PACIFIC RIDGE EXPLORATION LTD.
(The "Company")

Interim Financial Statements
(An Exploration Stage Company)

For the Three Months Ended March 31, 2008
(Unaudited and Expressed in Canadian Dollars)

Notice of No Audit Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Pacific Ridge Exploration Ltd.

(an exploration stage company)

Balance Sheets

(Unaudited and expressed in Canadian dollars)

	Unaudited March 31, 2008 $	Audited December 31, 2007 $
Assets		
Current Assets		
Cash and and cash equivalents	1,210,801	1,603,543
Accounts receivable	267,046	255,337
Prepaid expenses	8,000	-
	1,485,847	1,858,880
Property, plant and equipment	19,813	21,420
Resource assets (note 3)	6,857,454	6,729,904
	8,363,114	8,610,204
Liabilities		
Current liabilities		
Accounts payable and accrued liabilites	62,542	50,926
Due to related parties (note 5)	2,200	143,684
	64,742	194,610
Shareholders' Equity		
Capital stock (note 4)	32,352,649	33,136,019
Contributed surplus	2,172,068	2,112,830
Deficit	(26,226,345)	(26,833,255)
	8,298,372	8,415,594
	8,363,114	8,610,204

Approved on behalf of the
Board of Directors:

"John S. Brock"	"C. Douglas Proctor"
John S. Brock	C. Douglas Proctor

The accompanying notes are an integral part of the financial statements

Pacific Ridge Exploration Ltd.
(an exploration stage company)
Statements of Operations and Deficit
(Unaudited and expressed in Canadian dollars)

	Three months ended March 31, 2008	2007
	$	$
Administration expenses		
Consulting	12,520	-
Depreciation	-	2,295
Insurance	20,385	100
Legal and audit	28,247	477
Management and administrative services	14,175	15,550
Office operations and facilities	44,380	13,302
Shareholder communications	1,087	26,242
Stock-based compensation	51,842	114,708
Transfer agent and regulatory fees	7,377	9,002
Operating expenses	180,013	181,675
Other income (expenses)		
Interest	9,718	10,909
Exploration costs	(6,165)	(478)
Write-off of exploration expenditures	-	(12)
	3,553	10,419
Loss before income taxes	(176,460)	(171,256)
Future income tax recovery (note 6)	783,370	505,700
Income for the period	606,910	334,444
Deficit - beginning of period	(26,833,255)	(26,655,511)
Deficit - end of period	(26,226,345)	(26,321,067)
Basic and diluted income per common share	$ 0.01	$ 0.01
Weighted average number of common shares	77,740,939	60,787,606

The accompanying notes are an integral part of the financial statements

Pacific Ridge Exploration Ltd.
(an exploration stage company)
Statements of Deferred Exploration and Mineral Property Expenditures
(Unaudited and expressed in Canadian dollars)

	For the three months ended March 31, 2008	2007
	$	$
Deferred exploration and mineral property expenditures		
Accomodation	9,027	9,628
Assays and geochemical analysis	766	273
Consulting	54,311	10,011
Derpeciation	1,607	-
Engineering and metallurgical	185	-
Environmental and permitting	23,616	1,307
Expediting	-	269
Field supplies	-	145
Maps, printing and drafting	64	6,366
Project management fees	-	6,494
Property acquisition and maintenance costs	29,992	41,716
Salary and wages	-	46,122
Stock-based compensation	7,396	20,212
Transportation	6,751	7,057
	133,715	149,600
Balance - beginning of period	6,729,904	2,265,124
Less:		
General exploration expenditures	6,165	478
Write-off of exploration expenditures	-	12
	6,165	490
Balance - end of period	6,857,454	2,414,234

The accompanying notes are an integral part of the financial statements

Pacific Ridge Exploration Ltd.
(an exploration stage company)
Statements of Cash Flows
(Unaudited and expressed in Canadian dollars)

	For the three months ended March 31, 2008 $	2007 $
Cash flows used in operating activities		
Income for the period	606,910	334,444
Items not affecting cash		
Depreciation	-	2,295
Future income tax recovery	(783,370)	(505,700)
Stock-based compensation	51,842	114,708
Write-off of exploration expenditures	-	12
	(124,618)	(54,241)
Changes in non-cash working capital items	(129,785)	(23,724)
	(254,404)	(77,966)
Cash flows used in investing activities		
Property acquisition and maintenance costs	-	(28)
Deferred exploration expenditures	(138,338)	(71,405)
	(138,338)	(71,433)
Cash flows from financing activities		
Issue of capital stock	-	91,700
	-	91,700
Increase (decrease) in cash and cash equivalents	(392,742)	(57,699)
Cash and cash equivalents - beginning of period	1,603,543	1,837,786
Cash and cash equivalents - end of period	1,210,801	1,780,087
Supplemental cash flow information		
Issuance of shares for mineral properties	-	30,000
Issuance of warrants for mineral properties	-	11,668

The accompanying notes are an integral part of the financial statements

1. Nature of Operations

Pacific Ridge Exploration Ltd. (the "Company") is in the business of acquiring, exploring and developing mineral properties. The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. All of the Company's mineral property interests are currently located in Canada. The recoverability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties.

As at March 31, 2008, the Company had working capital of $1,421,105 ($1,664,270 - December 31, 2007; $1,729,423 – March 31, 2007). Management of the Company believes that it has sufficient funds to pay its ongoing administrative expenses and to meet its liabilities for the ensuring year as they fall due.

The Company's ability to continue its operations is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. In order to continue developing the Company's mineral properties, management is actively pursuing such additional sources of financing.

2. Summary of Significant Accounting Policy Changes

The accompanying unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a basis consistent with those outlined in the Company's audited financial statements for the year ended December 31, 2007 except as described below. These notes do not include all of the information and disclosures required by Canadian generally accepted accounting principles ("Canadian GAAP") for audited financial statements. These interim financial statements should be read in conjunction with the most recent annual audited financial statements of the Company.

The CICA has issued two new standards that may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning January 1, 2008.

Section 3862 describes the required disclosures related to the significance of financial instruments on the Company's financial position and performance and the nature and extent of risks arising for financial instruments to which the Company is exposed and how the entity manages those risks. The company adopted the requirements of this standard effective January 1, 2008.

(Unaudited and expressed in Canadian dollars)

2. Summary of Significant Accounting Policy Changes (Continued)

Section 1535 establishes standards for disclosing information about a company's capital and how it is managed to enable users of financial statements to evaluate the company's objectives, policies and procedures for managing capital. The Company adopted the requirements of this standard effective January 1, 2008.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transaction date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Resource assets

	Mineral property acquisition expenditures ($)	Deferred exploration expenditures ($)	March 31, 2008 Total ($)
Fyre Lake	1	-	1
Spectrum	1	-	1
Baker Uranium	510,293	6,328,101	6,838,394
	510,295	6,328,101	6,838,396
Reclamation deposits			19,058
			6,857,454

(Unaudited and expressed in Canadian dollars)

3. Resource assets (Continued)

	Mineral property acquisition expenditures ($)	Deferred exploration expenditures ($)	December 31, 2007 Total ($)
Fyre Lake	1	-	1
Spectrum	1	-	1
Baker Uranium	510,293	6,200,551	6,710,844
	510,295	6,200,551	6,710,846
Reclamation deposits			19,058
			6,729,904

4. Capital stock

1) Common share: unlimited common shares without par value.

   As of March 31, 2008, 77,740,939 common shares were issued and outstanding (December 31, 2007: 77,740,939).

2) Stock options

   As at March 31, 2008, common shares under option are as follows:

Number of shares outstanding	Number of shares exerciseable	Exercise price $	Expiry date
200,000	150,000	0.26	March 28, 2009
200,000	100,000	0.30	April 10, 2009
1,900,000	1,900,000	0.11	September 17, 2009
800,000	800,000	0.32	March 23, 2011
1,050,000	525,000	0.26	March 28, 2012
4,150,000	3,475,000	0.18	

(Unaudited and expressed in Canadian dollars)

4. Capital stock (Continued)

2) Stock options (Continued)

The Company has a stock option plan (the "Plan") authorizing the granting of stock options to qualified optionees to purchase up to a total of up to 10% of the then issued and outstanding common shares of the Company. Under the terms of the Plan, the options are subject to vesting provisions, and the term of stock options granted may not exceed five years from the date of grant. The Company applies the fair value method of accounting for stock options and, accordingly, the fair value of stock options of $51,842 (2007 - $114,708) has been included in administrative expenses and $7,396 (2007 - $20,212) in exploration and mineral property expenses.

The fair value of options granted was estimated at the grant date based on the Black-Scholes option-pricing model, using the following assumptions:

	2007 (1)
Risk-free interest rate	4.25%
Expected share price volatility	98% to 132%
Expected option life in years	2-5 years
Expected dividend yield	Nil

(1) No stock options were granted during the period January 1 to March 31, 2008

3) Warrants

Warrants outstanding are as follows:

Number of warrants	Number of shares issuable on exercise of warrants	Weighted average exercise price $	Expiry date
200,000	200,000	0.24	August 1, 2008
2,985,000	2,985,000	0.40	December 22, 2008
778,050	778,050	0.35	December 22, 2008
515,000	515,000	0.40	December 26, 2008
4,478,050	4,478,050	0.38	

5. Related party transactions

The Company had the following related party transactions during the three months ended March 31, 2008:

a. $5,400 (2007 - $Nil) paid to a consulting firm of which a director and officer is the principal for administration and management services. In connection with these services, $2,200 was due by the Company at March 31, 2008.

b. $15,340 (2007 - $Nil) paid to a company of which an officer is the principal for professional geological services.

6. Future income tax

Under the provisions of CICA EIC 46, in respect of flow-through shares, a future income tax liability must be recognized, and shareholders' equity reduced, on the date that the Company renounces the tax credits associated with flow-through expenditures, provided that there is reasonable assurance that the expenditures will be made. As the Company has unrecognized future tax assets and the taxable temporary differences relating to the flow-through shares are expected to reverse during the loss carryforward period, there tax assets can be applied against the future taxable temporary difference. The recognition of the benefits resulted in a future income tax recovery of $783,370 (2007 - $505,700).

7. Subsequent event

In May 2008, the Company acquired a major phosphate exploration project (the "Phosphate Project") in eastern central British Columbia. The Phosphate Project consists of a 100 percent interest in two staked groups encompassing 119 mineral claims covering a cumulative 100 kilometer-length (approximately 500 square kilometers) of favorable geology for the hosting of phosphate deposits.