

May 20, 2021

Report to Shareholders

Dear Shareholder:

2020 was a transformative year for your company. After an exhaustive search, we were successful in acquiring two highly prospective copper-gold projects in British Columbia – Kliyul and Redton. This marks a significant shift away from our prior Yukon gold focus and it was timely; both copper and gold prices have rallied strongly in the face of increased demand. Junior explorers are back in favour as investors the world over are realizing the importance of so many metal commodities, especially copper, in our electrified green future.

We were pleased to announce the hiring of Danette Schwab as our new Vice President of Exploration in early 2020. Danette is a Professional Geoscientist with over 18 years of experience in mining and mineral exploration. She has an excellent background in gold and copper-gold deposits as well as solid skills in exploration targeting and field operations. Her focus is to direct the Company's exploration programs on our Kliyul and Redton projects. She has experience working for a number of successful junior explorers, including Brixton Metals, NovaCopper, Fronteer Gold, Riverside Resources, NovaGold and Balmoral Resources.

During the summer field season of 2020, we did some important field work to establish drill targets for our planned 2021 drill program at Kliyul. We also completed compilation of the considerable amount of historical geological, geochemical, and geophysical data at Kliyul. In addition, we received multi-year exploration permits for the property and successfully negotiated Exploration Agreements with the Takla and Tsay Key Dene First Nations whose traditional territories cover the area of the Kliyul project.

At the Redton project, we drilled a single hole over a coincident IP chargeability, magnetic and geochemical anomaly at the Redton North target, approximately 2 km north of NorthWest Copper's Kwanika North deposit. Unfortunately, no significant copper or gold values were encountered. Plans for 2021 include surface mapping and sampling over a large area of elevated copper and molybdenum values in soils that covers favourable intrusive rocks in the eastern part of the property, similar to those that host Kwanika and other deposits within the Omineca Porphyry Belt.

After a drill program at our Spius project in 2019 produced only marginal results, we successfully farmed out the property to another junior explorer, Arctic Fox Ventures. Arctic Fox will be carrying out a drill program on the property in 2021.

We have entered the new year of 2021 with a show of great strength. Blaine Monaghan, a director of the Company, was appointed President and CEO, while Gerry Carlson became Executive Chairman. Early in the new year, Borden Putnam III was announced as a new independent Director and Chairman of our Technical Advisory Committee. Borden is a well-known economic geologist and investment advisor. Subsequent to this announcement, the Company added Dr. Jim Logan, an expert on British Columbia's porphyry copper-gold deposits and Dan Core, a geophysicist and geologist specializing in computer modelling of digital data to help explore large mineralized systems, such as copper-gold porphyry deposits. They join Craig Hart, Danette Schwab and Gerry Carlson to round out the committee.

Early in the new year, we closed a \$1.136 million flow-through financing and, in the second quarter, we announced and plan to soon close an additional \$1.5 million hard dollar financing. We are thus well funded to complete the planned 2,500 m drill program at Kliyul, a surface exploration program at Redton and another surface program at our newly acquired RDP property, a strong porphyry copper-gold target located in central BC just west of Kliyul.

On the one hand, this has been an extremely positive year for your Company, but on the other, it has been a trying and often tragic year for so many people affected by the onslaught of the COVID 19 pandemic. Mineral exploration has been deemed an essential service, so we have been able to continue with our business, working mostly from home and following government guidelines and protocols. Along with all of you, we are eagerly anticipating a return to normal times.

On behalf of the Board of Directors, I wish to thank you for your continued loyal support of Pacific Ridge. With our new focus, to become one of the leading copper-gold exploration companies in British Columbia, we are poised and ready for exciting times as we gear up for our Kliyul drill program as well as developing a high-quality pipeline of copper-gold exploration prospects. The future is ours.

Yours very truly,

Gerald G. (Gerry) Carlson
Executive Chairman

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.