(An Exploration Stage Company)

Management's Discussion and Analysis (MD&A)

(Form 51-102F1)

March 31, 2019

This interim Management's Discussion and Analysis ("**MD&A**") of Pacific Ridge Exploration Ltd. ("**Pacific Ridge**" or the "**Company**"), dated **May 13, 2019**, provides a brief update on the Company's business activities, financial condition, financial performance and cash flows since December 31, 2018, and excludes information discussed in its most recent annual MD&A. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards ("**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 financial statements for the year ended December 31, 2018, the annual MD&A for 2018 and the interim financial statements for the three months ended March 31, 2019, and the related notes thereto.

The Company's shares are listed on the TSX Venture Exchange under the symbol "PEX". Additional information related to Pacific Ridge is 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 2018 year-end MD&A.

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

Summary of First Quarter Activities

During the first quarter, the Company focused on new acquisition opportunities and plans for its 2019 drilling program planned for its Spius copper porphyry project in British Columbia. No exploration programs were undertaken during the quarter. The Company announced that it had dropped the option to earn an interest in the TL Zinc project and that it had terminated the option of Four Nines Gold to earn an interest in the Company's Mariposa project and, subsequent to the quarter, that it had terminated Trifecta Gold's option to earn an interest in the Eureka Dome property.

Mineral Properties

Spius, British Columbia

On April 27, 2018, the Company acquired an option to earn a 100% interest in the Spius Cu-Mo-Au porphyry property by making payments of $210,000 ($50,000 paid), issuing 1,000,000 shares (400,000 issued) and completing $800,000 in exploration by December 31, 2020. 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.

In the fourth quarter of 2018, the Company completed an IP geophysical survey, additional soil sampling and a prospecting and geological mapping program over the core target area. The soil survey confirmed earlier sampling results and defined a central copper soil anomaly, 900 m by 750 m and open to the south, ranging from 100 ppm to over 4,000 ppm Cu. The IP survey defined a horseshoe-shaped, high chargeability anomaly that envelopes the copper soil anomaly. The chargeability anomaly is believed to represent the pyritic halo of a porphyry copper system, surrounding a copper mineralized shell or core zone.

On March 21, 2019, the Company announced plans for a 1,250 m core drilling program to be completed during the 2019 field season.

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 Goldcorp'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.

The property was under option to Four Nines Gold Inc. ("Four Nines"). Under the terms of the agreement, Four Nines could earn a 51% interest in the property by making cash payments of $190,000 ($30,000 received), issuing 240,000 common shares (60,000 received) and 30,000 common share purchase warrants (received) and completing $2,500,000 in exploration in staged annual increments by December 31, 2020. However, as Four Nines failed to meet its cash and share payment and work requirement obligations by the December 31, 2018 due date, the Company terminated the Four Nines option.

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.

Mineral Properties (continued)

Eureka Dome, Yukon (continued)

In April 2018, the Company optioned Eureka Dome to Trifecta Gold Ltd. ("Trifecta"). Trifecta can earn a 70% interest in the property by making payments of $200,000 ($20,000 paid), issuing 1,000,000 shares (200,000 shares issued) and completing $2.5 million in exploration by December 31, 2022. Subsequent to the quarter, on April 22, 2019, the Trifecta option was terminated because Trifecta was unable to fulfill its option requirements.

No exploration is currently planned for 2019.

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.

In July and August 2018, the Company completed 368 deep penetrating GT Probe samples at a 5 m spacing and 168 regular soil samples over the two target areas. Geological mapping and prospecting were also completed over these target areas. The sampling further refined the gold target areas and numerous samples of quartz vein float were encountered, but no bedrock gold source was found. Further detailed prospecting, sampling and hand trenching is required over the refined anomalies to detect any related gold mineralization in underlying bedrock.

No exploration is currently planned for 2019.

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, more recently amended on December 19, 2018 whereby BMC has the right to acquire a 100% interest in Fyre Lake by making payments as follows:

The Company has 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. The remaining $1,220,000 is due upon BMC obtaining production financing for its Kudz Ze Kayah project, but in any event no later than December 31, 2020. BMC will also pay $75,000 to Pacific Ridge every six months, commencing June 30, 2019, until the final tranche has been paid.

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.

Mineral Properties (continued)

RC Gold, Yukon

In 2017, the Company acquired an option on the road accessible RC Gold project, including the RC, Bee and Bop claim groups, through two separate agreements.

In August 2018, the Company completed a program of prospecting and mapping, soil sampling (118 samples) and a 4.3 km Induced Polarization (IP) geophysical survey over four priority targets defined by the Company's 2017 program. After a review of the results of the 2018 program, the Company terminated its option and has written off its $33,000 carrying value in RC Gold.

TL Zinc, British Columbia

The Company negotiated an option to earn a 100% interest in the road-accessible, 6,420 ha TL Zinc project located 80 km northeast of Vernon, British Columbia. In early December 2016, the Company completed two drill holes for a total of 611 m at the eastern end of a large and strong electromagnetic conductor. Both holes intersected several zones of graphitic schist that appear to be the cause of the electromagnetic anomaly.

In the first quarter of 2019, the Company terminated its agreement to earn an interest in the TL Zinc property and has determined to write off its $45,000 TL Zinc carrying value.

Summary of exploration expenses:

The following is a summary of exploration expenses incurred in each of the Company's projects:

Property	Province / Territory	Three months ended March 31 2019	2018
		$	$
Mariposa	YT	1,495	-
TL Zinc	BC	13,470	-
Spius	BC	1,400	-
General exploration not allocated to a specific property		13,936	16,851
		30,301	16,851

The amounts spent on TL Zinc are mostly related to the termination of the option agreement. The amounts on Spius were related to permitting, and the amounts for Mariposa were related to claim maintenance.

Results of Operations

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

Condensed Consolidated Interim Statements of Loss and

Jnaudited - Expressed in Canadian dollars

	Three months ended March 31		
	2019	2018	Increase (decrease)
Administration expenses	**$**	$	$
Amortization of right-of-use asset	**6,606**	-	6,606
Finance lease interest	**1,044**	-	1,044
Insurance	**5,386**	-	5,386
Professional and consulting	**10,636**	12,506	(1,870)
Management and administrative	**21,000**	18,315	2,685
Office operations and facilities	**736**	14,818	(14,082)
Shareholder communications	**5,275**	5,557	(282)
Share-based payments	**39,837**	10,028	29,809
Transfer agent and regulatory fees	**7,182**	7,348	(166)
	97,702	68,572	29,130
Other expenses (income)			
Exploration and evaluation costs	**30,301**	16,851	13,450
Property option payments	**(10,000)**	-	(10,000)
Unrealized loss in fair value of warrants	**870**	(5,840)	6,710
Foreign exchange (gain) loss	**1,024**	(513)	1,537
	22,195	10,498	11,697
Net loss for the period	**(119,897)**	(79,070)	(40,827)
Other comprehensive gain:			
Net change in fair value of marketable securities	**2,000**	16,500	(14,500)
Total comprehensive loss for the period	**(117,897)**	(62,570)	(55,327)
Earnings per share (basic and diluted)	**(0.00)**	(0.00)	
Weighted average number of shares outstanding basic and diluted	**31,729,009**	34,313,317	

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

With the adoption of IFRS 16, the treatment of the sublease agreement for office space changes; instead of having an office rental expense included in office operations and facilities. On January 1, 2019 the Company set up a lease liability and a corresponding right-of-use asset, described in note 2(c) to the condensed consolidated interim financial statements for the current reporting period.

The increase in total administration expenses is mostly due to the non-cash stock-based compensation charged on the granting in January 2019 of 1,050,000 stock options with an exercise price of $0.05, while only 200,000 stock options were granted during the comparative period in 2018.

Management and administrative costs were also marginally higher. Office operations and facilities is reduced due to the implementation of IFRS 16, as explained above, where the expenses associated with the office sublease are expressed in terms of depreciation and accretion. The remaining administration expenses were comparable with those of the comparative period of the prior year.

Exploration and evaluation expenses

Exploration and evaluation costs increased due to legal activity related to the termination of the TL Zinc project, and a permitting fee for Spius, which were over and above the remaining amounts, which were comparable to those in the comparative period of the prior year. The Company also received $10,000 from Trifecta related to the Eureka Dome property option.

The carrying values of the Company's mineral properties are reviewed by management quarterly, or when events or circumstances indicate that a carrying amount may not be recovered. The potential impairment indicators include but are not limited to the amount of work performed on the property, results of exploration to date, and plans or budgeting for the future exploration. No impairments were recorded during the three months ended March 31, 2019 or the same period in 2018.

Summary of Quarterly Results

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

	Quarter ended (three-month figures) ($)			
	31-Mar 2018	31-Dec 2018	30-Sep 2018	30-Jun 2018
Revenues	-	-	-	-
General and administration	(51,239)	(58,977)	(52,221)	(68,368)
Lease amortization and interest	(7,650)	-	-	-
Share-based payments	(39,837)	(9,929)	-	-
Exploration and evaluation costs	(30,301)	(125,019)	(143,399)	(73,670)
Unrealized loss in fair value of warrants	(870)	(30)	(3,620)	(6,540)
Impairment of resource properties	-	(78,000)	-	-
Mining tax credit and government grants	-	77,796	-	-
Property option payments	10,000	1,214,710	-	-
Allowance for contingency	-	(207,262)		
Net income (loss) for the period	(119,897)	813,289	(199,240)	(148,578)
Basic income (loss) per share	(0.00)	0.03	(0.01)	(0.00)
Total assets	1,726,894	1,776,012	777,703	938,775
Total liabilities	262,653	233,711	69,120	17,952
Shareholders' equity	1,464,241	1,542,301	708,583	920,823
Cash dividends declared	Nil	Nil	Nil	Nil

	Quarter ended (three-month figures) ($)			
	31-Mar 2018	31-Dec 2017	30-Sep 2017	30-Jun 2017
Revenues	-	-	-	-
General and administration	(58,031)	(70,237)	(43,859)	(60,988)
Share-based payments	(10,028)			(19,294)
Exploration and evaluation costs	(16,851)	(27,252)	(223,264)	(88,626)
Unrealized gain (loss) in fair value of warrants	5,840	(4,190)	-	-
Impairment of mineral properties	-	(18,500)	-	(13,763)
Mining tax credit and government grants	-	119,659	10,045	-
Property option payment	-	300,000	-	-
Net income (loss) for the period	(79,070)	299,480	(257,078)	(182,671)
Basic income (loss) per share	(0.00)	0.01	(0.01)	(0.01)
Total assets	1,093,264	1,174,148	937,646	1,162,811
Total liabilities	8,363	36,705	94,184	62,270
Shareholders' deficiency	1,084,901	1,137,443	843,462	1,100,541
Cash dividends declared	Nil	Nil	Nil	Nil

Quarterly Information Trends

The Company's results have been largely driven by the level of its property holding costs, exploration activities and recoveries from project optionees. The Company has had no revenue from mining operations since its inception other than from disposal of its assets and mineral royalties, or property option payments. Major variations in costs are summarized below:

- The gain or loss on disposal of mineral properties is dependent on the negotiated sales proceeds and can vary significantly from property to property.
- General exploration expenditures can vary from quarter to quarter depending on the stages and priorities of the exploration program and the availability of funds.
- Share-based payments can vary widely from quarter to quarter based on the timing, amount and tenure of stock option awards.

Liquidity Working Capital and Capital Resources

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

	March 31, 2019	December 31, 2018
	$	$
Cash	**1,124,535**	1,213,872
Other receivable	**4,576**	5,196
Marketable securities	**27,110**	25,980
Liquidity:	**1,156,221**	1,245,048
Prepaid	**8,413**	6,000
Trade payables and accrued liabilities	**(18,241)**	(26,449)
Office lease liability - current portion	**(29,103)**	-
Provision for contingent liability	**(207,262)**	(207,262)
Working capital:	**910,028**	1,017,337

The Company is dependent on raising funds by 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 May 13 2019, the Company has cash on hand of approximately $1,096,900.

The Company believes it has sufficient cash to sustain its operations for 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.

Provision for contingent liability

On October 23, 2018, the Canada Revenue Agency ("CRA") notified the Company that it would conduct an audit of the BC Mining Exploration Tax Credit ("BCMETC") with respect to the flow-through financing conducted during 2016, affecting the taxation years 2016 and 2017. For that 2016 flow-through financing, an amount of $434,600 was raised and the Company committed to renounce the same amount to the investors through Canadian Exploration Expenses ("CEE") to be incurred before the end of 2017.

On March 1, 2019, the CRA concluded its audit and issued a letter to the Company proposing a reclassification of $366,730 as Canadian Development Expenses ("CDE"), which cannot be renounced to investors, leaving only the remaining $67,870 as CEE. The CRA based its conclusion taking the position that expenses in mineral properties held under option agreements cannot be treated as CEE, and should be treated as CDE instead.

After obtaining advice from a law firm specializing in taxation issues, the Company submitted a response to the CRA outlining arguments by which the Company challenges the position taken by the CRA and requesting that the ruling be reconsidered.

As the Company provided indemnity agreements to the investors that participated in the 2016 flow-through private placement, should the final decision upon review of the Company's challenge remain unchanged, the Company would have to refund any personal tax reassessed to its investors; the Company estimates this amount to be equal to 50% of the amount denied, or $183,365. In addition, the CRA is also proposing a reassessment of the BCMETC by $21,397 and $2,500 in fines, adding up to the $207,262 that the Company has set up set up as a provision.

The Company has not received a response from the CRA to the Company's challenge as at the date of publication of this MD&A.

Transactions with related parties:

The following transactions with related parties took place:

	Three months ended March 31	
	2019	2018
	$	$
Management fees paid to a company controlled by the CEO of the Company *	**24,000**	24,000
Management fees paid to a company controlled by the CFO of the Company	**9,000**	6,200
Stock-based compensation recorded for stock options granted to directors and officers of the Company (non-cash expense)	**30,352**	10,028
	63,352	40,228

* 50% of the CEO's compensation is charged to exploration and evaluation costs

Management is of the opinion that these transactions have occurred in the normal course of operations and they are measured at the exchange amount, being the amount of consideration established and agreed to by the transacting parties.

Outstanding Share Data

As at May 13, 2019, the Company has

a) 31,729,009 common shares issued and outstanding;
b) 3,026,500 stock options outstanding and exercisable at a weighted exercise price of $0.06; and

Off-Balance Sheet Arrangements

None

Proposed Transactions

None

Changes in Accounting Policies

The Company has not made any changes to its significant accounting policies, as described within Note 2, of its annual audited financial statements for the year ended December 31, 2018, except as noted below. Certain requirements were issued by the IASB that are mandatory for annual years beginning on or after January 1, 2019, as follows:

IFRS 16, *Leases*

The Company adopted IFRS 16 effective January 1, 2019 using the modified retrospective approach. In accordance with the transition provisions in IFRS 16, the new rules have been adopted retrospectively with the cumulative effect of initially applying the new standard recognized on January 1, 2019. The comparatives for the 2018 reporting period have not been restated and are accounted for under IAS 17, Leases, and IFRIC 4, Determining Whether an Arrangement Contains a Lease, as permitted under the specific transitional provisions in the standard. The transitional adjustments arising from the adoption are recognized in the opening balance sheet on January 1, 2019.

Upon adoption of IFRS 16, the Company recognized lease liabilities in relation to a sublease for office space which had previously been classified as "operating lease" under the principles of IAS 17 – Leases under which these lease payments were recorded as expenses as they were incurred. Under IFRS 16, these liabilities were measured at the present value of the remaining lease payments as at January 1, 2019, discounted using the Company's incremental borrowing rate. The weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 10%. The associated lease liability recognized as at January 1, 2019 was $44,041.

An associated right-of-use asset for the lease was measured at the amount equal to the lease liability on January 1, 2019. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method). Please refer to note 2(c) to the condensed consolidated interim financial statements for the three months ended March 31, 2019.

Financial Instruments

With the adoption of IFRS 9, the Company has classified cash, other receivables, and trade payable and accrued liabilities at amortized cost; marketable securities as FVTOCI, and warrants as FVTPL.

<u>Fair values</u>

As at March 31, 2019, 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 subsequent to initial recognition 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.

<u>Interest rate risk</u>

The Company's cash held in financial institutions earns interest at variable interest rates. 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.

<u>Credit risk</u>

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

<u>Liquidity risk</u>

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 March 31, 2019, the Company had cash of $1,124,535 (December 31, 2018 - $1,213,872), trade payable and accrued liabilities of $18,241 (December 31, 2018 - $26,449), a provision for a contingent liability of $207,262 (December 31, 2018 – $207,262), and an office lease obligation of $37,150 (including current and long-term portions).

<u>Currency risk</u>

The Company keeps approximately 3.8% 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 approximately $4,000, with minimal impact to its net income (loss) for the year as there are virtually no transactions in US dollars.

<u>Price risk</u>

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 March 31, 2019, the Company held marketable securities and warrants with a fair value of $27,110 (December 31, 2018 - $25,980). 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 are 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 Company’s annual MD&A for the year ended December 31, 2018, and dated April 23, 2019, for a full description of the risk factors affecting the Company’s activities.

Legal Proceedings

As at March 31, 2019, and at the date of this document, there were no legal proceedings against or by the Company.

Subsequent Event

On April 22, 2019, the Company terminated the option agreement with Trifecta Gold with respect to the Company’s wholly-owned Eureka Dome property.

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