This management's discussion and analysis ("MD&A") of Pacific Ridge Exploration Ltd. ("Pacific Ridge" or the "Company") is dated August 18, 2011 and provides an analysis of Pacific Ridge's financial results for the three and six months ended June 30, 2011 ("2011") compared to the same period in previous year ("2010").

The following information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2010 and the unaudited condensed interim financial statements for the three and six months ended June 30, 2011, together with the related notes thereto. The Company reports its financial position, results of operations and cash flows in Canadian dollars, unless otherwise indicated.

As of January 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS") for its year ending December 31, 2011 and IFRS 1, First-time Adoption of IFRS. The condensed interim financial statements for the six months ended June 30, 2011, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), and using accounting policies consistent with IFRS, accordingly they do not include all of the information required for full annual financial statements required by IFRS as issued by the International Accounting Standards Board ("IASB"). Readers of this MD&A should refer to "Transition to IFRS" below for a discussion of IFRS and its effect on the Company's financial presentation.

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 explorations. Please refer to a detailed discussion of risks in the Company's MD&A for the year ended December 31, 2010.

Pacific Ridge's disclosure of a technical or scientific nature has been reviewed by Janice Fingler, P.Geo., Qualified Person under the definition of National Instrument 43-101.

Results of Operations

The Company's 2011 exploration focus will be advancement of its 100% owned Mariposa gold property in the Yukon's White Gold District. The phase 1 program, budgeted at $3 million, includes 4,000 meters of diamond drilling, geophysical and geochemical surveys, and geological reconnaissance. An airborne magnetic survey was completed in April, field crews mobilized to site in May, and diamond drilling was underway in June. Based on encouraging results from early diamond drilling, as well as results from rock and soil sampling, the Company subsequently entered into a phase 2 program which includes an additional 2000 metres of diamond drilling and an expansion of the soil geochemical program.

Mariposa Gold Project, Yukon

With less than 20% of the now 26,200 hectare property explored during 2010, the results of the initial 3,000 soil samples collected on the Mariposa soil grid successfully identified six gold and multi-element anomalies, among which the Skookum Jim anomaly is the largest.

The 3,500 metre long x 600 metre wide Skookum Jim gold-in-soil anomaly is to date, the most prominent gold trend on the Mariposa property. A compilation of airborne magnetic, soil and trenching results indicates that in the trenched area of this geochemical anomaly, there is a strong spatial correlation of converging linear magnetic lows with elevated soil results ranging from 100 to 1,570 ppb gold. These geophysical and geochemical trends correspond with trench exposures of strongly fractured, brecciated and oxidized rock which returned results of up to 1.25 g/t gold over 30 metres. A strongly oxidized hematitic rock sample in the trenching area also returned 8.1 g/t gold.

During the month of April 2011 a detailed airborne magnetometer survey was flown over the 2010 Mariposa soil grid area, to identify geologic structures with potential to host lode gold mineralization. A preliminary interpretation of results suggests that the Mariposa grid area lies within a major, 3 kilometre wide east-northeast trending structural corridor of converging arrays of more discrete northeast, northwest and north-south trending structures. Soil geochemical anomalism appears to coincide with several of the interpreted structures.

In light of these encouraging results, the company expanded its Mariposa property holdings by staking and an option agreement, to over 1,400 claims covering a 262 square kilometer area. In the northwest area of the Mariposa property, the Company has an option to acquire an additional 39 claims by way of a letter of understanding dated May 27, 2011 with a private vendor. To exercise the option and earn a 100% interest in theses claims, the Company will issue 200,000 common shares and pay $85,000 in staged payments over three-year period. ,

During the quarter, a detailed ground magnetic and electromagnetic survey totaling 190 line kilometers was completed over the area of the Skookum Jim soil anomaly, in advance of diamond drilling. Simultaneous with the geophysics, in-fill soil samples were collected in the Mariposa grid area, to cover the Skookum West, Gertie, and Maisy May anomalies.

The diamond drill rig mobilized to the property on June 18th, and by the end of the period dated June 30th, the first 7 drill holes were completed during phase 1 drilling in the Skookum Main area, in the vicinity of the 2010 trenching. The phase 1 program, of 3800 metres drilled in 23 holes, was subsequently completed in late July. It included 11 holes testing the Skookum Main area, 3 holes in the Skookum West area, 4 holes in the Maisy May area, 3 holes in the Gertie area, and 2 holes in the Hackly area.

The initial 11 drill holes in the Skookum Main target tested a 500 metre segment of the 3.5 km long Skookum Jim soil anomaly, in the vicinity of anomalous trench and soil results, with coincident magnetic low responses. The partial results from three of these drill holes have been reported to date. The first drill hole, 11MP-01, intersected results of up to 2.44 g/t over a drilled interval of 38.9 metres, containing a section of 6.44 g/t gold over 11.1 metres. This hole was drilled under an interval in trench SJ-2 which returned 1.25 g/t gold over 30 metres. Drill holes 11MP-05 and 11MP-06 also targeted anomalous trench results, and returned broad drilled sections of anomalous gold of 1.13 g/t over 19.8 metres (11MP-05) and 0.63 g/t over 45.3 metres (11MP-06).

These three drill holes appear to have intersected gold bearing intervals which lie within a 75 metre wide (drilled section), steeply dipping corridor of strongly limonitic fractures and breccias with local quartz veining. This brittle deformation cuts a diffuse contact zone between granodiorite and quartz-biotite gneiss, which have both been variably altered and cut by local pegmatite and quartz-feldspar+/- pyrite veinlets. The extent of this geological favorable corridor is yet to be defined by both survey work and diamond drilling.

In summary, the 2011 exploration program is designed to quickly evaluate and drill test exploration targets defined last season within the Mariposa soil grid area, as well as to continue exploration of the overall 262 square kilometer property through reconnaissance soil sampling and local detailed follow-up of newly defined areas of prospectivity. During this quarter, Phase 1 activities including airborne and geophysical survey were completed and were followed by on-going soil geochemical sampling and continued diamond drilling, into the Phase 2 program.

Planning continues for proposed exploration on Pacific Ridge's additional properties of the South Klondike-White Gold district. Airborne geophysical surveying was completed over a portion of the Eureka Dome Property, and an initial phase of contour geochemical sampling is planned, as well as follow-up of 2009-2010 geochemical results on the Gold Cap and Polar Stewart Properties.

Baker Basin Uranium Project, Nunavut

The Company owns a 100% interest in the Baker Basin Project subject to an underlying agreement with Kivalliq Energy ("Kivalliq") wherein Kivalliq has the option to back in to a 20% working interest when a prefeasibility study may be produced. With key claims in good standing until 2014, the Company plans no immediate further work at Baker Basin.

The Company will consider the option of Baker Basin to an industry partner active in the uranium sector.

Fyre Lake Massive Sulphide Project, Yukon

With the recent higher price of copper, the Company plans to re-evaluate its 100% owned Fyre Lake project. From the results of diamond drilling conducted during 1996-1997, the Company outlined a NI 43-101 compliant mineral resource in 2006 for the project which remains open to expansion. In addition, there is further exploration potential on the property, where coincident magnetic and electromagnetic geophysical anomalies remain untested.

As of June 30, 2011, total accumulated exploration and evaluation expenditures for each mineral property are summarized as follows:

Resource properties	Balance December 31, 2010	Additions Q1	Additions Q2	Total additions	Balance June 30, 2011
Mariposa	$ 1,352,956	$ 185,625	$ 930,543	$ 1,116,167	$ 2,469,123
Goldcap	182,301	115	-	115	182,416
Polar Stewart	96,946	-	-	-	96,946
Eureka Dome	59,893	-	-	-	59,893
Baker Basin Lake	6,401,038	-	-	-	6,401,038
Fyre Lake	6,636,921	-	1,400	1,400	6,638,321
Total	$ 14,730,055	$ 185,740	$ 931,943	$ 1,117,682	$ 15,847,737

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, 2011, the Company had a net loss of $1,609,787, or $0.03 loss per share, as compared to net loss of $825,315 or $0.03 loss per share in 2010. The loss in 2011 was higher than the same period last year was a result of higher exploration and evaluation costs and higher investor communication expense. The increase was partially offset by lower share-based payments, impairment of resource properties, government grant received and higher interest income.

A summary of comparative administrative and other expenses for 2011 and 2010 is provided in the table below with an analysis for the six months ended June 30th. Due to the weather condition in Yukon, the company is limited to carry out its exploration programs during the period from May to September, when most exploration expenditures are incurred. Other than that, there are no significant activities that have been taken place in the three months ended June 30, 2011 which have not be discussed below:

	Three months end June 30, 2011	Three months end June 30, 2010	Increase (decrease)	Six months end June 30, 2011	Six months end June 30, 2010	Increase (decrease)
Administrative expenses						
Depreciation	$ 4,138	$ 2,815	$ 1,323	$ 8,276	$ 3,602	$ 4,674
Insurance	11,600	7,790	3,810	23,190	23,705	(515)
Professional fees	10,833	39,099	(28,266)	16,974	20,524	(3,550)
Management and administrative services	40,883	672	40,211	84,034	56,996	27,038
Office operations and facilities	32,609	29,995	2,614	60,683	61,352	(669)
Shareholder communications and investor relations	74,355	16,186	58,169	137,051	30,124	106,927
Transfer agent and regulatory fees	9,629	14,740	(5,111)	23,521	21,579	1,942
	184,047	111,297	72,750	353,729	217,882	135,847
Other expenses and (income)						
Exploration and evaluation costs	933,192	282,996	650,196	1,129,350	351,208	778,142
Impairment	-	54,573		-	54,573	(54,573)
Interest	(4,058)	2,199	(6,257)	(8,266)	5,058	(13,324)
Government grant	-	-	-	(14,889)	-	(14,889)
Share-based payments	28,889	-	28,889	149,863	196,594	(46,731)
	958,023	339,768	672,828	1,256,058	607,433	648,625
Total expenditures and expenses	**$ 1,142,070**	**$ 451,065**	**$ 745,578**	**$ 1,609,787**	**$ 825,315**	**$ 784,472**

- Management and administration fees increased by $27,038 from $56,996 in 2010 to $84,034 in 2011 due to the expanded operations in the current period;
- Shareholder communications and investor relations increased by $106,927 from $30,124 in 2010 to $137,051 in 2011 reflecting the Company's effort to expand its profile to the investment community beyond the existing investor base;
- Transfer agent and regulatory fees increased by $1,942 from $21,579 in 2010 to $23,521 in 2011. The higher fees in 2011 was mainly due to transfer agent fees associated with higher volume of share purchase warrants exercised in the current period;
- Share-based payments deduced by $46,731 reflecting the reduced number of stock options granted in the period (1,165,000 in 2011 compare 1,530,000 in 2010);
- In 2011, the Company received $14,889 from Yukon Government related to its Mariposa Gold Project in Yukon.
- In 2010, the Company abandoned its Tumbler Ridge and Wapiti properties and recorded $54,573 impairment due to lack of the exploration merit of these properties.

Summary of Quarterly Results

The following table sets forth a comparison of information for the previous eight quarters ending with June 30, 2011. The first two quarters in 2011 and 2010 are presented using IFRS; all other quarters are presented under Canadian GAAP.

	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
Total revenue	$ -	$ -	$ -	$ -
Interest income (expenses)	4,058	4,208	(3,053)	3,759
Operating expenses	(184,047)	(184,047)	(147,544)	(112,817)
Exploration and evaluation costs	(933,192)	(196,158)	(211,655)	(899,512)
Share-based payments	(28,889)	(120,974)	37,086	-
Impairment	-	-	1	-
Mining tax credit and government grant	-	14,889	85,380	-
Net loss for the period	$ (1,142,070)	$ (482,082)	$ (239,785)	$ (1,008,570)
Basic and diluted loss per share	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.03)

	June 30, 2010	March 31, 2010	December 31, 2009	September 30, 2009
Total revenue	$ -	$ -	$ -	$ -
Interest income (expenses)	(2,199)	(2,859)	3,476	4,736
Operating expenses	(111,297)	(111,297)	(115,937)	(91,990)
Exploration and evaluation costs	(282,996)	(68,212)	(100,951)	(236,099)
Impairment	(54,573)	-	-	-
Share-based payments	-	(196,594)	(13,001)	(2,896)
Mining tax credit and government grant	-	-	25,274	-
Net loss income for the period	(451,065)	(378,962)	(201,139)	(326,249)
Basic and diluted loss per share	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.02)

The Company's results have been largely driven by the level of its exploration activities and fluctuations in the metal prices. The Company has had no revenue from mining operations. Major variations in costs are summarized below:

- Exploration and evaluation costs can vary widely from quarter to quarter depending on the timing of option payments, weather condition and priorities of the exploration program.
- Share-based payments amounts can vary widely from quarter to quarter based on the timing, amount and tenure of stock option awards.
- Interest earned and financing costs vary based on the timing, type and amount of equity placements and resultant fluctuations in cash.

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, 2011, the Company received gross proceeds of $251,080 for 1,673,868 share purchase warrants exercised.

As at June 30, 2011, the Company had cash and cash equivalents of $3,688,910 ($1,462,742 related to flow-through) as compared to $4,830,077 ($2,556,938 comprised of flow-through) at year ended December 31, 2010. Subsequent to the quarter ended June 30, 2011, the Company received gross proceeds of $667,580 and $52,250 from exercises of share purchase warrants and stock options respectively. Working capital as of June 30, 2011 was $3,362,627. The Company believes that it has sufficient cash resources and liquidity to sustain its planned activities.

Off-Balance Sheet Arrangements

None

Proposed Transactions

None.

Transition to IFRS

The condensed interim financial statements for the six months ended June 30, 2011 are the Company's second financial statements prepared under IFRS, as stated in note 2 to those statements. The accounting policies described in note 3 have been applied in preparing the condensed interim financial statements for the three and six months ended June 30, 2011, the comparative information presented in the financial statements for the same periods ended June 30, 2010, and the statement of financial position as at December 31, 2010, An explanation of IFRS 1, exemptions applicable to first-time adoption of IFRS, and the required reconciliations between IFRS and Canadian GAAP are described below.

IFRS 1 First-time Adoption of IFRS

The Company elected not to apply IFRS 2, Share-based Payments, to equity instruments granted on or before November 7, 2002 and those granted but fully vested before the date of transition of January 1, 2010.

Flow-through shares

On transition to IFRS, the Company elected to follow US GAAP whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the market value of the common shares and the amount the investors pay for the flow-through shares. A liability is recognized for the premium paid by the investors and is then recognized in operations in the period renunciation. If flow-through shares are sold at a discount, this policy does not apply and the flow-through shares issued follow applicable IFRS guidance.

Please refer to Note 11 in the condensed interim financial statements for the reconciliations of liabilities, equity and comprehensive losses.

Outstanding Share Data

As at August 18, 2011, the Company had 58,844,078 common shares issued and outstanding, 2,647,500 stock options were outstanding and 2,150,500 options were exercisable at a weighted exercise price of $0.27, and 4,406,184 warrants were outstanding at a weighted average exercise price of $0.43.

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, 2011 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 fillings.

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, 2011.

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.