

Pacific Ridge Exploration Ltd.
Management's Discussion and Analysis
For the six months ended June 30, 2015

This management's discussion and analysis ("MD&A") of Pacific Ridge Exploration Ltd. ("Pacific Ridge" or the "Company") is dated July 14, 2015 and provides an analysis of Pacific Ridge's financial results for the six months ended June 30, 2015 ("2015") compared to the same period in 2014 ("2014").

The following information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2014 and condensed interim financial statements ended June 30, 2015 and the related notes thereto. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts contained herein are in Canadian dollars, unless otherwise indicated.

The financial statements for the six months ended June 30, 2015 were approved by the Board of Directors on July 14, 2015.

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.

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 2014 year-end MD&A.

Pacific Ridge's disclosure of a technical or scientific nature has been reviewed and approved by Dr. 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.

Results of Operations

No exploration work has been carried out by the Company on any of its projects in 2015.

In June 2015, the Company sold a selected package of mineral royalties to Sandstorm Gold Ltd. ("Sandstorm") for US\$500,000. This royalty package includes a 1.65% Net Smelter Return (NSR) held by the Company on the Spectrum gold property, located in northwestern BC and owned by Skeena Resources Ltd., and a 1% NSR on Pacific Ridge's Eureka Dome and Gold Cap properties. Also as part of the package, Pacific Ridge transferred to Sandstorm its right to buy down royalties on its Mariposa and Sophie properties.

The Company is planning a rotary air blast (RAB) drill program on its Mariposa gold project in the Klondike-White Gold district in the 2015 field season, subject to financing, and continues to evaluate new acquisition opportunities.

MinQuest Limited ("MinQuest") holds the Company's Fyre Lake copper-gold project under option and is planning a 2015 drill program to confirm and expand the known mineralization.

King Solomon Property

In May 2013, the Company entered into an agreement with prospector Shawn Ryan and Wildwood Exploration Inc. whereby Pacific Ridge would have the right to earn a 100% interest in the King Solomon

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property, comprising 331 claims (6,700 ha) located in the Klondike Gold District. On June 17, 2015, the Company announced that it had terminated its option to acquire an interest in the King Solomon property.

In July 2013, the Company announced that it had entered into an agreement with 39242 Yukon Inc. to acquire a 100% interest in the Sophie property consisting of 40 claims adjoining the southern boundary of the King Solomon property. The property is located approximately 40 kilometers southeast of Dawson City and is accessible by all-weather road. In 2015, the Company is planning a prospecting program to evaluate gold and silver soil geochemical anomalies defined in 2013 and 2014.

Mariposa Property

The Mariposa property was acquired by Pacific Ridge in September 2009, by way of an option agreement with the Tintina Syndicate. The Mariposa property was subsequently expanded to include 1,477 claims covering a 30 x 10 km area, or approximately 295 km². In the fourth quarter of 2014, the Company completed its earn-in and now owns a 100% interest in the Mariposa property subject to a 2% NSR.

The Mariposa property is located 120 kilometres southeast of Dawson City, Yukon. It is 40 kilometres southeast of the Underworld/Kinross White Gold discovery and 30 kilometres east-northeast of Kaminak's Coffee property. It lies within a regional major northwest trending structural corridor which hosts numerous gold and copper deposits. Prior exploration identified an open-ended 7 km long horizon of altered sulphide bearing quartz mica schist in the Skookum Zone area. This unit is locally flanked by intrusive and mafic rock units, a setting favorable for hosting a gold-mineralizing system.

Exploration History

The history of gold exploration within the Mariposa property dates to 1898, when gold was first discovered in Scroggie and Mariposa Creeks. Large scale mechanized placer mining began in 1980 and has continued uninterrupted up until the present. It has been estimated that approximately 100,000 ounces of gold has been produced. The first lode gold exploration in the area was reported in 1917, when claims were staked over a reported quartz vein occurrence in the area of the Mariposa Creek placer workings in the general vicinity of the current Skookum Main Zone anomaly. It is only in the last 15 years that a serious effort has been made to discover a lode or bedrock gold source.

From 2010 through to the end of the 2013 field season, the Company spent approximately \$6.6 million exploring the Mariposa property. Soil sampling and trenching led to a core drilling program in 2011 as well as additional soil sampling, an aeromagnetic survey, ground magnetics and VLF surveys. In 2012, additional trenching, drilling and soil sampling surveys were carried out. A comprehensive discussion of the Mariposa property exploration history can be found on the Company's web site.

Recommended Future Work

Subject to availability of financing, a program of ongoing RAB drilling is planned to further define and extend the strong gold soil anomalies from the 2013 program. The Company is also considering option or joint venture of the Mariposa property.

Fyre Lake Massive Sulphide Project

The Company holds a 100% interest in the Fyre Lake copper-gold-cobalt massive sulphide project in the Yukon's Finlayson Lake District. Historically, the Company has spent approximately \$6.0 million on an extensive program of 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 July 2014, the Company entered into an option agreement with MinQuest who can earn an initial 51% interest in the property over three years. Upon earning a 51% interest in the property, MinQuest will then have the option to increase its interest to 70% by completing an additional \$3,000,000 in exploration expenditures by January 10, 2018. Should MinQuest earn a 70% interest, the Company will have the option of retaining a 30% participating joint venture interest or reducing to a 20% interest, carried through to a feasibility study. In October 2014, MinQuest completed a field program including an airborne VTEM electromagnetic and magnetic survey and re-sampling of selected 1996-97 drill core.

Proposed Future Work

MinQuest's exploration plans for the 2015 field season include infill and extensional drilling with the objective of increasing the size of the Kona resource as well as testing additional priority drill targets that were identified by the VTEM survey in combination with historical geological and geochemical results.

General, Administration and Corporate

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 six months ended June 30, 2015, the Company had a net income of \$380,967, resulting from the royalty sale, as compared to a net loss of \$165,952 in 2014. Due to prolonged weak equity markets and limited cash balances, the Company has not conducted any exploration programs and continued to reduce its general administration and corporate activities on an ongoing basis.

On July 2, 2015, the Company renewed its office sublease agreement with Adamera Minerals Corp. for a term from September 1, 2015 to August 31, 2016 at \$2,325 per month.

A summary of comparative administrative and other expenses for 2015 and 2014 is provided in the table below reflecting the Company's continued effort to reduce costs.

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	Six months end June 30,		Increase
	2015	2014	(decrease)
Administrative expenses			
Depreciation	\$ -	\$ 2,838	\$ (2,838)
Insurance	5,000	6,105	(1,105)
Professional and consulting fees	9,015	11,610	(2,595)
Management and administrative services	25,892	44,388	(18,496)
Office operations and facilities	31,298	27,571	3,727
Investor relations	3,803	14,308	(10,505)
Share-based payments	18,103	-	18,103
Transfer agent and regulatory fees	17,322	13,132	4,190
	110,433	119,952	(9,519)
Other expenses (income)			
Exploration and evaluation costs	16,800	46,232	(29,432)
Sale on mineral property royalty	(508,200)	-	508,200
Interest	-	(232)	232
	(491,400)	46,000	479,000
Total expenditures and expenses	\$ 380,967	\$ (165,952)	\$ 469,481

- Share-based payments were determined by the Black-Scholes option pricing model recognized over the vesting period of options based on each stock option grant. The \$18,103 share-based payment in 2015 reflected 868,000 options granted on Feb 2, 2015 at an exercise price of \$0.05. No options were issued or vested in 2014.
- The carrying value of the Company's mineral properties are reviewed by management quarterly, or when events or circumstances indicate that its 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 in the six months ended June 30, 2015.

Summary of Quarterly Results

The following table sets forth a comparison of information for the previous eight quarters ending with June 30, 2015:

	June 30,	March 31,	December 31,	September 30,
	2015	2015	2014	2014
Total revenue	\$ 508,200	\$ -	\$ -	\$ -
Interest income	-	-	-	-
General and administration	(46,523)	(45,807)	(102,649)	(44,382)
Exploration and evaluation costs	(7,500)	(9,300)	14,104	(51,400)
Gain (loss) on sale of marketable securities	-	-	(916)	2,120
Impairment	-	-	(135,712)	-
Mining tax credit and government grant	-	-	50,000	-
Property option payment	-	-	(20,591)	50,000
Share-based payments	-	(18,103)	-	-
Write off of equipment	-	-	(7,333)	-
Loss on sale of equipment	-	-	(4,332)	-
Net income (loss) for the period	\$ 454,177	\$ (73,210)	(207,429)	(43,662)
Basic and diluted earning (loss) per share	\$ 0.02	\$ -	(0.01)	\$ -

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	June 30, 2014	March 31, 2014	December 31 , 2013	September 30, 2013
Total revenue	\$ -	\$ -	\$ -	\$ -
Interest income	-	232	457	945
General and administration	(65,663)	(54,288)	(54,657)	(78,925)
Exploration and evaluation costs	(20,530)	(25,702)	(16,640)	(244,115)
Gain on sale of property	-	-	181,324	-
Impairment	-	-	(415,000)	-
Mining tax credit and government grant	-	-	70,000	-
Recognition of flow through share premium	-	-	24,550	-
Recover and other	-	-	61,684	-
Share-based payments	-	-	(23,837)	-
Net loss for the period	\$ (86,193)	\$ (79,758)	\$ (172,119)	\$ (322,095)
Basic and diluted loss per share	\$ -	\$ -	\$ (0.01)	\$ (0.02)

Liquidity and Capital Resources

The Company is dependent on raising funds by the issuance of shares or disposition of interests in resource properties it may own or otherwise acquire in order to finance further acquisitions, undertake exploration of other resource properties and meet general and administrative expenses in the immediate and long terms. As at July 14, 2015, the Company has cash and working capital of \$583,000 and 1,608,338 common shares of MinQuest at a fair market value of \$45,000.

During the six months ended June 30, 2015, the Company spent \$106,676 in operating activities (2014 - \$184,978) including \$16,800 in exploration and evaluation activities (2014 - \$46,232). The ability of the Company to continue its exploration program is dependent on the continuing success of its exploration programs coupled with available funding through sale of its share capital or disposition of property interests.

Outstanding Share Data

As at July 14, 2015, the Company has

- a) 24,390,884 common shares issued and outstanding;
- b) 2,281,500 stock options outstanding and exercisable at a weighted exercise price of \$0.20;
- c) 2,000,000 and 1,063,750 warrants outstanding which expire on November 18 and December 23, 2016, respectively. These warrants are exercisable at \$0.06 per share for the 1st year and \$0.075 for the 2nd year.

Off-Balance Sheet Arrangements

None

Proposed Transactions

None

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 at period ends. Management has concluded that the disclosure controls as at June 30, 2015 were effective in ensuring that all material information required to be filed had been effected in a timely manner, and that the information was recorded, processed and reported within the time period necessary to prepare the filings.

The Company continues to review and assess its internal control over financial reporting. There were no significant changes made to internal controls over financial reporting during the period ended June 30, 2015.

Changes in Accounting Policies and Recent Accounting Pronouncements

The Company has not made any changes to its significant accounting policies, as described within Note 2, during the year ended December 31, 2014. Certain requirements were issued by the IASB that are mandatory for annual years beginning on or after January 1, 2015. These changes have not yet been early adopted and have been evaluated to have no major impact on the Company.

Forward Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, which address future production, reserve potential, exploration activities and events or developments that the Company expects, are 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. Investors are cautioned that any such statements are not guarantees of future performance, that the Company expressly disclaims any responsibility for revising or expanding the forward-looking statements to reflect actual results or developments, and that actual results or developments may differ materially from those projected, in the forward-looking statements.