Pacific Ridge Exploration Ltd.

Interim Financial Statements
(An Exploration Stage Company)

June 30, 2009

(Unaudited)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Pacific Ridge Exploration Ltd.
(An Exploration Stage Company)
Balance Sheets
(Unaudited and Expressed in Canadian dollars)

			June 30, 2009		December 31, 2008
Assets					**(Restated - Note 2)**
Current assets					
Cash and cash equivalents		$	71,407	$	353,725
Short-term investment	Note 3		800,000		800,000
Accounts receivable and other			25,067		65,978
Prepaid			10,500		-
			906,974		1,219,703
Property, plant and equipment	Note 4		12,745		14,994
Resource assets	Note 5		1,218,987		1,161,560
Reclamation bonds			19,058		19,058
		$	2,157,764	$	2,415,315
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	148,096	$	113,579
Due to related parties	Note 7		8,866		3,707
			156,962		117,286
Shareholders' Equity					
Capital stock	Note 6		33,233,222		33,346,072
Authorized unlimited common shares without par value					
Issued 83,990,939 (December 31, 2008 - 83,990,939) common shares outstanding					
Contributed surplus			2,239,016		2,223,393
Deficit			(33,471,436)		(33,271,436)
			2,000,802		2,298,029
		$	2,157,764	$	2,415,315

Nature of operations (Note 1)
Commitments (Note 8)
Subsequent Events (Note 12)

Approved on behalf of the
Board of Directors:

“John S. Brock” (signed)	*“Douglas Proctor“(signed)*
John S. Brock	Douglas Proctor

The accompanying notes are an integral part of the financial statements

Pacific Ridge Exploration Ltd.
(An Exploration Stage Company)
Statements of Loss, Comprehensive Loss and Deficit
(Unaudited and Expressed in Canadian dollars)

		Three Month ended June 30, 2009	Three Month ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
			(Restated - Note 2)		(Restated - Note 2)
Exploration expenditures		$ 59,686	$ 176,152	93,638	304,914
Administration expenses					
Consulting		60	3,780	1,055	11,230
Insurance		300	468	14,848	20,853
Legal and audit		12,936	26,837	24,139	56,664
Management and administrative services		36,723	22,421	71,573	41,165
Office operations and facilities		31,457	36,908	62,387	74,148
Shareholder communications and investor relations		8,035	8,930	22,643	10,017
Transfer agent and regulatory fees		9,171	13,632	16,795	21,009
		98,682	112,976	213,440	235,086
Operating expenses		(158,368)	(289,128)	(307,078)	(540,000)
Other (expenses) income					
Amortization		(1,124)	(1,606)	(2,249)	(3,213)
Interest income		6,084	15,662	12,100	25,380
Stock-based compensation	Note 6(b)	(2,863)	(16,006)	(15,623)	(75,244)
		2,097	(1,950)	(5,772)	(53,077)
Loss before income taxes		(156,271)	(291,078)	(312,850)	(593,077)
Future income tax recovery	Note 11	-	-	112,850	783,370
(Loss) income and comprehensive (loss) income for the period		$ (156,271)	$ (291,078)	$ (200,000)	$ 190,293
Deficit - beginning of period		(33,315,165)	(32,197,044)	(33,271,436)	(32,678,415)
Deficit - end of period		$ (33,471,436)	$ (32,488,122)	(33,471,436)	(32,488,122)
Basic and diluted loss per common share		$ (0.00)	$ (0.00)	$ (0.00)	$ 0.00
Weighted average number of common shares		83,990,939	77,754,126	83,990,939	77,740,946

The accompanying notes are an integral part of the financial statements

Pacific Ridge Exploration Ltd.
(An Exploration Stage Company)
Statements of Cash Flows
(Unaudited and Expressed in Canadian dollars)

	Three Month ended June 30, 2009	Three Month ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Cash flows used in operating activities		(Restated - Note 2)		(Restated - Note 2)
(Loss) income for the period	$ (156,271)	$ (291,078)	$ (200,000)	$ 190,293
Items not affecting cash				
Amortization	1,124	1,606	2,249	3,213
Future income tax recovery	-	-	(112,850)	(783,370)
Stock-based compensation	2,863	16,006	15,623	75,244
	(152,284)	(273,466)	(294,978)	(514,620)
Changes in non-cash working capital items	61,007	381,312	70,087	229,724
	(91,277)	107,846	(224,891)	(284,896)
Cash flows used in investing activities				
Acquisition of mineral property	(37,100)	(20,024)	(57,427)	(20,024)
Cash flows from financing activities				
Issue of capital stock, net of issue costs	-	-	-	-
(Decrease) increase in cash and cash equivalents	(128,377)	87,822	(282,318)	(304,920)
Cash and cash equivalents - beginning of period	199,784	1,210,801	353,725	1,603,543
Cash and cash equivalents - end of period	$ 71,407	$ 1,298,623	$ 71,407	$ 1,298,623
Supplemental cash flow information				
Interest received	$ -	$ 15,584	$ -	$ 25,224
Income tax paid	$ -	$ -	$ -	$ -
Shares issued for property	$ -	$ 36,000	$ -	$ 36,000
Mineral property expenditures included in accounts payable	$ 37,100	$ -	$ 37,100	$ -

The accompanying notes are an integral part of the financial statements

Pacific Ridge Exploration Ltd.
(An Exploration Stage Company)
Statements of Shareholders' Equity
(Unaudited and Expressed in Canadian dollars)

	Common Shares				Contributed		Deficit		Total Shareholders' Equity
	Shares		Amount		Surplus				
							(Restated - Note 2)		(Restated - Note 2)
Balance at December 31, 2007	77,740,939	$	33,136,019	$	2,112,830	$	(32,678,415)	$	2,570,434
Shares issued pursuant to flow-through arrangements, net of issue costs	1,850,000		370,000						370,000
Shares issued pursuant to private placement with Aurora Energy Resources Inc.	2,000,000		340,000						340,000
Shares issued for mineral property	2,400,000		289,000						289,000
Share issue costs			(5,577)						(5,577)
Future income taxes			(783,370)						(783,370)
Stock-based compensation					110,563				110,563
Net loss for the year							(593,021)		(593,021)
Balance at December 31, 2008	83,990,939		33,346,072		2,223,393		(33,271,436)		2,298,029
Future income taxes			(112,850)		-				(112,850)
Stock-based compensation					15,623				15,623
Net loss for the period							(200,000)		(200,000)
Balance at June 30, 2009	83,990,939	$	33,233,222	$	2,239,016	$	(33,471,436)	$	2,000,802

The accompanying notes are an integral part of the financial statements

1. NATURE OF OPERATIONS

Pacific Ridge Exploration Ltd. (the "Company" or "Pacific Ridge") is in the business of acquiring and exploring mineral properties. All of the Company's mineral property interests are currently located in Canada.

The Company has no source of revenue, and has not yet determined whether its properties contain ore reserves that are 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 capital to finance the operations and expected growth, and upon proceeds from the joint venture partners or disposition of its properties. The carrying value of the Company's resource assets does not reflect current or future value.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that he Company will realize its assets and discharge its liabilities in the normal course of business. As of June 30, 2009, the Company had working capital of $750,012 ($1,102,417 - December 31, 2008). Management of the Company believes that it has sufficient funds to pay its ongoing administrative expenses, maintain its mineral property interest and to meet its liabilities as they fall due.

The Company's ability to continue its operations is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Failure to continue as a going concern would require the restatement of assets and liabilities on a liquidation basis, which could differ materially from the going concern basis. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICY CHANGES

Accounting Policy Change

These unaudited financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are consistent with the policies outlined in the Company's audited financial statements for the year ended December 31, 2008 except the Company has made and adopted the following changes effective January 1, 2009.

During the six months ended June 30, 2009, the Company retrospectively changed its accounting policy for exploration expenditures to more appropriately align itself with policies applied by other companies in the mining industry. Prior to the year beginning January 1, 2009, the Company capitalized all such costs to mineral resource and only wrote down capitalized costs when the property was abandoned or if the capitalized costs were not considered to be economically recoverable.

(Unaudited and Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICY CHANGES (Continued)

Accounting Policy Change (Continued)

Exploration expenditures are now charged to net income as they are incurred until the mineral property reaches the development stage. Significant costs related to property acquisition are capitalized until the viability of the mineral interest is determined. When it has been established that a mineral deposit is commercially mineable and an economic analysis has been completed, the costs subsequently incurred to develop a mine on the property prior to the start of mining operations are capitalized. The impact of this change on the previously reported December 31, 2008 financial statements is as follows:

	As Previously Reported	Adjustment	Restated
	$	$	$
Resource assets at December 31, 2008	3,825,199	(2,663,639)	1,161,560
Loss for the year ended December 31, 2008	(3,644,292)	3,051,271	(593,021)
Loss per share for the year ended December 31, 2008	(0.05)	0.04	(0.01)
Deficit at December 31, 2008	(30,477,547)	(2,793,889)	(33,271,436)
Resource assets at December 31, 2007	6,710,846	(5,845,160)	865,686
Deficit at December 31, 2007	(26,833,255)	(5,845,160)	(32,678,415)

Goodwill and Intangible Assets

The CICA issued Handbook Section 3064, “Goodwill and Intangible Assets”, which establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition, and for intangible assets, subject to certain exceptions. Section 1000, “Financial Statements Concepts” was also amended to provide consistency with this new standard. On January 1, 2009, the Company adopted this change, with no impact on its consolidated financial statements.

Recent Accounting Pronouncements

In February 2008, the CICA Accounting Standards Board (“AcSB”) confirmed that Canadian GAAP for publicly accountable enterprises will be converged with International Financial Reporting Standards (“IFRS”) effective for fiscal years beginning on or after January 1, 2011. The Company will therefore be required to report using IFRS commencing with its unaudited interim consolidated financial statements for the three months ended March 31, 2011, which must include the interim results for the prior period ended March 31, 2010 prepared on the same basis. IFRS uses a conceptual framework similar to Canadian GAAP, but there are some significant differences on recognition, measurement and disclosures. While the Company has begun assessing the adoption of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

In January 2009, the AcSB issued new Handbook sections: 1582, “Business Combinations”, 1601, “Consolidations”, and 1602, “Non-Controlling Interests”. These new standards will apply to fiscal years beginning on or after January 1, 2011. The Company has not yet determined the impact of the adoption of these standards on its financial statements.

(Unaudited and Expressed in Canadian dollars)

3. SHORT-TERM INVESTMENT

The Company invested $800,000 (December 31, 2008 - $800,000) in a one-year GIC at an interest rate of 3.05% maturing November 23, 2009.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less accumulated amortization with details listed below:

	June 30, 2009			December 31, 2008		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Field equipment	$ 36,000	$ 23,255	$ 12,745	$ 36,000	$ 21,006	$ 14,994

5. RESOURCE ASSETS

The Company has interests in mineral properties in British Columbia, Nunavut, and Yukon Canada. A summary of capitalized acquisition costs for the period ends was as follows:

Mineral Properties	Baker Uranium	Eureka	Fyre Lake	Goldcap	Moose	Tumbler Ridge	Wapiti	Total
Balance, December 31, 2008	$ 750,293	$ -	$ 373,243	$ -	$ -	$ 20,024	$ 18,000	$ 1,161,560
Addition during the period	-	18,900	-	9,800	8,400	20,327	-	57,427
Balance, June 30, 2009	$ 750,293	$ 18,900	$ 373,243	$ 9,800	$ 8,400	$ 40,351	$ 18,000	$ 1,218,987

Mineral Properties	Baker Uranium	Eureka		Goldcap		Tumbler Ridge	Wapiti	Total
Balance, December 31, 2007	$ 510,293	$ -	$ 355,393	$ -	$ -	$ -	$ -	$ 865,686
Addition during the year	240,000	-	17,850	-	-	20,024	18,000	295,874
Balance, December 31, 2008	$ 750,293	$ -	$ 373,243	$ -	$ -	$ 20,024	$ 18,000	$ 1,161,560

a) Baker Basin Uranium Project

In 2007, the Company acquired a 60% interest in the Baker Basin Uranium Project from Kaminak Gold Corporation, who subsequently assigned its 40% interest to Kivalliq Energy Corp. (“Kivalliq”). During the year ended December 31, 2008, the Company acquired the remaining 40% interest from Kivalliq by issuing 2,000,000 shares for $240,000.

With a 100% ownership of the project, the Company entered into an option/joint venture agreement (“Agreement”) with Aurora Energy Resources Inc. (“Aurora”) on September 23, 2008. To earn 51% interest in the project, Aurora subscribed for a 2,000,000 share private placement at $0.17 per share, and will incur staged exploration expenditures totalling $15,000,000 up to December 31, 2011. The 2,000,000 shares were issued for total proceeds of $340,000 in October 2008.

5. RESOURCES ASSETS (Continued)

a) Baker Basin Uranium Project (Continued)

Upon earning a 51% interest, Aurora may elect either to i) earn an additional 14% by funding 100% of on-going costs and commit to producing a preliminary feasibility study on or before December 31, 2013; or ii) enter into a joint venture with Pacific Ridge (51% Aurora, 49% Pacific Ridge). The Company may elect to contribute to the joint venture. Should the Company elect to not participate in the joint venture; its interest will be reduced to not less than 35%. Aurora may then contribute 100% of on-going costs until a preliminary feasibility study is produced.

When a preliminary feasibility study is produced, Kivalliq will have the right to back-in to a 20% joint venture interest by reimbursing 40% of the exploration costs incurred including the cost of production of the preliminary feasibility study. The reimbursement will be distributed on a pro-rata basis to the Company and Aurora after the Company has received the first $7,300,000. Should Kivalliq elect to back in but fail to contribute to the joint venture, its interest would be subject to dilution and if reduced to 5% or less, converted to a royalty. The Company's joint venture interest would then range from a minimum of 15% to a maximum of 29%, depending on prior elections of Aurora and the Company. The Company and Aurora's joint venture interests would also be subject to dilution for non-contribution, and if reduced to 5% or less, converted to a royalty.

b) Fyre Lake Massive Sulphide Project

The Company owns 100% interest in Fyre Lake property.

c) Klondike Kate Project – Goldcap, Eureka, and Moose Gold Properties

The Company has staked 212 mineral claims comprising Goldcap, Eureka, and Moose properties in June 2009.

d) Tumbler Ridge Phosphate Project

In 2008, the Company acquired a 100% interest in 122 mineral claims through direct staking.

e) Wapiti Phosphate Project

In July 2008, the Company entered into an agreement with Lateegra Gold Corp., pursuant to which the Company has an option to acquire up to a 65% interest in 15 claims located in east-central British Columbia, known as the Wapiti property. To earn a 51% interest, the Company paid $5,000 and issued 200,000 shares and must undertake $1,000,000 in exploration expenditures over a three-year period. To earn an additional 14% interest, the Company may pay an additional $250,000 and issue an additional 1,000,000 shares and make a further $1,000,000 of exploration expenditures over a two-year period.

(Unaudited and Expressed in Canadian dollars)

6. CAPITAL STOCK

a) Common share: unlimited common shares without par value. As of June 30, 2009, 83,990,939 common shares were issued and outstanding (December 31, 2008: 83,990,939).

b) Stock Options

Stock option transactions and the number of stock options outstanding are summarized below:

	June 30, 2009			December 31, 2008		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding, beginning of the period	5,650,000	$	0.20	4,470,000	$	0.21
Granted	-	$	-	1,500,000	$	0.17
Expired	(400,000)	$	0.26	(50,000)	$	0.26
Forfeited	(500,000)	$	0.21	(270,000)	$	0.25
Outstanding, end of the period	4,750,000	$	0.19	5,650,000	$	0.20

Stock options outstanding and exercisable at June 30, 2009 are as follows:

Awards Outstanding				Expiry Date	Awards Exercisable			
Quantity	Weighted Average Remaining Contractual Life		Weighted Average Exercise Price		Quantity	Weighted Average Remaining Contractual Life		Weighted Average Exercise Price
1,700,000	0.22	$	0.11	17-Sep-09	1,700,000	0.22	$	0.11
700,000	1.73	$	0.32	23-Mar-11	700,000	1.73	$	0.32
850,000	2.74	$	0.26	28-Mar-12	850,000	2.74	$	0.26
1,500,000	4.33	$	0.17	30-Oct-13	375,000	4.33	$	0.17
4,750,000	2.19	$	0.19		3,625,000	1.53	$	0.19

The Company applies the fair value method of accounting for stock options based on the Black-Scholes option-pricing model, using the following assumptions:

	June 30, 2009	June 30, 2008
Risk-free interest rate	3.81%	4.25%
Expected share price volatility	116.83%	98% to 132%
Expected option life in years	5	2-5 years
Expected dividend yield	Nil	Nil

c) Share Purchase Warrants

All share purchase warrants were expired by the year ended December 31, 2008.

(Unaudited and Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS

The Company had the following related party transactions during the period ended June 30, 2009:

a) $20,980 (2008 - $41,139) paid to the Vice President of Exploration for professional geological services. In connection with these services, $8,866 (2008 - $8,962) was due by the Company at June 30, 2009.

b) $Nil (2008 - $17,935) was paid to the President and CEO for administration and management service who became an employee of the Company effective January 1, 2009.

These transactions are in the normal course of operations.

8. COMMITMENTS

The Company entered into a service agreement in 2008 with a private company for its office space, administrative, corporate and other services at a monthly fee of $8,000. The agreement can be cancelled at anytime upon one year notice. The current expiry date is June 30, 2012. The Company also has an operating lease for a copy machine expiring March 31, 2010.

The summary for the commitments are listed below:

	Operating Lease	Service Agreement	Total
Years ending December 31, 2009	$ 3,268	$ 48,000	$ 51,268
Years ending December 31, 2010	1,634	96,000	97,634
Years ending December 31, 2011		96,000	96,000
Years ending December 31, 2012		48,000	48,000
Total	$ 4,902	$ 288,000	$ 292,902

9. CAPITAL MANAGEMENT

The Company’s objective in managing its capital is to maintain the ability to continue as a going concern and to continue to explore on various properties for the benefits of its stakeholders.

The Company’s capital includes the components of shareholders’ equity. Capital requirements are driven by the Company’s exploration activities on its mineral property interests. To effectively manage the Company’s capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget on all exploration projects and overheads to manage costs, commitments and exploration activities.

As the Company is in the exploration stage, its operations have been and will continue to be funded by the sale of equity to investors. Although the Company has been successful in raising funds in the past through issuing common shares, it is uncertain whether it will continue this financing due to difficult conditions.

10. FINANCIAL INSTRUMENTS

The Company has classified cash and cash equivalents, short-term investment as held-for-trading; accounts receivable and other as loans and receivables; accounts payable and accrued liabilities and due to related parties as other financial liabilities.

Fair Values

As at June 30, 2009, the recorded amounts for cash and cash equivalents and short-term investment are at fair value. Accounts receivable, accounts payable and accrued liabilities, and due to related parties approximate their fair values due to their short-term nature.

Currency Risk

The Company has no foreign currency denominated assets or liabilities except for occasional and immaterial US dollar invoices. Foreign currency risk is minimal.

Interest Rate Risk

The Company's cash held in bank accounts earns interest at variable interest rates and the short term investment is held in a GIC. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a material impact on the expected cash flows.

Credit Risk

The Company has its cash and short-term investment deposited with a large, federally insured, commercial bank which it believes to be creditworthy. Other credit risk is limited to trade receivables in the ordinary course of business, which consist primarily of GST receivable. The balance of trade receivables are not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities and through the management of its capital structure. At June 30, 2009, the Company had cash, cash equivalents and short-term investment of $871,407 and requires no further funding to meet its financial commitments.

11. FUTURE INCOME TAX

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 carry forward 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 $112,850 (2008 - $783,370).

12. SUBSEQUENT EVENTS

a) The Company entered into a binding Letter of Understanding for an option to acquire the Polar/Stewart Property consisting of 149 mineral claims from Ryanwood Exploration Inc. ("Ryanwood") of Dawson City, Yukon.

   The principal terms of the Letter of Understanding, which is subject to regulatory approval, include a cash down payment of $75,000 (paid) and 250,000 (issued) post consolidation common shares of the Company. Pacific Ridge has the option to earn a 100% interest in the Property on or before June 30, 2013 by making staged cash payments totaling $300,000, share issuance totaling 1,250,000 shares, and exploration expenditure s in the aggregate amount of $1,500,000. Ryanwood will retain a 2% net smelter return ("NSR") interest that requires advance royalty payments in the amount of $25,000 per year commencing June 30, 2014. At the option of the Company, the NSR interest may be reduced to 1% upon making a $2,000,000 payment to Ryanwood.

b) Following the Annual General Meeting dated June 29, 2009, the Board of the Directors of the Company approved share consolidation as per recent requests by shareholders and members of the financial community. Effective July 24, 2009, the Company's shares commenced trading to trade on a consolidated basis of 4:1 under the symbol "PEX" with a new CUSIP number.

c) On July 24, 2009, the Company announced a non-brokered private placement up to 2,500,000 units each for Flow-Through Shares and Units at $0.20 per unit. Each unit will be comprised of one common share and one –half a transferable share purchase warrant which entitles the holder to purchase one common share at a price of $0.25 per share for one year. The Company will use the gross proceeds from the sale of the Flow-Through Shares to explore its Klondike project in Yukon, Canada. The Company expects to renounce the Canadian Exploration Expenses with an effective date of December 31, 2009.

   In connection with the private placement, the Company is proposing to pay finders' fees in cash (6%) or shares equal in number to 6% of the number of Flow-Through Shares and Units purchased by investors.