its deposits than in 2021. However, due to the short-term nature of these financial instruments, fluctuations in market rates do not have a material impact on the expected cash flows.

Credit risk

The Company has its cash deposited with large, federally insured, commercial financial institutions, and therefore exposed to minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities and through the management of its capital structure. At September 30, 2022, the Company had cash of $2,020,628 (December 31, 2021- $549,391), trade payable and accrued liabilities of $79,866 (December 31, 2021 - $222,795), and a nil lease liability (December 31, 2021 - $29,252).

Currency risk

At September 30, 2022, the Company kept less than 1% of its cash in US dollars. A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's working capital by an immaterial amount (December 31, 2021 - $1,000).

Price risk

The Company is exposed to price risk on its marketable securities and warrants due to fluctuations in the current market prices and fluctuations in trading volumes of those securities. At September 30, 2022, the Company held marketable securities with a fair value of $49,533 (December 31, 2021 - $54,000). These investments are subject to market price fluctuations that can be significant.

Critical Accounting Estimates

The Company makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results. The following are the areas of estimate and judgment applied by management that most significantly affects the Company's financial statements. These estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Resource properties: The carrying value of the Company's mineral properties is reviewed by management quarterly, or whenever events or circumstances indicate that their carrying amounts may not be recovered. Management considers potential impairment indicators including, but not limited to, changes in commodity prices, plans for the properties and the results of exploration to date.

Risk Factors

Please refer to the annual MD&A for the year ended December 31, 2021, which was filed on SEDAR on April 28, 2022.

Legal Proceedings

As at September 30, 2022, and at the date of this document, there were no legal proceedings against or by the Company.

Subsequent events

a) Exercise of warrants

Subsequent to September 30, 2022, the Company received cash proceeds of $15,217 on exercise of 43,478 share purchase warrants with an exercise price of $0.35 per share.

b) Private placement announced

On November 17, 2022, the Company announced that it had entered into an agreement with Sprott Capital Partners LP as lead agent on behalf of a syndicate of one or more additional agents (referred to collectively as the "Agents"), in connection with a "best efforts" private placement financing of (i) 8,900,000 units of the Company (the "Units") at a price of $0.28 per Unit, (ii) 6,250,000 units of the Company issued on a flow-through basis (the "FT Units") at a price of $0.32 per FT Unit, and (iii) 16,650,000 units of the Company issued on a charity flow-through basis (the "Charity FT Units") at a price of $0.42 per Charity FT Unit, and together with the Units and FT Units, (the "Offered Securities") for aggregate gross proceeds of $11,485,000 (the "Offering").

Each Unit will be comprised of one common share of the Company (a "Common Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each FT Unit and Charity FT Unit will be comprised of one Common Share, each to be issued as a "flow-through share" under the Income Tax Act (Canada), and one-half of one Warrant. The Common Shares acquired upon exercise of the Warrant comprising part of the Charity FT Unit and FT Unit will not qualify as a flow-though share. Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of $0.40 for a period of 2.0 years (24 months) from the date of issuance.

In addition, the Company shall grant the Agents an over-allotment option (the "Over-Allotment Option"), exercisable in whole or in part at any time and from time to time, up to and including the date which is three business days prior to the closing of the Offering, in the sole discretion of the Agents, to purchase from the treasury of the Company up to an additional number of Offered Securities as is equal to 15% of the number of the Offered Securities issued pursuant to the Offering, on the same terms as set forth above, to cover over-allotments, if any.

The net proceeds from the sale of the Units will be used for general and administrative expenses and the gross proceeds from the sale of the FT Units and Charity FT Units will be used to incur eligible expenses ("Qualifying Expenses") that are "Canadian exploration expenses", within the meaning of subsection 66.1(6) of the Income Tax Act (Canada), which will also qualify as "flow-through mining expenditures", within the meaning of s. 127(9) of the Income Tax Act (Canada).

The Offering is expected to close on or about December 15, 2022, or such other date as agreed between the Company and the Agents, and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange.

* * * * *