

May 24, 2023

Report to Shareholders

Dear Shareholder:

2022 was Pacific Ridge's busiest year ever. We raised over \$8.0M, enabling us to complete a 7,000 m drill program at our flagship Kliyul copper-gold porphyry project, the largest ever drill program at Kliyul. Further, we farmed out our RDP copper-gold porphyry project to the Chilean mining company Antofagasta Minerals S.A., who completed the first drill program at RDP since 2011.

Success in mineral exploration is built on teamwork. In June 2022, we announced the hiring of Paul Jago, M.Sc., P.Geo. as Chief Geologist, joining Danette Schwab, VP of Exploration, and Alejandra Flores, Project Geologist. Paul has spent many years studying and exploring for copper-gold porphyry deposits, most recently as Exploration Manager Generative – North America for Centerra Gold Inc. Our technical team is supported by a highly engaged Technical Committee chaired by Borden Putnam III, P.Geo., M.Sc., and includes Craig Hart, Ph.D., Jim Logan, M.Sc., P.Geo., Dan Core, Ph.D., and board members Bruce Youngman and Gary Baschuk. Blaine Monaghan, President and CEO, and Dr. Gerry Carlson, Executive Chairman, are extremely confident that they have assembled the right team to execute our vision of becoming B.C.'s leading copper-gold exploration company.

Kliyul

In 2021, we announced the longest and highest-grade intersections ever recorded at Kliyul including 437.0 m with an average grade 0.61% CuEq*, or 0.96 gpt AuEq** (0.22% Cu and 0.60 g/t Au). During the 2022 field season, we drilled 7,015 m in 12 holes at Kliyul and continued to return exciting drill results, including 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) in drill hole KLI-22-041 and 328.0 m of 0.67% CuEq* (0.25% copper, 0.57 g/t gold, and 1.25 g/t silver) in hole KLI-22-050. Drilling increased the size of the mineralized body at Kliyul from 350 m by 150 m by 500 m deep to 600 m by 350 m by 600 m. Kliyul remains open for expansion.

In May 2023, we announced that we had reached an agreement with Aurico Metals Inc. to acquire a 100% interest in Kliyul by issuing 16,996,099 shares to Aurico, making Aurico our largest single shareholder. This acquisition makes Kliyul and Pacific Ridge much more attractive to investors. Plans for 2023 at Kliyul call for a minimum of 7,000 m of drilling, with the focus on expanding the Kliyul Main Zone and testing several other high priority targets.

RDP

Antofagasta funded a six-hole drill program, totaling 1,861 m, at RDP. Hole RDP-22-005 returned 497.2 m of 0.66% CuEq* or 0.96 g/t AuEq** (0.37% copper, 0.40 g/t gold, and 1.6 g/t silver) demonstrating the potential for a significant copper-gold porphyry deposit at RDP's Day Zone. Antofagasta will be funding another drill program in 2023 to follow up on this discovery.

Other Projects

In early 2022, we acquired a 100% interest in the Onjo copper-gold porphyry project, located 10 km west of Centerra Gold Inc.'s Mount Milligan mine. During the 2022 field season, we completed an airborne ZTEM geophysical survey, followed by a surface mapping and sampling program. This work identified three porphyry Cu-Au targets for future drill testing.

We then announced an agreement to acquire up to a 75% interest in the Chuchi Cu-Au porphyry project from Centerra Gold Inc., located just north of Onjo. Chuchi hosts a large, well mineralized copper-gold porphyry system, where many of the historical drill holes bottomed in mineralization. In 2022, we completed an airborne ZTEM survey over Chuchi followed by geological mapping and geochemical sampling. Up to 2,000 m of drilling is planned for 2023. Early in 2023, we announced an agreement to acquire up to a 75% interest in the contiguous Chuchi South project and Chuchi West project, almost tripling the size of the project.

With these new acquisitions complementing the new discoveries at Kliyul and RDP, Pacific Ridge is one step closer to achieving its goal of becoming B.C.'s leading copper-gold exploration company.

Later in 2022, we raised an additional \$6 million in a bought deal financing, securing the capital to fund our 2023 exploration program. Complementing this, we received a \$500,000 payment from BMC Minerals Ltd. to complete BMC's acquisition of the Fyre Lake project, Yukon, and a further \$400,000 from the exercise of warrants.

We continue to strengthen our ties with local First Nations, not only through our exploration agreements, but also through numerous consultations and hiring local employees for field work and contractors for services. Pacific Ridge would like to acknowledge that its B.C. projects are in the traditional, ancestral and unceded territories of the Gitksan Nation, McLeod Lake Indian Band, Nak'azdli Whut'en, Takla Nation, and Tsay Keh Dene Nation.

On behalf of the Board of Directors, I wish to thank you for your continued loyal support of Pacific Ridge. With a strong treasury, a committed management team and board, and a robust portfolio of copper-gold projects in B.C., we are poised and ready for another exciting and successful exploration season.

Yours very truly,

Gerald G. (Gerry) Carlson
Executive Chairman

*CuEq = ((Cu%) x \$Cu x 22.0462) + (Au(g/t) x \$Au x 0.032151) + (Ag(g/t) x \$Ag X 0.032151) / (\$Cu x 22.0462)

**AuEq = ((Cu%) x \$Cu x 22.0462) + (Au(g/t) x \$Au x 0.032151) + (Ag(g/t) x \$Ag X 0.032151) / (\$Au x 0.032151)

Commodity prices: \$Cu = US\$3.50/lb, \$Au = US\$1,650/oz., and Ag = US\$18.00/oz.

Factors: 22.0462 = Cu% to lbs per tonne, 0.032151 = Au g/t to troy oz per tonne, and 0.032151 = Ag g/t to troy oz per tonne.

Recovery is assumed to be 100% - there has been no metallurgical testing on RDP mineralization

The technical information contained herein has been reviewed and approved by Gerald Carlson, Ph.D., P.Eng., Executive Chairman of Pacific Ridge Exploration Ltd., and Qualified Person as defined by National Instrument 43-101.

Forward-Looking Information: This document includes certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical facts, that address exploration drilling and other activities and events or developments that Pacific Ridge Exploration Ltd. ("Pacific Ridge") expects to occur, are forward-looking statements. Forward-looking statements in this document include statements regarding the placements and future exploration plans and expenditures. Although Pacific Ridge believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, and continued availability of capital and financing and general economic, market or business conditions. These statements are based on a number of assumptions including, among other things, assumptions regarding general business and economic conditions, the timing and receipt of regulatory and governmental approvals for the transactions described herein, the ability of Pacific Ridge and other parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for Pacific Ridge's proposed transactions and programs on reasonable terms, and the ability of third party service providers to deliver services in a timely manner. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Pacific Ridge does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.