

May 17, 2019

## Report to Shareholders

Dear Shareholders:

We have been through another challenging year for junior resource equity markets. Your company is in an enviable position, with the receipt of a \$1.2 million payment from BMC Minerals at the end of last year. This was part of the final payment for our Yukon Fyre Lake Cu-Au deposit. The remaining \$1.22 million will be paid upon BMC obtaining production financing for its Kudz Ze Kayah project, but in any event no later than December 31, 2020. BMC will also pay us \$75,000 every six months, commencing June 30, 2019, until the final tranche has been paid. A bonus payment of \$1,000,000 will be made when BMC's Kudz Ze Kayah property has reached commercial production for one year.

We had a busy exploration year in 2018. A program of soil sampling and an IP geophysical survey defined strong drill targets on our southern British Columbia Spius porphyry copper project. We will be drill-testing these targets early in the 2019 field season. We tested our RC and Bee projects in the Yukon with geochemical sampling and geophysical surveys and found the targets were not of a sufficient quality to justify drill testing. We completed a sampling program on our 100% owned Gold Cap project, next to White Gold's Golden Saddle deposit in Yukon's White Gold district, and continued to see encouraging gold values in the soils. After completing a full evaluation of the TL Zinc project in southern British Columbia, we decided to drop the option. Meanwhile, our Mariposa project, under option to Four Nines Gold, and our Eureka Dome project, under option to Trifecta Gold, were both returned to us early in 2019.

In addition to drilling our Spius copper project in 2019, we continue to evaluate potential new projects. Our exploration focus is on base and precious metals, in particular copper and gold. We explore early stage exploration projects that have high potential for discovery and that are located in mining-friendly jurisdictions. Details of all our projects can be found on our website at [www.pacificridgeexploration.com](http://www.pacificridgeexploration.com).

On behalf of the Board of Directors, I wish to thank you for your continued loyal support of Pacific Ridge. The mineral exploration sector continues its slow recovery and investor interest in gold and base metal exploration companies grows. We will continue our quest for discovery by carefully and thoroughly evaluating our existing project portfolio, farming out assets where appropriate, and always keeping a sharp eye out for new opportunities.

Yours very truly,

Gerald G. (Gerry) Carlson  
President and CEO

The technical information contained herein has been reviewed and approved by Gerald Carlson, Ph.D., P.Eng., President and CEO of Pacific Ridge Exploration Ltd., and Qualified Person as defined by National Instrument 43-101.

Forward-Looking Information: This document includes certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical facts, that address exploration drilling and other activities and events or developments that Pacific Ridge Exploration Ltd. ("Pacific Ridge") expects to occur, are forward-looking statements. Forward-looking statements in this document include statements regarding the placements and future exploration plans and expenditures. Although Pacific Ridge 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 forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, and continued availability of capital and financing and general economic, market or business conditions. These statements are based on a number of assumptions including, among other things, assumptions regarding general business and economic conditions, the timing and receipt of regulatory and governmental approvals for the transactions described herein, the ability of Pacific Ridge and other parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for Pacific Ridge's proposed transactions and programs on reasonable terms, and the ability of third party service providers to deliver services in a timely manner. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Pacific Ridge does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.