Pacific Ridge Exploration Ltd.
Management's Discussion and Analysis
For the Nine Months Ended September 30, 2008

This MD&A, dated November 18, 2008, focuses upon the activities, results of operations, and liquidity, financial condition and capital resources of the Company for the period January 1, 2008 to September 30, 2008. To better understand this MD&A, it should be read in conjunction with the unaudited financial statements and notes thereto for the nine months ended September 30, 2008, as well as the audited financial statements and notes thereto and the MD&A for the year ended December 31, 2007. Unless otherwise indicated, all amounts in this MD&A are in Canadian dollars. Any reference in this document to "properties" means any mineral resources properties in which the Company has or in the future may earn an interest.

Forward Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements". Although the Company 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 in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Readers should be aware that historical results are not necessarily indicative of future performance; actual results will vary from estimates and variances may be significant.

Additional Information

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com. Information is also available through the Company's website www.pacificridgeexploration.com

Mr. Wayne J. Roberts, P.Geo, Vice-President, Exploration of the Company, a Qualified Person, has reviewed and compiled the mineral projects technical information presented in this document.

Overall Performance

The Company is in the business of acquiring, exploring and developing mineral properties. All of the Company's mineral property interests are currently located in Canada. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX-Venture Exchange under the symbol PEX.

The Company has not yet determined whether any of its exploration properties contain reserves that are economically recoverable. All direct costs associated with the exploration of these properties are capitalized as incurred. If a property is abandoned, or continued exploration is not practicable or is not planned to be carried out in the near future, the related deferred exploration expenditures and mineral property costs may be written off or written down as appropriate.

On July 9, 2008, the Company announced a proposed non-brokered private placement of up to 2,000,000 flow-through shares at a price of $0.20 per share. On August 8, 2008, the Company closed the first tranche of the non-brokered private placement on receipt of gross proceed of $205,000 and issued 1,025,000 flow-through shares. Finders' fees totaling $3,900 are payable in respect of the first tranche closing, and the shares issued are subject to hold periods expiring December 9, 2008. On September 25, 2008 the Company closed the second tranche of the non-brokered private placement of flow-through shares on receipt of gross proceeds of $165,000 and issued 825,000 flow-through shares priced at $0.20 per share. The shares issued a subject to hold periods expiring January 26, 2009. No finders fees are payable.

In September 2008, the Company concluded an agreement with Kivalliq Energy whereby the Company accelerated the final 2.0 million shares of its capital to Kivalliq for value of $240,000 and thereby earning a 100% interest in the Baker Basin Uranium project, Kivalliq will now have the option to back in to a 20-per-cent working interest when a prefeasibility study is produced (previously a positive feasibility study) in respect of the project.

Jeannine Webb resigned her position as Corporate Secretary and on August 18, 2008 Arie Page, LLB was appointed as Corporate Secretary of the Company.

Mineral Projects

Exploration and Mineral Property Expenditures from January 1 to September 30, 2008:

	Baker Lake	Phosphate	Tumbler Ridge	Wapiti	Fyre Lake	General	Total
Accommodation	17,770	586	14,706	-	-	-	33,061
Assays & Geochemical Analysis	766	-	838	-	-	-	1,604
Consulting	144,418	21,910	49,017	-	350	11,514	227,209
Depreciation	4,819	-		-	-	-	4,819
Expediting	-	-	2,536	-	-	-	2,536
Environmental & Mine Permit	27,454	-			-	-	27,454
Field supplies	185	175	24,712	-		-	25,072
Maps, Printing & Drafting	128	-			-	-	128
Mineral Property Expenditures	271,449	56,000	20,024	18,000	735	-	366,208
Project management	-	-	48,788	1,300		200	50,288
Salaries & Wages	10,802	127,285	200	-	-	-	138,287
Stock-Based Compensation	12,354	-			-	-	12,354
Transportation	7,164	3,391	113,857		-	-	124,412
Total	497,309	209,347	274,677	19,300	1,085	11,714	1,013,432

During the period, the Company expended $1,013,432 (2007: $3,457,360) in exploration costs on mineral properties, primarily on the Baker Lake Uranium Project, including $11,714 on general exploration costs incurred while conducting regional exploration work (2007: $1,621). Exploration expenditures in 2008 are lower than in 2007 as a result of reduced activity at the Baker Lake Uranium Project.

Baker Basin Uranium Project

The Baker Basin Uranium Project located in southwestern Nunavut covers approximately 97,000 hectares of land prospective for uranium occurrences along a 60 kilometre length of the southern boundary of the Baker Lake basin. The mineral tenure includes 97 staked claims. The host Baker Lake basin is one of four Canadian proterozoic basins that are attractive depositional environments for large uranium deposits.

Under the Terms of an amended agreement with Kaminak Gold Corporation, who have subsequently assigned their interest to Kivalliq Energy Corp., the Company has earned a 100% interest in the Baker Basin Project subject to back-in rights by Kivalliq Energy to earn up to 20% interest upon completion of a positive feasibility study. Underlying interests are held by Hunter Exploration Group as to a 2% NSR interest, as well as by Shear Minerals Ltd/Stornoway Diamond Corporation who collectively hold an 8.5% Net Profits Interest. The Company's ownership of the Baker Basin Project pertains to all commodities other than diamonds.

During the first quarter of 2008, the Company converted selected portions of four prospecting permits to mineral claims bringing the total mineral claims within the Baker Basin Project to 97. The Company has filed all assessment credit from the 2007 drilling program to maintain the claims in good standing. No field work was conducted in the first and second quarters, and the Company inaugurated additional permitting applications to expand the planned 2008 drilling program. The Company also initiated discussion regarding option/joint venture participation opportunities in the Baker Basin Project with several companies active in the uranium sector.

During the second quarter of 2008, the Company engaged in discussion with a joint venture participant to advance the Baker Basin Uranium Project.

During the third quarter of 2008, the Company concluded an agreement with Kivalliq Energy whereby the Company accelerated the final 2.0 million shares of its capital to Kivalliq and thereby earning a 100% interest in the Baker Basin Uranium project, Kivalliq will now have the option to back in to a 20-per-cent working interest when a prefeasibility study is produced (previously a positive feasibility study) in respect of the project.

On September 23, 2008 the Company announced the terms of an option/joint venture agreement with Aurora Energy Resources Inc. whereby Aurora may earn a majority interest the the Baker Basin Uranium project. The principal terms of the Aurora agreement allow Aurora, as operator during an initial option period expiring December 31 2011, to earn a 51 % interest in the project by immediately subscribing to a private placement of two million shares of the Company at $0.17 per share, and incurring staged exploration expenditures totaling $15 million during this initial option period.

Upon earning a 51 % interest, Aurora may elect to either earn an additional 14 per-cent interest by financing 100 per cent of continuing costs and commit to producing a prefeasibility study on or before December31, 2013 or decide to enter into a joint venture with the Company with an initial joint venture partnership level of 51 per cent Aurora and 49 % for the Company. The Company may elect to contribute or if it elects not to participate in the joint venture, its interest will be reduced to not less than 35 % Aurora may then contribute 100 % of continuing costs until a prefeasibility study is produced.

When a prefeasibility study is produced, Kivalliq will have the right to back in for 20 % joint venture interest by reimbursing 40 % of the exploration costs incurred including the cost of producing the prefeasibility study. The reimbursement will be distributed on a pro rata basis the the Company and Aurora after the Company has received the first $7.3 million. Should Kivalliq elect to back in but fail to contribute to the joint venture, their interest would be subject to dilution and if reduced to 5 % or less, converted to a royalty. The Company's joint venture interest would then range from a minimum of 15% to a maximum of 29 %, depending on the prior elections of Aurora and the Company. The Company's and Aurora's joint venture interests would also be subject to dilution for non-contribution, and if reduced to 5 % or less, be converted to a royalty.

If Aurora terminates its agreement with the Company, Kivalliq can elect to re-establish the terms of its original option,back-in joint venture agreement with the Company by returning the two million shares to the Company.

Subsequent to the end of the third quarter, Aurora announced that it was initiating a field program at the Baker Basin project. The program included a proposed 1000 meter drill program designed to test the Lucky-7 zone, an airborne magnetic, radiometric and broadband electromagnetic survey to cover the entire property, ground magnetic surveys and mapping. Aurora also planned to introduce their company to the host community of Baker Lake and have consultations with local community groups.

Fyre Lake Massive Sulphide Project

The Company continues to hold a 100% interest in 168 mineral claims comprising the Fyre Lake Project in the Yukon. The Company has not significantly advanced the project in recent years, and did not carry out its planned program of work in 2007, and continues to seek participants to fund further exploration activities for copper, gold and cobalt in 2009. The Company plans to continue to maintain key mineral claims in good standing.

Tumbler Ridge Phosphate Project

On May 13, 2008, the Company announced that it had acquired a major phosphate exploration project in east-central British Columbia (subsequently called the Tumbler Ridge Phosphate Project). The phosphate project consists of a 100-per-cent interest in two staked groups encompassing 119 mineral claims covering a cumulative 100-kilometre-length (approximately 500 square kilometers) of favourable geology for the hosting of phosphate deposits.

Phosphate rock and the production of phosphoric acid are experiencing a rapidly growing global demand; phosphoric acid has seen price increases from the $200-per-tonne range to more than $1,000 per tonne in the past year. Phosphoric acid is a primary ingredient in fertilizer products, and is produced by leaching mine grade phosphate rock with sulphuric acid.

The Company selected the phosphate project area based on the high potential for discovery of large tonnages of phosphate mineralization, coupled with an established area of infrastructure for supporting future mine production.

In 1987 (bulletin 98), the Geological Survey Branch of the Minerals and Energy division of the B.C. Department of Mines reported that, "…phosphate in east-central B.C. occurs as a blanket-type horizon of bedded sedimentary phosphate that is laterally very continuous and measuring up to three metres thick in outcrop." Although recognized earlier by coal and oil and gas explorers, the phosphate deposits have, to date, not seen any exploration activity.

In the northern portion of the Company's holdings, the phosphate horizon at Mt. Palsson was noted as being one-metre thick, with B.C. Geological Survey grab samples yielding an average grade of 26.4 per cent P205 (phosphorus pentoxide). In the southern portion of the project area, at Meosin Mountain, the phosphate horizon was identified and sampled at several locations; one grab sample graded 23.64 per cent P205. Within the northern portion of the Meosin holdings, a 1.3-metre-thick section assayed 10.05 per cent P205 and, in the southern portion, four stacked horizons that were approximately one metre thick each were discovered, with assays ranging from 2.1 per cent to 6.9 per cent P205. Associated with the phosphate mineralization, reported rare earth values of lanthanum, cerium and yttrium suggest opportunity for added value.

As with all potential bulk tonnage commodities, existing infrastructure plays an important role in determining positive economics for future production. The phosphate project is well located near the communities of Tumbler Ridge and Dawson Creek, with access to railroad, an extensive road network and hydroelectric power. Sulphur, necessary in the creation of sulphuric acid used in the process of upgrading phosphate rock to phosphoric acid, may be sourced from nearby oil and gas refineries.

Subsequent to the second quarter of 2008, the Company announced in July 24, 2008, that the recently acquired phosphate claims in east-central British Columbia are to be referred to as the "Tumbler Ridge Phosphate Project" and that field work was commencing. The field program was directed to verifying known deposits through a mapping and sampling program as well as prospecting the currently staked 100 kilometre belt covered by the project for new phosphate discoveries.

During the third quarter of 2008, the Company added to the land position of prospective phosphate zones in the Tumbler Ridge project area with the signing of an agreement with Lateegra Gold Corp. in respect of the Wapiti property. Under the terms of an agreement, the Company paid $5,000 and issued 200,000 of its shares to Lateegra and has the option to make exploration expenditures totaling $1.0 million within 3 years to earn a 51 per cent interest in the property. Upon earning an initial 51 per cent interest, the Company may elect to form a joint venture at its then current interest level or increase its interest to 65 per cent, by paying a further $250,000 and issuing an additional 1 million shares and make a further $1 million of exploration expenditures over a two year period.

Phosphate Wapiti Property

The Wapiti property consists of 15 claims totaling over 68 square kilometers and covers an approximate 18 kilometre length of prospective phosphate bearing sedimentary rocks ranging to 3 metres thick. Historical exploration on the Wapiti property that included trenching and diamond drilling in the 1980's identified phosphate zones over a 5 kilometre length. The initial shallow drilling program of eight holes reported intercepts averaging 23.5 per cent P2O5 over 1.2 metres to a depth of 90 metres.

During the third quarter of 2008, the Company conducted a program of mapping and sampling of the phosphate bearing zones with an 8 person crew within the Tumbler Ridge project area that also included the Wapiti property. Several locations along the 100 kilometre belt of phosphate mineralization were deliniated and sampled with results expected during the fourth quarter.

Phos Phosphate Property

On June 10, 2008, the Company announced the acquisition of a second phosphate project (the Phos Property) located in the Fernie area of Southeastern British Columbia.

The Phos Property comprised of 3 claims totaling over 360 acres, covers the central and thickest 3 kilometre length of the approximate 15 kilometre long Mount Lyne Phosphate deposit. Thickness ranges from one to 3 metres. The Mount Lyne deposit saw extensive work by Cominco and Crows Nest Resources in the 1980s, who both outlined a non-compliant phosphate resource averaging 20% P_2O_5. The deposit is known to contain additional significant levels of rare earth metals and low carbonate content.

Under the terms of an agreement with two vendors, Pacific Ridge has the right, subject to regulatory approval, to earn a 100% interest in the Phos Property by making staged cash payments totaling $80,000 by December 31, 2009 and staged issuances of shares totaling 1.0 million shares by December 31, 2010. The vendors retain a 2% Gross Overriding Royalty ('GORR") from potential future production, of which 1% is extinguished after $2.0 million is paid. The GORR pertains to all commodities except coal.

In accordance with the terms of the agreement, the Company has paid $20,000 and issued 100,000 shares to the vendors. The Shares are subject to Exchange and Multilateral Instrument 45-102 hold periods expiring in October 26, 2008.

The Company conducted an initial site visit of the Phos property in the third quarter and noted that much of the prospective phosphate horizon was along the edge of an expanding open pit coal mine. The Company plans to relinquish the property back to the vendors in the fourth quarter.

Review of Financial Results

This review of the results of operations should be read in conjunction with the unaudited financial statements of the Company for the nine months ended September 30, 2008 and other public disclosure documents of the Company.

During the nine months ended September 30, 2008, the Company had a net income of $292,243 compared to a net loss of $67,904 for the same period in 2007. The $360,147 difference was mainly due to the increase of future income tax recovery on flow-through financing and reduced costs in shareholder communications and stock based compensation expenses.

Effective January 1, 2008, the Company entered into agreement with an independent party to receive administrative, corporate secretary, investor relations, geological services, and office operations and facilities. As a result, the consulting fees, management and administrative services were increased and shareholder communications were reduced.

Stock-based compensation is a non-cash item, resulting from the application of the Black-Scholes Option Pricing Model using assumptions in respect of expected dividend yield average risk-free interest rates, expected life of the options and expected volatility. Stock-based compensation represents the fair value determined under the Black-Scholes model of the vested portion of existing options which was allocated to the Statements of Loss and Deficit and Statements of Deferred Exploration and Mineral Property Expenditures, as to $66,541 (2007: $261,910) and $12,354 (2007: $38,559) respectively.

During the nine months ended September 30, 2008, the Company earned interest income of $30,166 as compared with $37,748 in 2007, related to cash balances available for placement.
Under the provisions of CICA EIC 146, 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, these 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.

Summary of quarterly results

The following table sets forth a comparison of information for the previous eight quarters ending with September 30, 2008.

Quarter Ended:	30-Sep-08 ($)	30-Jun-08 ($)	31-Mar-08 ($)	31-Dec-07 ($)	30-Sep-07 ($)	30-Jun-07 ($)	31-Mar-07 ($)	31-Dec-06 ($)	30-Sep-06 ($)
Current Assets	1,062,518	1,331,132	1,485,847	1,858,880	2,920,968	5,308,033	1,818,188	1,981,420	2,555,587
Resource Assets	7,731,622	7,037,593	6,857,454	6,729,904	5,720,116	3,396,081	2,414,234	2,265,124	8,801,043
Current Liabilities	140,598	165,719	64,742	194,610	497,753	520,795	88,765	202,233	720,131
Shareholders' Equity									
Capital Stock	33,007,075	32,388,649	32,352,649	33,136,019	32,826,019	32,934,548	29,007,932	29,372,908	28,810,253
Contributed Surplus	2,204,079	2,188,073	2,172,068	2,112,830	2,071,004	1,980,775	1,485,097	1,357,514	1,252,396
Deficit	(26,541,012)	(26,355,509)	(26,226,345)	(26,833,255)	(26,729,977)	(26,592,338)	(26,321,067)	(26,655,511)	(19,426,148)
Net income (Loss)	(185,503)	477,746	606,910	(103,278)	(137,639)	(271,271)	334,444	(7,034,125)	(224,390)
Working Capital (Deficit)	921,920	1,165,413	1,421,105	1,664,270	2,423,215	4,900,894	1,729,423	1,779,187	1,835,456
Basic and diluted income (loss) per share	0.00	(0.01)	0.01	(0.01)	0.00	0.00	0.01	(0.13)	0.00

Liquidity and Capital Resources

The Company is dependent on raising funds by the issuance of shares or disposing of interests in mineral properties it may acquire (by option, joint ventures or sales) in order to finance further acquisitions, undertake exploration and development of other mineral properties and meet general and administrative expenses in the immediate and long term.

As at September 30, 2008, the company had working capital of $921,920 (December 31, 2007: $1,664,270). During the nine months ended September 30, 2008, the Company experienced a negative cash flow of $264,772, (2007: negative cash flow of $472, 853,) from operating activities, spent $701.247 on mineral properties, and raised $365,428 net of issue costs from flow-through private placement.

While property option payments are made at the discretion of the Company, management believes it has sufficient funds on hand to meet its current property commitments during 2008. Other than trade payables, the Company has no other debt or long-term debt obligations.

Off-Balance Sheet Arrangements

None

Related Party Transactions

The Company had the following related party transactions during the period ended September 30, 2008

- $32,300 (2007 - $Nil) paid to a consulting firm of which a director and officer is the principal for administration and management services. As at September 30, 2008, $9,450 was due in connection with these services.
- $54,780 (2007 - $Nil) paid to a company of which an officer is the principal for professional geological services. As at September 30, 2008, $2,279 was due in connection with these services.

These transactions are in the normal course of operations and are consistent with industry standards.

Proposed Transactions

There are no new acquisitions contemplated as at the date of this report.

Critical Accounting Estimates

The detailed accounting policies are listed in Note 2 to the Financial Statements for the year ended December 31, 2007. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, stock-based compensation and disclosure of contingent liabilities at the date of the financial statements and the reported amount of income and expenses during the year. Actual results could differ from those estimates. Management uses its best estimates for recording mineral property carrying values based on expenditures incurred, the results of any exploration conducted, prevailing market conditions and future plans for the projects.

Changes in Accounting Policies, Including Initial Adoption

Effective January 1, 2008, the Company adopted the following new Canadian Accounting Standards Board ("AcSB") accounting standards, and is considering the consequences these will have on its financial statements:

- disclosure of the management of the nature of, performance of, and risks arising from financial instruments
- disclosure in respect of the Company's capital to enable users of the financial statements to evaluate the Company's objective, policies and procedure for managing capital.

In 2006, the 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 International Financial Reporting Standards ("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.

Financial Instruments

Accounts receivable, accounts payable and accrued liabilities and amounts due to related parties are reported at amounts paid or received, which are reasonable estimates of fair value due the relative short time period to maturity. The Company has no exposure to asset backed commercial paper.

Subsequent Events

On October 8, 2008 the Company announced that Aurora Energy Resources Inc. ("Aurora") (AXU-T) has subscribed to a 2.0 million share private placement in the Company, priced at $0.17 per share, for gross proceeds of $340,000. The private placement was pursuant to the terms of Aurora's option agreement which provided for Aurora the right to acquire an initial 51% interest in Pacific Ridge's Baker Basin Uranium Property upon completing the private placement and making$15 million exploration expenditure. The TSX Venture Exchange has provided conditional acceptance of the private placement. The 2.0 million shares issued to Aurora are subject to hold periods expiring February 7, 2009.

On October 15, 2008 Aurora announced that it was initiating a field program at the Baker Basin project. The program included a proposed 1000 meter drill program designed to test the Lucky-7 zone, an airborne magnetic, radiometric and broadband electromagnetic survey to cover the entire property, ground magnetic surveys and mapping. Aurora also planned to introduce their company to the host community of Baker Lake and have consultations with local community groups.

Effective October 30, 2008, the Company announced that Lei Wang, CGA was appointed Chief Financial Officer of the Company with Jeannine Webb, former Chief Financial Officer, having tendered her resignation.

On October 30, 2008 the Company reported that it granted incentive stock options under its 10% rolling stock option plan to directors, officers and consultants, to purchase a total of 1,500,000 common shares at $0.17 per share exercisable until October 30, 2013. The incentive stock options vest as to 25% on the date of grant, 25% in one year and 50% in two years, subject to the terms and conditions of the Company's stock option plan. The options are subject to acceptance for filing by the TSX Venture Exchange.

Outstanding Share Data

As at November 18, 2008, the Company had 83,990,939 common shares issued and outstanding, 5,650,000 options were outstanding of which 3,900,000 were exercisable, and 4,278,050 warrants were outstanding.

Disclosure Controls and Procedures

Current securities policies in Canada require that management of the Company certifies that it has assessed the effectiveness of the Company's disclosure controls and procedures as at September 30, 2008. Management has concluded that the disclosure controls as at September 30, 2008 were effective in ensuring that all material information required to be filed had been provided to it in a timely manner, and that the information was recorded, processed and reported within the time period necessary to prepare the filings.