

Pacific Ridge Exploration Ltd.

Interim MD&A – Quarterly Highlights

For the three months ended March 31, 2017

This interim Management’s Discussion and Analysis (“**MD&A**”) of Pacific Ridge Exploration Ltd. (“**Pacific Ridge**” or the “**Company**”), dated May 24, 2017, provides a brief update on the Company’s business activities, financial condition, financial performance and cash flows since December 31, 2016, 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. 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, 2016, condensed interim financial statements for the three months ended March 31, 2017 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 interim 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 2016 year-end MD&A.

Summary of First Quarter Activities

- On January 18, 2017, the Company announced that it had closed the arrangement whereby BMC Minerals (No. 1) Ltd. (“**BMC**”) acquired an option to earn a 100% interest in the Company’s Fyre Lake Cu-Au-Co massive sulphide deposit.
- On February 21, 2017, the Company announced that it had acquired an option to earn a 100% interest in the OGI Zinc prospect, located 50 km east of Dawson City, Yukon.
- On April 6, 2017, the Company completed a 6-hole 753-meter reverse circulation drill program at Poker Brown. Results were announced May 8 and are summarized below.

Current Activities Relating to Mineral Properties

TL Zinc

The target at TL is a Zn-Pb-Ag massive sulfide deposit. The property is road accessible with nearby highways, electrical power grid and rail. Recently discovered massive to semi-massive sulphide float and outcrop containing sphalerite, pyrite and pyrrhotite assayed in the range of 1.08% to 18.87% Zn and an average of 4.96% Zn. Trenching encountered a zone of 7.16% Zn over 4 m. An airborne magnetic-electromagnetic survey defined a strong conductive layer, 4 km in length and approximately 100 to over 200 m wide. In 2012, 6 shallow holes (total 490 m) were drilled below the trenching. The drilling encountered a 10 to 13 m thick sulphide mineralized zone with zinc values ranging from less than 1% to 5%.

Pacific Ridge Exploration Ltd.

Interim MD&A – Quarterly Highlights

For the three months ended March 31, 2017

Poker Brown

Poker Brown is road accessible and located 190 km from Reno, Nevada. The target is a bulk tonnage, heap leachable gold deposit.

On April 6, 2017, the Company completed a 6 hole 753 m reverse circulation drill program. Anomalous values were encountered from several intervals within stockwork and veined hydrothermally altered slate and from hydrothermal breccia zones, the best of which included 0.359 gpt gold and 24.57 gpt silver over 13.7 m in hole PB17-04. The company will evaluate these results in the context of other known areas of alteration and mineralization on the property prior to planning further exploration.

OGI Zinc

On February 21, 2017, the Company announced that it had acquired an option to earn a 100% interest in the OGI Zinc prospect, located 50 km east of Dawson City, Yukon. The target at OGI is stratabound Zn-Pb-Ag mineralization, similar to Howards Pass and many other zinc-rich base and precious metal occurrences within Yukon's Selwyn Basin. A strong soil anomaly, with values ranging from 500 to 5,780 parts per million Zn, is 1,000 m long and over 250 m wide and open in two directions. The bedrock source of the anomaly is unexplained, as there is no outcrop in the immediate area. A single piece of oxidized float assayed 3% Zn.

The Company plans a program of prospecting, expansion of the soil geochemical grid and trenching, to be carried out in the 2017 field season.

Mariposa

In 2016, the Company optioned up to a 70% interest in Mariposa to Four Nines Gold Inc. ("Four Nines" – formerly Eureka Dome Gold Inc.). Four Nines must be listed on the TSX Venture Exchange or the Canadian Securities Exchange by May 31, 2017.

Four Nines plans a program of data compilation, mapping, trenching and sampling for the 2017 field season, possibly followed by diamond drilling.

Fyre Lake

On December 28, the Company announced that it had agreed to option a 100% interest in its Fyre Lake Cu-Au-Co massive sulphide deposit to BMC Minerals (No. 1) Ltd. ("BMC"). BMC has paid a non-refundable deposit of \$75,000 plus an initial option payment of \$300,000. BMC now has the option of exercising the option in one year by paying \$2,200,000 one year after closing, or in two-years by paying \$300,000 one year after closing and \$2,420,000 two years after closing. 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.

Pacific Ridge Exploration Ltd.
Interim MD&A – Quarterly Highlights
For the three months ended March 31, 2017

General Administration

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.

During the three months ended March 31, 2017, the Company recorded a net income of \$150,654 as compared to a net loss of \$118,513 in the same period of 2016 resulting from the \$350,000 BMC payment related to Fyre Lake arrangement closed on January 18, 2017. Net loss in 2016 is impacted by the non-cash loss on the fair value of the marketable securities.

Total general administration costs were increased by \$15,832, mainly in management and professional fees. Since March 2016, the CEO of the Company voluntarily reduced his rate from \$8,000 per month to \$5,000 per month till to December 31, 2016. The higher professional fee in 2017 is related to the Fyre Lake farm-out option agreement with BMC.

With the existing working capital and flow-through cash balances, the Company conducted a drilling program for its Poker Brown property and assay work for TL Zinc, resulting in a \$134,253 increase in exploration expenses.

Summary of Quarterly Results

The following table sets forth a comparison of information for the previous eight quarters ending with March 31, 2017:

	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
	\$	\$	\$	\$
General and administration	(54,357)	(93,823)	(53,011)	(53,747)
Exploration and evaluation costs	(144,989)	(204,687)	(143,022)	(8,100)
Gain (loss) on marketable securities	-	86,359	(43,220)	37,048
Impairments	-	-	-	-
Government grant	-	19,355	-	-
Property option payment	350,000	25,000	-	-
Share-based payments	-	(31,917)	(15,840)	-
Net income (loss) for the period	150,654	(199,713)	(255,093)	(24,799)
Basic income (loss) per share	0.00	(0.00)	(0.01)	(0.00)

Pacific Ridge Exploration Ltd.
Interim MD&A – Quarterly Highlights
For the three months ended March 31, 2017

	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
	\$	\$	\$	\$
General and administration	(38,525)	(42,232)	(72,630)	(46,523)
Exploration and evaluation costs	(10,736)	(45,916)	(114,813)	(7,500)
Loss on sale of marketable securities	(69,252)	(1,887)	-	-
Impairment	-	(75,303)	-	-
Government grant	-	40,000	-	-
Property option payment	-	-	185,000	-
Net (loss) income for the period	(118,513)	(125,338)	(2,443)	454,177
Basic (loss) income per share	(0.00)	(0.01)	(0.00)	0.02

Quarterly Information Trends

The Company's results have been largely driven by the level of its property holding costs, exploration activities and recoveries from property optionees. The Company has had no revenue from mining operations since its inception other disposal its assets and mineral royalties. 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.

Liquidity and Capital Resources

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 24, 2017, the Company has cash on hand of approximately \$628,000.

Cash used in operating activities was \$305,188. Cash provided by investing activities was \$333,082 mainly due to the \$350,000 BMC and \$10,000 Mariposa option payments, which amount was offset by \$10,000 acquisition for OGI Zinc prospect, and \$16,918 reclamation bond for Poker Brown.

The Company believes it has sufficient cash to sustain its operations in 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 a joint venture partner or disposition of property interests.

Outstanding Share Data

As at May 24, 2017, the Company has 31,129,009 common shares issued and outstanding; 2,791,500 stock options outstanding and exercisable at a weighted exercise price of \$0.10; and 2,815,250 warrants outstanding exercisable \$0.14 until May 3, 2018.

Pacific Ridge Exploration Ltd.
Interim MD&A – Quarterly Highlights
For the three months ended March 31, 2017

Changes in Accounting Policies

The Company has not made any changes to its significant accounting policies, as described within Note 2, during the year ended December 31, 2016. Certain requirements were issued by the IASB that are mandatory for annual years beginning on or after January 1, 2017. These changes have not yet been early adopted and have been evaluated to have no major impact on the Company.