

**Pacific Ridge Exploration Ltd.
Management's Discussion and Analysis
For the three months ended March 31, 2013**

This management's discussion and analysis ("MD&A") of Pacific Ridge Exploration Ltd. ("Pacific Ridge" or the "Company") is dated May 30, 2013 and provides an analysis of Pacific Ridge's financial results for the three months ended March 31, 2013 ("2013") compared to the same period in 2012 year ("2012").

The following information should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2012 and the condensed interim financial statements for the three months ended March 31, 2013, together with 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 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 present stage of exploration results. Please refer to a detailed discussion of risks in the Company's MD&A for the year ended December 31, 2012.

Pacific Ridge's disclosure of a technical or scientific nature has been reviewed and approved by Dr. Gerry G. Carlson, P. Eng., Vice President Exploration of the Company, and a Qualified Person under the definition of National Instrument 43-101.

Results of Operations

During the three months ended March 31, 2013, the Company reviewed and analyzed the results from its 2012 exploration program in Yukon's White Gold District in preparation for and planning of the 2013 program.

Subsequent to the end of the quarter, the Company announced that it had reached an agreement to option the King Solomon gold project, in the Klondike placer gold mining district, Yukon, from independent prospector Shawn Ryan. The property and acquisition agreement are described in greater detail below.

King Solomon Property

On May 13, 2013, the Company announced that it had entered into an agreement with Shawn Ryan and Wildwood Exploration Inc. (the "Vendors") whereby Pacific Ridge would have the right to earn a 100% interest in the King Solomon property, comprising 331 claims (6,700 ha – the "Property") located in the heart of the Yukon's famous Klondike Gold District. The King Solomon property, located approximately 40 kilometres southeast of Dawson City is accessible by all-weather road.

The King Solomon property reportedly covers one of the largest and strongest gold-in-soil anomalies in the Klondike that has not yet been explored by trenching or drilling. Quartz Creek, Sulphur Creek, Gold Bottom Creek and Dominion Creek are well-known Klondike gold placer creeks with drainages originating within the King Solomon property.

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The main target of interest is a 1,600 m by 1,600 m gold in soil anomaly that lies near the summit of King Solomon Dome. Within this anomaly, gold values range to a maximum of 1,377 ppb or 1.38 grams/tonne gold, above an anomaly threshold value of 30 ppb Au. The core of the anomaly has a strong association with silver and tungsten values. A second gold zone, measuring 600 m by 800 m, located just west of the main target zone, has a strong silver-bismuth association.

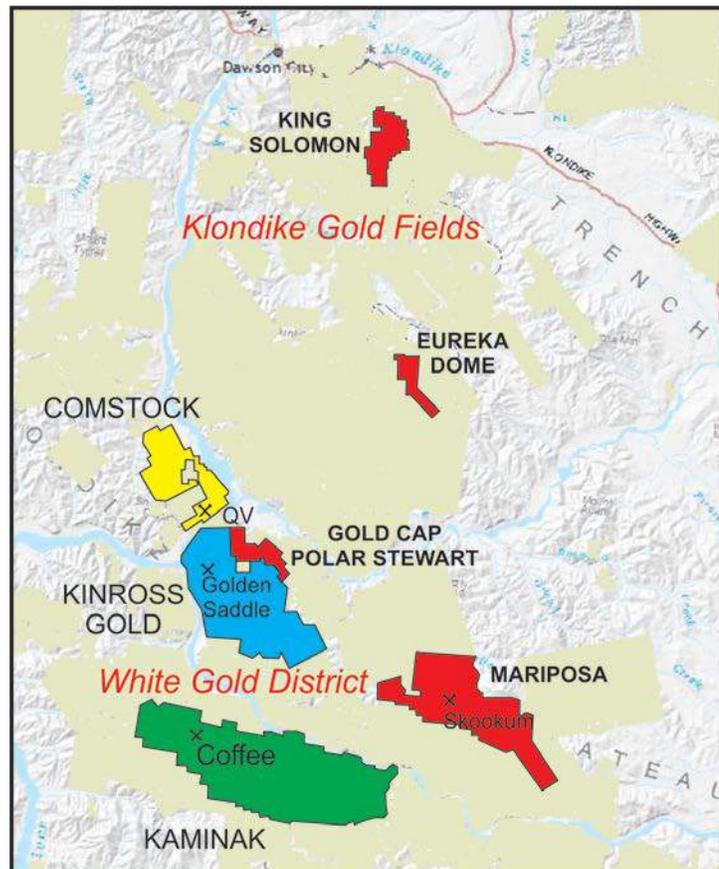
Pacific Ridge believes that there is opportunity for the discovery of a bedrock source of gold mineralization associated with these soil gold anomalies and the headwaters of placer gold creeks. An exploration program of deep penetrating soil sampling and high resolution IP-resistivity geophysical surveying is planned over the two anomalies and will commence during the month of June. This work will then be followed by drill testing of the highest priority targets.

In order to earn a 100% interest in the Property, Pacific Ridge will, subject to TSX Venture Exchange approval, and prior to May 15, 2017, commence the making of staged payments totaling \$500,000, issue 1,500,000 shares and complete \$2,500,000 in exploration work. The initial payment of \$50,000 and 250,000 shares were made and issued in May 2013. After Pacific Ridge has earned a 100% interest in the Property, it will issue up to an additional 500,000 shares to the Vendors upon the Property attaining certain future exploration milestones. The Vendors will retain a 2% NSR in the Property, 50% of which can be purchased by Pacific Ridge for \$2 million at any time.

Mariposa Property

During the first quarter of 2013 the Company reviewed 2012 exploration results in order to establish an on-going work plan.

As previously reported, the 2012 exploration program included mainly diamond drilling at the Mariposa Skookum Main zone, plus soil sampling, geophysical surveying and trenching. The program included 2,450 metres of diamond drilling completed in 14 holes, approximately 1,000 metres of excavation in 18 trenches, collection of 3,500 soil and silt samples, a ground magnetic survey and prospecting for gold-bearing float. Based on the results of this program, continued exploration is being proposed for the Mariposa property in 2013 and will be comprised of surface exploration in order to establish priorities for on-going drilling in 2014. The Company may also consider joint venture participation in on going work at Mariposa.



Skookum Main

The 2012 drilling program within the Skookum Main zone program confirmed a structural related gold mineralization trend within favorable gold-hosting rocks, mostly granodiorite, usually found in association with evidence of hydrothermal alteration. This open ended, structurally-bounded, northeasterly-trending zone now measures from 60 to 80 metres in width and consists of east-northeast dipping stratigraphy with demonstrated potential for both near surface and at depth gold mineralization.

Now that the gold mineralization system of the Skookum Main zone is well understood, surface exploration priority will be placed on the area to further expand this open-ended mineralized corridor for future drill-testing.

A complete table of 2012 drill hole assays was reported in a Pacific Ridge news release dated October 16, 2012, which may be viewed on the Company's website.

Skookum West

During the 2010 through 2012 exploration seasons, prospecting within the Skookum West zone, as defined by a 1.5 kilometer-long gold-in-soils anomaly, has revealed numerous locations where gold-bearing float samples have assays ranging from 0.5 g/t to 19.9 g/t gold. In 2012 approximately 1,000 m of trenching examined 12 locations of gold-in-float discoveries in order to expose bedrock sources for sampling. This trenching program was completed in October with the collection of approximately 198 composite rock samples, 198 soil samples and 19 grab samples collected from the trenches. A recent review of trench assay results during the First Quarter of this year revealed that the best results from angular float samples collected from the bottom of a 142 metres long trench at Skookum West included 282 ppb Au over 15 metres, 693 ppb Au over 10 metre and 2.45 g/t over 10 metres including 5 metres of 4.52 g/t. During this year, 2013, detailed geophysical surveying (IP) and deep penetrating soil sampling is proposed to further define these anomalies prior to additional drill testing.

Alberta Creek

A review of results from previous exploration has determined that three anomalous targets: Gold South, Gold North and Copper-Moly could be a part of one continuous anomaly, interpreted to have an overall strike length in excess of 2 km. C horizon gold values range up to 450 ppb within the anomaly. The North Zone is an Au-Sb anomaly with locally anomalous Mo while the South Zone is also moderately anomalous in Sb and weakly anomalous in As and Cu. There is no known bedrock source for this soil anomaly. Except for minor prospecting along the ridge within the North Zone, there has been very little exploration work carried out in the area.

Further work, including an IP geophysical survey and deep-penetrating soil sampling is planned for 2013 in order to precisely define drill targets at Alberta Creek.

Big Alex

A review of 2012 exploration results from the Big Alex Zone, located in the northwestern part of the Mariposa property, 5 km west of Skookum Main, straddles Scroggie Creek, and is defined by anomalous gold-in-soils, gold-in-float and gold-in-outcrop. A single hole drilled west of Scroggie Creek to test the coincidence of gold-in-soil anomaly with a linear structure as interpreted from geophysics returned gold mineralization up to 4.1 g/t over 1.8 m. A grab sample from a rare outcrop in the Big Alex East area, with

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dense quartz veining, returned 3.0 g/t Au. Two drill holes from a single set-up intersected multiple intervals of significant gold mineralization, including a near surface 5.2 m of 1.64 g/t Au in drill hole 12MP-13 and 7.1 m of 0.54 g/t Au in drill hole 12MP-13 including 1.5 m of 1.4 g/t Au and 1.2 m of 1.3 g/t Au.

Additional drilling is recommended when budget permits to define the geometry and extent of gold mineralization in both targets.

Hackly

The Hackly gold-in-soil anomaly, 3 km east-southeast of Skookum Main, reaches 250 ppb gold and is open ended for expansion. Named "Hackly" because of the hackly texture of gold nuggets found nearby in Scroggie Creek, it is postulated that the rough textured nuggets may not have travelled far from a lode gold source. In 2011, two holes were drilled into the Hackly gold soil anomaly with disappointing results. In 2012, on-going prospecting led to discovery of gold-bearing float occurrences that appears to be close to its bedrock source. Grab samples returned 11.7 g/t and 1.65 g/t gold from an area located approximately one kilometre north of the 2011 drilling. This float discovery will be followed up in the 2013 field season with trenching and, if warranted, drilling.

White Gold District Exploration Activity

While exploration in the Yukon's Klondike and White Gold Districts is expected to be reduced compared to the previous three years, large drill programs are planned at the Kaminak Coffee and Comstock's QV properties and an estimated six junior companies are gearing up for 2013 exploration programs.

Gold Cap - Polar/Stewart

The 205 claim, Gold Cap-Polar/Stewart property covers over 40 square kilometers and adjoins the northeast boundary of the Kinross' White Gold property. Gold Cap is 100% owned by Pacific Ridge and was staked in 2009 on the basis of an anomalous gold silt sample reported by the Geological Survey of Canada. Pacific Ridge holds an option to earn a 100% interest in the adjacent Polar/Stewart property subject to a 2% royalty.

No exploration has been carried out within the last two years. However news of early discovery of gold on the QV property located approximately 4 kilometers to the northwest has re-kindled interest in advancing exploration on the Gold Cap property where prior exploration detected a 3km long northeasterly gold-in-soils trend which converges with a 1 km northwesterly trend. Gold-in-soil values peak at 217 ppb gold near this intersection. The Gold Cap anomaly lies adjacent to the Cathy Zone on Kinross' White Gold property.

Possibility of gaining a joint venture partner is being considered.

Fyre Lake Massive Sulphide Project

On January 28, 2013, Pacific Ridge announced that it had entered into an agreement with True North Gems Inc. to acquire 43 mineral claims located within the Fyre Lake property. The newly acquired claims are strategically located in proximity to the Kona deposit. In order to earn a 100% interest in the claims from True North, Pacific Ridge will make an initial payment of \$15,000 plus 50,000 Pacific Ridge shares and on or before January 31, 2014 will pay an additional \$10,000 and 30,000 shares. The agreement is not subject to any underlying royalty interests.

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Pacific Ridge is planning an airborne geophysical survey over the claims in 2013 and it is also considering joint venture participation with the objective of increasing Kona tonnage and testing other, newly defined targets through additional drilling.

The Company continues to hold a 100% interest in the Fyre Lake Project in the Yukon where the Company has spent approximately \$6.0 million on an extensive program of diamond drilling that resulted in definition of a (2006) 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. This estimate was prepared by D. Blanchflower, P.Eng. of Minorex Consulting Ltd. who is the qualified person for this purpose. The resource remains open for expansion. The Company has received expressions of interest in option/joint venture from potential participants.

As of March 31, 2013, total accumulated exploration and evaluation costs are listed below:

Resource Properties	Balance December 31, 2012	Additions Q1	Balance March 31, 2013
Mariposa	\$ 6,489,378	\$ 46,957	\$ 6,536,335
Other properties	563,336	12,682	576,018
General exploration	241,778	618	242,396
Total	\$ 7,294,492	\$ 60,257	\$ 7,354,749

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 three months ended March 31, 2013, the Company had a net loss of \$186,627 or \$0.01 loss per share, as compared to net loss of \$287,426 or \$0.02 loss per share in 2012. Due to the difficulty in the equity market for junior mining companies, the Company has reduced its general administration and corporate activities and on-going exploration program within the White Gold District as well as the Mariposa property contingent on availability of financing during 2013.

A summary of comparative administrative and other expenses for 2013 and 2012 is provided in the table below with an analysis for the major changes. The major expenses are the exploration and evaluation costs which are driven by the Company's exploration program in Yukon. Due to the weather condition in Yukon, the company is limited to carry out its exploration programs during the period from May to October, when most exploration expenditures are incurred.

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	Three months ended March 31,		Increase (decrease)
	2013	2012	
Administrative expenses			
Depreciation	\$ 2,028	\$ 2,897	\$ (869)
Insurance	130	2,481	(2,351)
Professional fees	13,856	5,984	7,872
Management and administrative services	44,514	37,182	7,332
Office operations and facilities	31,650	26,804	4,846
Investor relations	20,315	55,826	(35,511)
Share-based payments	7,312	18,375	(11,063)
Transfer agent and regulatory fees	8,026	10,354	(2,328)
	127,831	159,903	(32,072)
Other expenses (income)			
Exploration and evaluation costs	\$ 60,257	\$ 136,082	\$ (75,825)
Interest	(1,461)	(8,559)	7,098
	\$ 58,796	\$ 127,523	\$ (68,727)

- Exploration and evaluation costs decreased by \$75,825 from \$136,082 in 2012 to \$60,257 in 2013 due to reduced funding available for 2013 exploration program.
- Investor relations decreased by \$35,511 from \$55,826 in 2012 to \$20,315 in 2013 reflecting the Company's reduced budget coupled with overall market conditions. In this regard, the Company had terminated its investor relations services from G2 consultant in August 2012.
- Professional fees increased by \$7,872 from \$5,984 in 2012 to \$13,856 in 2013 mainly due to the earlier annual general meeting held in April 2013.
- Share-based payment decreased by \$11,063 from \$18,375 in 2012 to \$7,312 in 2013. The values of share-based payments were determined by the Black-Scholes option pricing model recognized over the vesting period of options.

Summary of Quarterly Results

The following table sets forth a comparison of information for the previous eight quarters ending with March 31, 2013:

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	March 31, 2013		December 31, 2012		September 30, 2012		June 30, 2012	
Total revenue	\$	-	\$	-	\$	-	\$	-
Interest income		1,461		2,442		4,992		6,209
General and administration		(120,519)		(134,654)		(108,963)		(169,679)
Exploration and evaluation costs		(60,257)		(147,507)		(1,249,136)		(441,166)
Share-based payments		(7,312)		(28,766)		(24,034)		(41,552)
Net loss for the period	\$	(186,627)	\$	(308,485)	\$	(1,377,141)	\$	(646,188)
Basic and diluted loss per share	\$	(0.01)	\$	(0.02)	\$	(0.10)	\$	(0.05)

	March 31, 2012		December 31, 2011		September 30, 2011		June 30, 2011	
Total revenue	\$	-	\$	-	\$	-	\$	-
Interest income		8,559		5,968		11,594		4,058
General and administration		(141,528)		(158,209)		(142,962)		(184,047)
Exploration and evaluation costs		(136,082)		(339,210)		(1,959,787)		(933,192)
Gain on sale of property		-		125,221		-		-
Impairment		-		(96,000)		-		-
Share-based payments		(18,375)		(44,270)		(89,164)		(28,889)
Net loss for the period	\$	(287,426)	\$	(506,500)	\$	(2,180,319)	\$	(1,142,070)
Basic and diluted loss per share	\$	(0.02)	\$	(0.04)	\$	(0.19)	\$	(0.11)

Liquidity and Capital Resources

The Company is dependent on raising funds by the issuance of shares or subsequent 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 term.

During the three months ended March 31, 2013, the Company spent \$60,257 (2012 - \$136,082) in exploration and evaluation of its Yukon mineral properties. The ability of the Company to continue its exploration program is dependent on the continuing success of its program and on receiving sufficient additional funding from investors.

As at May 30, 2013, the Company had cash and cash equivalents of \$369,110 and a working capital of \$286,654.

On April 16th the Company announced a proposal for consolidation of its share capital on a 5 for 1 basis, which consolidation was effected April 30th.

On April 29th, the Company announced a proposal for a non-brokered private placement to raise up to \$740,000 comprising seven million flow-through shares at \$0.07 per share and five million units at \$0.05 per unit.

Off-Balance Sheet Arrangements

None

Proposed Transactions

None

Outstanding Share Data

As at May 30, 2013, the Company had 14,462,884 common shares issued and outstanding, 722,000 stock options were outstanding and 576,500 options were exercisable at a weighted exercise price of \$0.95 and \$1.05, respectively.

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 March 31, 2013 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.

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 March 31, 2013.

Changes in Accounting Policies and Recent Accounting Pronouncements

The Company has adopted new accounting standards effective January 1, 2013, please refer to note 2 in the condensed interim financial statements for the period ended March 31, 2013. The changes 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.