PACIFIC RIDGE EXPLORATION LTD.
(the "Company")

MANAGEMENT DISCUSSION AND ANALYSIS
("MD&A")
(FORM 51-102F1)

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2008
(the "Period")

The Company prepares its financial statements in accordance with accounting principles generally accepted in Canada. This MD&A should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2007 and the related notes thereto. Unless otherwise indicated, all amounts in this MD&A are in Canadian dollars. Any reference in this document to "properties" means any mineral resources properties in which the Company has or in the future may earn an interest.

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 drilling, 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.

DATE
This MD&A is made as of May 26, 2008.

OVERALL PERFORMANCE
Description of Business
The Company is in the business of acquiring, exploring and developing mineral properties. All of the Company's mineral property interests are currently located in Canada. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX-Venture Exchange under the symbol PEX.

The Company has not yet determined whether any of its exploration properties contain reserves that are economically recoverable. All direct costs associated with the exploration of these properties are capitalized as incurred. If a property is abandoned, or continued exploration is not practicable or is not planned to be carried out in the near future, the related deferred exploration expenditures and mineral property costs may be written off or written down as appropriate.

Liquidity and Capital Resources
At March 31, 2008, the company had working capital of $1,421,105 (December 31, 20007: $1,664,270). During the Period, the Company issued no securities.

At March 31, 2008, the Company had warrants outstanding as follows:

	Number of warrants	Number of shares issuable on exercise of warrants	Price per share $	Expiry date
Private Placement – 2007	2,985,000	2,985,000	0.40	December 22, 2008
Private Placement – 2007	778,050	778,050	0.35	December 22, 2008
Private Placement – 2007	515,000	515,000	0.40	December 26, 2008
Property – Baker	200,000	200,000	0.24	August 1, 2008
	4,478,050	4,478,050		

At March 31, 2008, the Company had stock options outstanding as follows:

Number of shares outstanding	Number of shares exercisable	Exercise price ($)	Expiry date
1,900,000	1,900,000	0.11	September 17, 2009
800,000	800,000	0.32	March 23, 2011
1,050,000	525,000	0.26	March 28, 2012
200,000	150,000	0.26	March 28, 2009
200,000	100,000	0.30	April 10, 2009
4,150,000	3,475,000		

The Company earns no income from operations and any significant improvement in working capital depends principally upon the issuance of share capital. During the Period, the Company experienced a negative cash flow of $254,404 (2006: cash flow of $77,996) from operating activities. While property option payments are made at the discretion of the Company, management believes it has sufficient funds on hand to meet its current property commitments during 2008. Other than trade payables, the Company has no other debt or long-term debt obligations.

The Company's continuing operations are dependent on its ability to secure additional financing. There can be no assurance that the Company will be successful in this regard. The exploration and subsequent development of properties to be acquired by the Company therefore depends on the Company's ability to obtain additional required financing. The Company has limited financial resources and there is no assurance that additional financing will be available to allow the Company to fulfill its obligations on its existing exploration properties. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in the properties. The Company may in the future be unable to meet its obligations under agreements to which it may be a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized. Furthermore, the Company may be unable to finance the cost required to complete recommended programs. The Company is dependent on raising funds by the issuance of shares or disposing of interests in mineral properties it may acquire (by option, joint ventures or sales) in order to finance further acquisitions, undertake exploration and development of other mineral properties and meet general and administrative expenses in the immediate and long term. There can be no assurance that the Company will be successful in raising the required financing.

The Company receives option payments relating to the farm-out of properties to optionees either in the form of cash or shares or units comprised of shares and warrants allowing for the future acquisition of shares in the capital of the optionee. Option payments received are treated as a reduction of the carrying value of the related mineral property and deferred exploration costs until the Company's costs are recovered. Option payments received in excess of costs are credited to income. Shares received from the optionees are recorded as investments at cost equal to market value at the date of receipt. Investments are written down to reflect any impairment in value that is considered to be other than temporary.

RESULTS OF OPERATIONS

Mineral Projects

Exploration and Mineral Property Expenditures from January 1 to March 31, 2008:

	BAKER LAKE	GENERAL	TOTAL
Accommodation	9,027		9,027
Assays and geochemical analysis	766		766
Consulting	48,146	6,165	54,311
Depreciation	1,607		1,607
Engineering and metallurgical	185		185
Environmental and mine permitting	23,616		23,616
Maps, printing and drafting	64		64
Property acquisition and maintenance costs	29,992		29,992

Salaries and wages - stock option compensation	7,396		7,396
Transportation	6,751		6,751
Total	127,500	6,165	133,715

During the Period, the Company expended $133,715 (2007: $149,600) in exploration costs on mineral properties, primarily on the Baker Lake Uranium Project, including $6,165 on general exploration costs incurred while conducting regional exploration work (2007: $478). Exploration expenditures in 2008 are lower than in 2007 as a result of activity at the Baker Lake Uranium Project.

BAKER BASIN URANIUM PROJECT

The Baker Basin Uranium Project, located in southwestern Nunavut covers approximately 97,000 hectares of land prospective for uranium occurrences along a 60 kilometre length of the southern boundary of the Baker Lake Basin. The mineral tenure includes 97 staked claims. Baker Basin is one of four Canadian proterozoic basins that are attractive depositional environments for large uranium deposits.

Under the Terms of an amended agreement with Kaminak Gold Corporation, who have subsequently assigned their interest to Kivalliq Energy Corp., the Company has earned a 100% interest in the Baker Basin Project subject to back-in rights by Kivalliq Energy to earn up to 20% interest upon completion of a positive feasibility study. Underlying interests are held by Hunter Exploration Group as to a 2% NSR interest, as well as by Shear Minerals Ltd/Stornoway Diamond Corporation who collectively hold an 8.5% Net Profits Interest. The Company's ownership of the Baker Basin Project pertains to all commodities other than diamonds.

During the first quarter of 2008, the Company converted selected portions of four prospecting permits to mineral claims bringing the total mineral claims within the Baker Basin Project to 97. The Company has filed all assessment credit from the 2007 drilling program to maintain the claims in good standing. No field work was conducted in the first quarter, and the Company inaugurated additional permitting applications to expand the planned 2008 drilling program. The Company also initiated discussion regarding option/joint venture participation opportunities in the Baker Basin Project with several companies active in the uranium sector.

FYRE LAKE PROJECT

The Company continues to hold a 100% interest in 168 mineral claims comprising the Fyre Lake Project in the Yukon. The Company has not significantly advanced the project in recent years, was unable to carry out its planned program of work in 2007, and continues to seek participants to fund further exploration activities in 2008. The Company plans to continue to maintain the mineral claims in good standing.

NEW PROJECT

On May 13, 2008, the Company announced that it had acquired a major phosphate exploration project in east-central British Columbia. The phosphate project consists of a 100-per-cent interest in two staked groups encompassing 119 mineral claims covering a cumulative 100-kilometre-length (approximately 500 square kilometers) of favourable geology for the hosting of phosphate deposits.

Phosphate rock and the production of phosphoric acid are experiencing a rapidly growing global demand, phosphoric acid has seen price increases from the $200-per-tonne range to more than $1,000 per tonne in the past year. Phosphoric acid is a primary ingredient in fertilizer products, and is produced by leaching mine grade phosphate rock with sulphuric acid.

The Company selected the phosphate project area based on the high potential for discovery of large tonnages of phosphate mineralization, coupled with an established area of infrastructure for supporting future mine production.

In 1987 (bulletin 98), the Geological Survey Branch of the Minerals and Energy division of the B.C. Department of Mines reported that, "…phosphate in east-central B.C. occurs as a blanket-type horizon of bedded sedimentary phosphate that is laterally very continuous and measuring up to three metres thick in outcrop." Although recognized earlier by coal and oil and gas explorers, the phosphate deposits have, to date, not seen any exploration activity.

In the northern portion of the Company's holdings, the phosphate horizon at Mt. Palsson was noted as being one-metre thick, with B.C. Geological Survey grab samples yielding an average grade of 26.4 per cent P205 (phosphorus pentoxide). In the southern portion of the project area, at Meosin Mountain, the phosphate horizon was identified and sampled at several locations; one grab sample graded 23.64 per cent P205. Within the northern portion of the Meosin holdings, a 1.3-metre-thick section assayed 10.05 per cent P205 and, in the southern portion, four stacked horizons that were approximately one metre thick each were discovered, with assays ranging from 2.1 per cent to 6.9 per cent P205. Associated with the phosphate mineralization, reported rare earth values of lanthanum, cerium and yttrium suggest opportunity for added value.

As with all potential bulk tonnage commodities, existing infrastructure plays an important role in determining positive economics for future production. The phosphate project is well located near the communities of Tumbler Ridge and Dawson Creek, with access to railroad, an extensive road network and hydroelectric power. Sulphur, necessary in the creation of sulphuric acid used in the process of upgrading phosphate rock to phosphoric acid, may be sourced from nearby oil and gas refineries.

Wayne J. Roberts, P.Geo, Vice-President, Exploration of the Company, a Qualified Person, has reviewed and compiled the mineral projects technical information presented in this document.

Corporate

Selected Administrative Expenses and Other Expenses for the Period:

	3 MONTHS ENDED MARCH 31, 2008	3 MONTHS ENDED MARCH 31, 20087
	$	$
Management and administrative services	14,175	15,550
Office operations and facilities	44,380	13,302
Shareholder communications	1,087	26,242
Stock-based compensation	51,842	114,708
Other	68,529	11,873
	180,013	181,675

During the Period, the Company incurred administrative expenses of $180,013 (2007: $181,675). Effective January 1, 2008, the Company entered into agreement with an independent party to receive administrative and geological services, and office operations and facilities. Office operations and facilities increased due to staffing requirements and attendant corporate related expenses. Total administrative expenses remain relatively unchanged.

Stock-based compensation is a non-cash item, resulting from the application of the Black-Scholes Option Pricing Model using assumptions in respect of expected dividend yield average risk-free interest rates, expected life of the options and expected volatility. Stock-based compensation represents the fair value determined under the Black-Scholes model of the vested portion of existing options during the Period, which was allocated to the Statements of Loss and Deficit and Statements of Deferred Exploration and Mineral Property Expenditures, as to $51,842 (2007: $114,708) and $7,396 (2007: $7,057) respectively. During the Period, the Company earned interest income of $9,718 as compared with $10,909 for comparative 2007, related to cash balances available for placement.

Under the provisions of CICA EIC 146, in respect of flow-through shares, a future income tax liability must be recognized, and shareholders' equity reduced, on the date that the company renounces the tax credits associated with flow-through expenditures, provided that there is reasonable assurance that the expenditures will be made. As the company has unrecognized future tax assets and the taxable temporary differences relating to the flow-through shares are expected to reverse during the loss carryforward period, these tax assets can be applied against the future taxable temporary difference. The recognition of the benefits resulted in a future income tax recovery of $783,370.

SUMMARY QUARTERLY AND ANNUAL INFORMATION

Summary of quarterly results

The following table sets forth a comparison of information for the previous eight quarters ending with March 31, 2008.

Quarter Ended:	March 31, 2008 ($)	December 31, 2007 ($)	September 30, 2007 ($)	June 30, 2007 ($)	March 31, 2007 ($)	December 31, 2006 ($)	September 30, 2006 ($)	June 30, 2006 ($)
Current Assets	1,485,847	1,858,880	2,920,968	5,308,033	1,818,188	1,981,420	2,555,587	3,427,041
Resource Assets	6,857,454	6,729,904	5,720,116	3,396,081	2,414,234	2,265,124	8,801,043	7,379,397
Current Liabilities	64,742	194,610	497,753	520,795	88,765	202,233	720,131	134,528
Shareholders' Equity								
Capital Stock	32,352,649	33,136,019	32,826,019	32,934,548	29,007,932	29,372,908	28,810,253	29,708,117
Contributed Surplus	2,172,068	2,112,830	2,071,004	1,980,775	1,485,097	1,357,514	1,252,396	1,252,396
Deficit	(26,226,345)	(26,833,255)	(26,729,977)	(26,592,338)	(26,321,067)	(26,655,511)	(19,426,148)	(19,396,996)
Net income (Loss)	606,910	(103,278)	(137,639)	(271,271)	334,444	(7,034,125)	(224,390)	(75,827)
Working Capital (Deficit)	1,421,105	1,664,270	2,423,215	4,900,894 [1]	1,729,423	1,779,187	1,835,456	3,292,513
Basic and diluted income (loss) per share	0.01	(0.01)	0.00	0.00	0.01	(0.13)	(0.00)	(0.00)

Selected Annual Information

The following table sets forth a comparison of revenues and earnings (unaudited) for the previous three most recently completed financial years:

	December 31, 2007 ($)	December 31, 2006 ($)	December 31, 2005 ($)
Revenue	-	-	-
Income (loss) before discontinued operations and extraordinary items	(177,744)	(7,453,753)	(727,264)
Income (loss)	(177,744)	(7,453,753)	(727,264)
Income (loss) per share	0.00	(0.14)	(0.02)
Total assets	8,610,204	4,277,144	7,538,181
Total long-term financial liabilities	-	-	-
Cash dividends declared	-	-	-

The Company prepares its financial statements in accordance with accounting principles generally accepted in Canada. Unless otherwise stated, all information is reported in Canadian dollars. See Note 2 of the Company's financial statements for additional details in respect of accounting policies.

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be used to finance the growth of its business.

Variations in annual and quarterly loss and loss per shares are affected by the administration costs and by the write down or write offs of mineral property carrying costs, as evidenced by the change from 2005 to 2006, when the Company wrote down the carrying cost of the Fyre Lake property to $1. In accordance with its policies, management reviews the carrying value of the deferred mineral property acquisition and exploration expenditures to assess whether there has been any impairment in value. In the event that mineral deposits are determined to be insufficient to recover the carrying value of any property, the carrying value is written down or written off, as appropriate. Resource assets balances are dependent on the costs spent to date to earn an interest in projects held at period end.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future. There are no contingent liabilities.

RELATED PARTY TRANSACTIONS

The Company had the following related party transactions during the three months ended March 31, 2008:

- $5,400 (2007 - $Nil) paid to a consulting firm of which a director and officer is the principal for administration and management services. As at March 31, 2008, $2,200 was due in connection with these services.
- $15,340 (2007 - $Nil) paid to a company of which an officer is the principal for professional geological services.

These transactions are in the normal course of operations and are consistent with industry standards.

PROPOSED TRANSACTIONS

There are no new acquisitions or proposed transactions contemplated as at the date of this report.

CRITICAL ACCOUNTING ESTIMATES

The detailed accounting policies are listed in Note 2 to the Financial Statements for the year ended December 31, 2007. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, stock-based compensation and disclosure of contingent liabilities at the date of the financial statements and the reported amount of income and expenses during the year. Actual results could differ from those estimates. Management uses its best estimates for recording mineral property carrying values based on expenditures incurred, the results of any exploration conducted, prevailing market conditions and future plans for the projects.

CHANGES IN ACCOUNTING POLICIES, INCLUDING INITIAL ADOPTION

Effective January 1, 2008, the Company adopted the following new Canadian Accounting Standards Board (“AcSB”) accounting standards, and is considering the consequences these will have on its financial statements:

- disclosure of the management of the nature of, performance of, and risks arising from financial instruments
- disclosure in respect of the Company’s capital to enable users of the financial statements to evaluate the Company’s objective, policies and procedure for managing capital.

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards (“IFRS”) over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transaction date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

FINANCIAL INSTRUMENTS

The Company invests its cash only in bank term deposits and/or instruments that are deemed to be low risk. The Company has no exposure to asset backed commercial paper.

OTHER MD&A REQUIREMENTS

Subsequent Events

In May, 2008, the company acquired a major phosphate exploration project (the “Phosphate Project”) in eastern central British Columbia. The Phosphate Project consists of a 100 percent interest in two staked groups encompassing 119 mineral claims covering a cumulative 100 kilometre-length (approximately 500 square kilometers) of favourable geology for the hosting of phosphate deposits.

Outstanding Share Data

As at May 26, 2008, the Company had the following:

Authorized - unlimited no par value common shares
Issued - 77,740,939 common shares

Stock options outstanding and exercisable:

Number of shares outstanding	Number of shares exercisable	Exercise price ($)	Expiry date
1,900,000	1,900,000	0.11	September 17, 2009
800,000	800,000	0.32	March 23, 2011
1,050,000	525,000	0.26	March 28, 2012
200,000	150,000	0.26	March 28, 2009
200,000	150,000	0.30	April 10, 2009
4,150,000	3,525,000		

Warrants outstanding:

	Number of warrants	Number of shares issuable on exercise of warrants	Price per share $	Expiry date
Private Placement – 2007	2,985,000	2,985,000	0.40	December 22, 2008
Private Placement – 2007	778,050	778,050	0.35	December 22, 2008
Private Placement – 2007	515,000	515,000	0.40	December 26, 2008
Property – Baker	200,000	200,000	0.24	August 1, 2008
	4,478,050	4,478,050		

Escrowed or pooled shares: nil shares

Other

None of the Company's properties contain ore reserves that are or have been proven to be economically recoverable. The recoverability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. In order to continue exploring its mineral properties and acquiring additional properties, management may be required to pursue additional sources of financing. While management has been successful in obtaining such financing in the past there is no assurance that it will be successful in the future. The amount of the Company's administrative expenditures is related to the level of financing and exploration activities that are being conducted, which in turn may depend on the Company's recent exploration experience and prospects, as well as the general market conditions relating to the availability of funding for exploration-stage resource companies. As a result there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

Risk Factors

The Company is subject to a number of risks due to the nature of its business and the present stage of development of business. The following factors should be considered:

Mineral Exploration and Development

The Company's properties are in the exploration stage and are without a known body of commercial ore. Development of any of the Company's properties will only follow upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in the discovery of a body of commercial ore on any of its properties. Several years may pass between the discovery and the development of commercial mineable mineralized deposits. Most exploration projects do not result in the discovery of commercially mineralized deposits.

Trends

The Company's financial success is dependent upon the discovery of properties which could be economically viable to develop. Such development could take years to complete and the resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the company is largely dependent upon factors beyond the Company's control, such as market value of the products produced. Other than as disclosed herein, the company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's results or financial position.

Operating Hazards and Risks

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Economics of Developing Mineral Properties

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operation or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Environmental Factors

The Company conducts exploration activities in various parts of Canada and has conducted exploration activity within the United States. Such activities are subject to various laws, rules and regulations governing the protection of the environment, including, in some cases, posting of reclamation bonds. Extensive environmental legislation has been enacted in Canada by federal, provincial and territorial governments and in the United States by federal and state governments. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the Company's properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any environmental hazards on any of the properties held or formerly worked by the Company.

The approval of new mines in Canada is subject to detailed review through a clearly established public hearing process, pursuant to both the Federal Canadian Environmental Assessment Act and the provincial Environmental Review Agencies. The approval of new mines in the United States is subject to detailed review through a clearly established public hearing process, pursuant to both the Federal Environmental Protection Agency and the Bureau of Land Management. In addition, lands under federal jurisdiction are subject to the preparation of an environmental impact assessment report prior to commencement of any mining operations. These reports entail a detailed and scientific assessment as well as a prediction of the impact on the environmental and proposed development. Further, under such review process, there is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. Failure to comply with the legislation may have serious consequences. Orders may be issued requiring operations to cease or be curtailed or requiring installation of additional facilities or equipment. Violators may be required to compensate those suffering loss or damage by reason of its mining activities and may be fined if convicted of an offense under such legislation.

Canadian provincial and US state mining legislation establishes requirements for the decommissioning, reclamation and rehabilitation of mining properties in a state of temporary or permanent closure. Such closure requirements relate to the protection and restoration of the environment and the protection of the public safety. Some former mining properties must be managed for long periods of time following closure in order to fulfill closure requirements. The costs of closure of mining properties, and, in particular, the cost of long term management of mining properties can be substantial. The Company intends to progressively rehabilitate its mining properties during their period of operation, should any properties become operational, so as to reduce the cost of fulfilling closure requirements after the termination or suspension of production.

The Company has adopted environmental practices designed to ensure that it continues to comply with or exceeds all environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. The Company is currently engaged in exploration with nil to minimal environmental impact.

Title

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties. Before a number of claims under option can be recorded in the Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title. Land may be transferred by the State to businesses and citizens for possession and use based on leases.

Canadian Aboriginal Land Claims

Canadian Aboriginal rights may be claimed on properties or other types of tenure with respect to which mining rights have been conferred. The Company is aware of the mutual benefits afforded by cooperative relationships with indigenous people in conducting exploration activity and is generally supportive of measures established to achieve such cooperation. While there is, to the Company's knowledge, no existing claim in respect of any of its properties, the advent of any future aboriginal land claims and the outcome of any aboriginal land claims negotiations cannot be predicted.

Competition and Agreements with Other Parties

The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. There is significant and increasing competition for a limited number of resource acquisition opportunities and as a result, the Company may be unable to acquire attractive mining properties on terms it considers acceptable. The Company competes with many other companies that have substantially greater financial resources than the Company.

The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Governmental Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. Changes in such regulation could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot by predicted.

The Company is at the exploration stage on all of its properties. Exploration on the Company's properties requires responsible best exploration practices to comply with Company policy, government regulations, and maintenance of claims and tenure. The Company is required to be registered to do business and have a valid prospecting license (required to prospect or explore for minerals on Crown Mineral land or to stake a claim) in any Canadian province in which it is carrying out work. Mineral exploration primarily falls under provincial or state jurisdiction. However, the Company is also required to follow the regulations pertaining to the mineral exploration industry that fall under federal jurisdictions, such as the Fish and Wildlife Act in Canada and the Environmental Protection Agency in the United States.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Metals Prices

The Company's revenues, if any, are expected to be in large part derived from the discovery of mineral properties and the sale of minerals contained or interests related thereto. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and other and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations, cannot accurately be predicted.

Additional Financing

As at the date of this document, the Company has sufficient financial resources to pay its ongoing administrative expenses and to meet its liabilities for the ensuing year. In order to continue exploring its mineral properties and acquiring additional properties, management may be required to pursue additional sources of financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing exploration properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in certain properties. The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements reduced. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Management and Directors

The Company is dependent on a relatively small number of key directors and officers: John S. Brock, Wayne J. Roberts and Jeannine P.M. Webb. Loss of any one of those persons could have an adverse affect on the Company. The Company does not maintain "key-man" insurance in respect of any of its management.

Conflicts of Interest

Certain of the Directors and Officers of the Company are also in their personal capacities, or as Directors or Officers of other companies, engaged in mineral exploration and development. Accordingly, exploration opportunities or prospects of which they become aware may not necessarily be made available to the Company. The Directors and Officers intend to allocate opportunities or prospects from time to time on the basis of prudent business judgment. The Directors are required by law to act honestly and in good faith with a view to the best interest of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a Director for the approval of such transaction.

Price Fluctuations: Share Price Volatility

In recent years, the international securities markets have experienced high levels of price and volume volatility, and the market prices of securities of many mineral exploration companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that the continual fluctuations in price will not occur.

Legal Proceedings

As at March 31, 2008 and the date of this document, there were no legal proceedings against or by the Company.

Shares Reserved for Future Issuance - Dilution

See "Outstanding Share Data"

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 as at March 31, 2008. Management has concluded that the disclosure controls as at March 31, 2008 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.

Other Information

The Company's web address is www.pacificridgeexploration.com. Information relating to the Company may also be found on the SEDAR website (www.SEDAR.com).