

Pacific Ridge Exploration Ltd.
Management's Discussion and Analysis
For the six months ended June 30, 2013

This management's discussion and analysis ("MD&A") of Pacific Ridge Exploration Ltd. ("Pacific Ridge" or the "Company") is dated August 13, 2013 and provides an analysis of Pacific Ridge's financial results for the six months ended June 30, 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 year ended December 31, 2012 and the condensed interim financial statements for the six months ended June 30, 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 six months ended June 30 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 exploration program. Field work commenced in July 2013, but no results from this work have yet been announced.

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 kilometers 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.

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

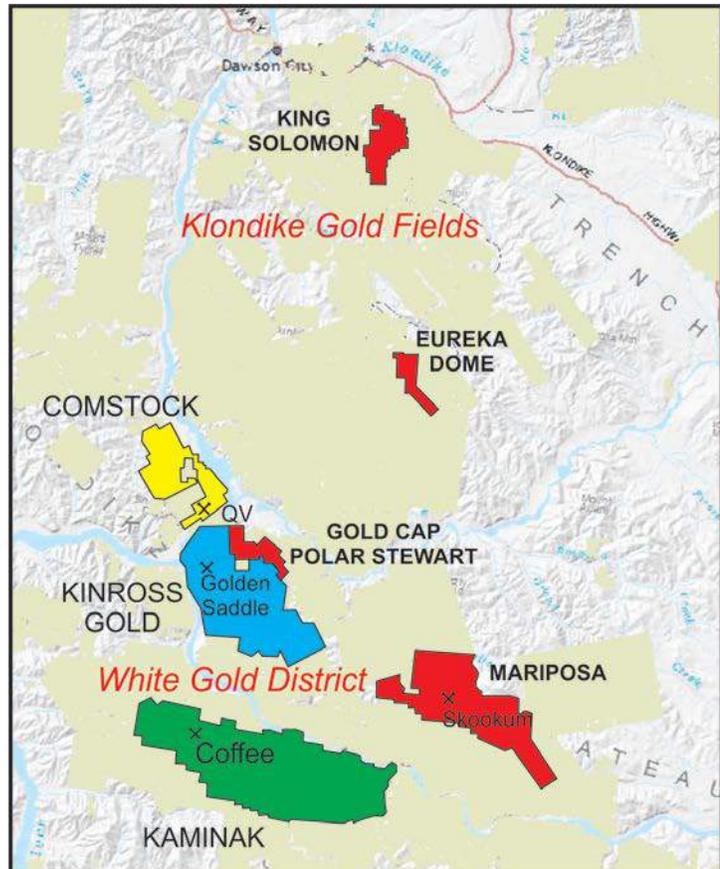
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silver and tungsten values. A second gold in soil anomaly, measuring 600 m by 800 m, located just west of the main target zone, has a strong silver-bismuth association.

Pacific Ridge believes that there is an opportunity for the discovery of a bedrock source of gold mineralization associated with these soil gold anomalies and the headwaters of well-known 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 commenced in July.. The objective of this program is to define high quality drill targets.

In order to earn a 100% interest in the Property, Pacific Ridge will, 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.

On July 10, 2013, the Company announced that it had entered into an agreement with 39242 Yukon Inc. (the "Vendors") whereby Pacific Ridge has the right and option to earn a 100% interest in the Sophie mineral property, consisting of 40 claims, adjoining the southern boundary of the Company's King Solomon property. The Sophie property saw some previous exploration in the 1990's and there is no known record of historic drilling. It is strategically located, lying immediately adjacent to the open-ended main gold soil geochemical target on the King Solomon property,



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The principal terms of the option agreement include a \$5,000 down payment followed by escalating staged cash payments over 4 years, for a total of \$100,000. The Company will also issue 100,000 shares followed by escalating staged share payments over 4 years, for a total of 1,000,000 shares. Upon having paid \$100,000 and issued 1,000,000 shares to the Vendors, Pacific Ridge will have earned a 100% interest in the Property subject to a 2.5% Net Smelter Returns Royalty payable to the Vendors. Pacific Ridge will have the right to purchase 50% of the Net Smelter Returns Royalty for \$750,000.

Mariposa Property

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

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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 more clearly understood, surface exploration priority will be placed on the area to further expand and delineate 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, revealed numerous locations where gold-bearing float samples produced 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 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 that included 5 metres of 4.52 g/t. During 2013, detailed geophysical surveying (IP) and deep penetrating soil sampling is proposed to further define these anomalies prior to 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 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 located 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 when budget permits with trenching and, if warranted, drilling.

White Gold District Exploration Activity

While exploration activity 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 Kaminak's Coffee project and Comstock's QV project, while an estimated six other junior companies are carrying out 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 and to the east of the Cathy Zone on Kinross' White Gold property.

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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.

Pacific Ridge is planning to produce detailed topographic maps and an orthophoto base from satellite imagery 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 and may consider expressions of interest in option/joint venture from potential participants.

As of June 30, 2013, total accumulated exploration and evaluation costs are listed below:

Resource Properties	Balance	Additions		Total	Balance
	December 31, 2012	Q1	Q2	additions	June 30, 2013
Mariposa	\$ 6,489,378	\$ 46,957	\$ 14,329	\$ 61,286	\$ 6,550,664
Other properties	563,336	12,682	-	12,682	576,018
General exploration	241,778	618	9,297	9,915	251,693
Total	\$ 7,294,492	\$ 60,257	\$ 23,626	\$ 83,883	\$ 7,378,375

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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, 2013, the Company had a net loss of \$415,388 or \$0.03 loss per share, as compared to net loss of \$933,614 or \$0.07 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.

	Six months ended June 30,		Increase
	2013	2012	(decrease)
Administrative expenses			
Depreciation	\$ 4,056	\$ 5,793	\$ (1,737)
Insurance	13,630	26,152	(12,522)
Professional fees	33,623	23,225	10,398
Management and administrative services	86,749	84,266	2,483
Office operations and facilities	62,405	54,217	8,188
Investor relations	33,777	100,196	(66,419)
Share-based payments	14,624	59,927	(45,303)
Transfer agent and regulatory fees	31,671	17,358	14,313
	280,535	371,134	(90,599)
Other expenses (income)			
Exploration and evaluation costs	83,883	577,248	(493,365)
Impairment	53,500	-	53,500
Interest	(2,530)	(14,768)	12,238
	134,853	562,480	(427,627)
Total expenditures and expenses	\$ (415,388)	\$ (933,614)	\$ (518,226)

- Exploration and evaluation costs decreased by \$493,365 from \$577,248 in 2012 to \$83,883 in 2013 due to reduced funding available for 2013 exploration program.
- Investor relations decreased by \$66,419 from \$100,196 in 2012 to \$33,777 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 \$10,398 from \$23,225 in 2012 to \$33,623 in 2013 mainly due to the legal expenses related to an earlier annual general meeting held in April 2013.
- Share-based payment decreased by \$45,303 from \$59,927 in 2012 to \$14,624 in 2013. The values of share-based payments were determined by the Black-Scholes option pricing model recognized over the vesting period of options.

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Summary of Quarterly Results

The following table sets forth a comparison of information for the previous eight quarters ending with June 30, 2013:

		June 30,		March 31,		December 31 ,		September 30,
		2013		2013		2012		2012
Total revenue	\$	-	\$	-	\$	-	\$	-
Interest income		1,069		1,461		2,442		4,992
General and administration		(145,392)		(120,519)		(134,654)		(108,963)
Exploration and evaluation costs		(23,626)		(60,257)		(147,507)		(1,249,136)
Impairment		(53,500)		-		-		-
Share-based payments		(7,312)		(7,312)		(28,766)		(24,034)
Net loss for the period	\$	(228,761)	\$	(186,627)	\$	(308,485)	\$	(1,377,141)
Basic and diluted loss per share	\$	(0.01)	\$	(0.01)	\$	(0.02)	\$	(0.10)

		June 30,		March 31,		December 31,		September 30,
		2012		2012		2011		2011
Total revenue	\$	-	\$	-	\$	-	\$	-
Interest income		6,209		8,559		5,968		11,594
General and administration		(169,679)		(141,528)		(158,209)		(142,962)
Exploration and evaluation costs		(441,166)		(136,082)		(339,210)		(1,959,787)
Gain on sale of property		-		-		125,221		-
Impairment		-		-		(96,000)		-
Share-based payments		(41,552)		(18,375)		(44,270)		(89,164)
Net loss for the period	\$	(646,188)	\$	(287,426)	\$	(506,500)	\$	(2,180,319)
Basic and diluted loss per share	\$	(0.05)	\$	(0.02)	\$	(0.04)	\$	(0.19)

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 six months ended June 30, 2013, the Company spent \$83,883 (2012 - \$577,248) 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 August 13, 2013, the Company had cash and cash equivalents of \$352,284 and a working capital of \$299,956.

On June 10th, the Company closed its first tranche of anon-brokered private placement for a gross proceed of \$260,000 by issuing 2,155,000 flow-through shares at \$0.07 per share and 2,183,000 non-flow-through units at

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\$0.05 per unit. Each unit comprises of one none-flow-through share and one-half of a transferable share purchase warrant exercisable at a price of \$0.10 by June 10, 2014.

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.

Off-Balance Sheet Arrangements

None

Proposed Transactions

None

Outstanding Share Data

As at August 13, 2013, the Company had

- a) 18,900,884 common shares issued and outstanding;
- b) 692,000 stock options were outstanding, of which 642,000 options were exercisable at a weighted exercise price of \$0.95 and \$0.98, respectively
- c) 1,133,500 warrants outstanding exercisable at \$0.10 per share by June 10, 2014.

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, 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 June 30, 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 June 30, 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

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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.