PACIFIC RIDGE exploration ltd.

(An Exploration Stage Company)

Management's Discussion and Analysis (MD&A)

(Form 51-102F1)

March 31, 2018

This interim Management's Discussion and Analysis ("**MD&A**") of Pacific Ridge Exploration Ltd. ("**Pacific Ridge**" or the "**Company**"), dated **April 19, 2018**, provides a brief update on the Company's business activities, financial condition, financial performance and cash flows since December 31, 2017, and excludes information discussed in its most recent annual MD&A. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards ("**IFRS**") in Canadian dollars (unless otherwise indicated). The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3", and "Q4" respectively.

The following information should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2017 and the interim financial statements for the three months ended March 31, 2018, and the related notes thereto.

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

Forward Looking Statements and Risk Factors

This MD&A contains forward-looking statements that are related to the Company's activities and future financial results. The results for the current periods are not necessarily indicative of the results for any future period. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance as 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 the early stage of its exploration projects. A detailed discussion of risks is presented in the 2017 year-end MD&A.

Pacific Ridge's disclosure of a technical or scientific nature has been reviewed and approved by Mr. Gerald G. Carlson, Ph.D., P. Eng., President and CEO of the Company, and a Qualified Person under the definition of National Instrument 43-101.

Summary of First Quarter Activities

During the first quarter, the Company focused on new acquisition opportunities and plans for 2018 exploration programs on the RG Gold and Gold Cap projects. No exploration programs were undertaken during the quarter and no exploration results or project acquisitions or dispositions were announced

Mineral Properties

RC Gold, Yukon

On June 13, 2017, the Company announced that it had acquired an option on the road accessible RC Gold project, including the RC, Bee and Bop claim groups, through two separate agreements. The project is located in the Clear Creek district in the heart of the Yukon's Tintina Gold Belt. RC Gold lies at the headwaters of Clear Creek, one of the Yukon's prolific placer gold creeks. It adjoins StrikePoint Gold's Mahtin Project on the east and Victoria Gold's Clear Creek project on the west. The target at RC Gold is an Intrusion Related Gold deposit such as Victoria Gold's Eagle Gold, Golden Predator's Brewery Creek, and Kinross Gold's Fort Knox in Alaska.

A program of detailed mapping, sampling and geophysics is planned for early summer 2018 to define targets for possible drill testing.

Mariposa, Yukon

The Company's 100% owned Mariposa property is located 120 kilometres southeast of Dawson City, Yukon. The 295 km^2 property lies 40 kilometres southeast of White Gold's Golden Saddle deposit and 30 kilometres east-northeast of Goldcorp's Coffee property. Prior exploration identified an open-ended 7 km long horizon of altered sulphide bearing quartz mica schist in the Skookum Zone area. This unit is locally flanked by intrusive and mafic rock units, a setting favorable for hosting a gold-mineralizing system.

The property is under option to Four Nines Gold Inc. ("Four Nines" – formerly Eureka Dome Gold Inc.). Under the terms of the agreement, Four Nines can earn a 51% interest in the property by making cash payments of $190,000 ($30,000 received), issuing 1,200,000 common shares (300,000 received) and 150,000 common share purchase warrants (received) and completing $2,500,000 in exploration in staged annual increments by December 31, 2020, of which approximately $304,000 was completed as of December 31, 2017. Four Nines will then have the option to increase its interest to 70% by making additional cash payments of $200,000, issuing an additional 500,000 common shares and completing an additional $2,500,000 in exploration by December 31, 2022.

Four Nines plans additional surface exploration in 2018, possibly followed by drilling.

Eureka Dome, Yukon

The Company's 100% owned Eureka Dome project includes in 156 Moose and EU quartz claims, covering approximately 32 km^2. The Property lies between the well explored and geologically complex Klondike gold fields to the north and the Stewart River area to the south. Placer mining activity in Eureka Creek dates back to the 1896 gold rush. During the period 1978-82, Eureka was the first-ranked placer creek in Yukon. The reported historical placer production from Eureka and Black Hills Creeks is estimated to be greater than 140,000 oz. Au.

Gold Cap, Yukon

The 56 claim Gold Cap property covers approximately 1,100 ha and adjoins the northeast boundary of the White Gold Corp's White Gold property. The Gold Cap property is 100% owned by Pacific Ridge and was staked in 2009 based on an anomalous gold silt sample reported by the Geological Survey of Canada. In 2010, Pacific Ridge collected 1,766 soil samples and defined two gold anomalies that require follow-up exploration.

A program of geological mapping and deep soil sampling is planned for the 2018 field season to test for a gold bedrock source.

Mineral Properties (continued)

Fyre Lake, Yukon

The Company holds a 100% interest in the Fyre Lake copper-gold-cobalt massive sulphide project in the Yukon's Finlayson Lake District. The Company has spent approximately $6.0 million on an extensive program of diamond drilling that resulted in definition of a NI 43-101 compliant mineral resource estimated, at a 1.0% copper cut-off, to contain an indicated mineral resource of 3.6 million tonnes grading 1.57% copper, 0.10% cobalt and 0.61 grams gold per tonne and an inferred mineral resource of 5.4 million tonnes grading 1.5% copper 0.08% cobalt and 0.53 grams gold per tonne. The resource remains open for expansion.

In December 2016, the Company announced that it had agreed to option a 100% interest in the project to BMC Minerals. BMC has been granted two options effective as of the closing; the first, a one-year option whereby, in order to maintain and exercise the option, it must pay the Company $300,000 (paid) on closing and $2,200,000 one year after closing, or the second, a two-year option whereby, in order to maintain and exercise the option, it must pay the Company $300,000 (paid) on closing, $300,000 one year after closing (paid) and $2,420,000 two years after closing. BMC elected the two-year option. In addition, BMC has agreed to make a bonus payment of $1,000,000 if and when BMC's Kudz Ze Kayah property has reached commercial production for one year.

On December 29, 2017, the Company received the second $300,000 option payment from BMC.

TL Zinc, British Columbia

The Company has an option to earn a 100% interest in the road accessible, 6,420 hectare TL Zinc project located 80 km northeast of Vernon, British Columbia. Massive to semi-massive sulphide float and outcrop containing sphalerite, pyrite and pyrrhotite assayed in the range of 1.08% to 18.87% Zn and an average of 4.96% Zn. Trenching encountered a zone of 7.16% Zn over 4 m. An airborne magnetic-electromagnetic survey defined a strong conductive layer, 4 km in length and approximately 100 m to over 200 m wide. In 2012, 6 shallow holes (total 490 m) were drilled below the trenching. The drilling encountered a 10 to 13 m thick sulphide mineralized zone with zinc values ranging from less than 1% to 5%.

In early December 2016, the Company completed two drill holes for a total of 611 m at the eastern end of the main HELITEM electromagnetic conductor. Both holes intersected several zones of graphitic schist that appear to be the cause of the electromagnetic anomaly.

The proposed 2017 drill program at the TL Zinc property was suspended. Allegations of third party interests in the 16 TL Claims under option to Pacific Ridge have been made and, to allow time to resolve the issue, the optionor and Pacific Ridge have agreed to extend the option terms by one year. Once the issue is resolved, the Company plans to resume the drill program.

Results of Operations

A summary of comparative administrative and other expense is provided in the table below:

	Three months ended March 31		
	2018	**2017**	Increase (decrease)
	$	$	$
Administration expenses			
Professional and consulting	**12,506**	6,738	5,768
Management and administrative	**18,315**	24,958	(6,643)
Office operations and facilities	**14,818**	13,126	1,692
Shareholder communications	**5,557**	780	4,777
Share-based payments	**10,028**	-	10,028
Transfer agent and regulatory fees	**7,348**	8,755	(1,407)
	68,572	54,357	14,215
Other expenses (income)			
Exploration and evaluation costs	**16,851**	144,989	(128,138)
Property option payments	**-**	(350,000)	350,000
Unrealized gain in fair value of warrants	**(5,840)**	-	(5,840)
Foreign exchange (gain) loss	**(513)**	-	(513)
	10,498	(205,011)	215,509
Net income (loss) for the period	**(79,070)**	150,654	(229,724)
Other comprehensive income:			
Net change in fair value of marketable securities	**16,500**	-	16,500
Total comprehensive income (loss) for the period	**(62,570)**	150,654	(213,224)
Earnings (loss) per share (basic and diluted)	**(0.00)**	0.00	

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.

Total general administration costs increased due to the non-cash stock-based compensation charged on the granting in January 2018 of 200,000 stock options with an exercise price of $0.06, while no stock options were granted during the comparative period of the prior year. While professional and consulting fees increased, this increase was offset by a decrease in management and administrative fees.

Exploration and evaluation costs over the three months ended March 31, 2018 were lower than in the comparative period, when the Company spent approximately $130,525 in its Poker Brown and TL Zinc projects. The non-allocated exploration expenses were very comparable during the current and the comparative periods.

Results of Operations (continued)

The carrying values of the Company's mineral properties are reviewed by management quarterly, or when events or circumstances indicate that a carrying amount may not be recovered. The potential impairment indicators include but are not limited to the amount of work performed on the property, results of exploration to date, and plans or budgeting for the future exploration. No impairments were recorded during the three months ended March 31, 2018 or the same period in 2017.

Summary of Quarterly Results

The following table sets forth a comparison of information for the previous eight quarters ending with March 31, 2018:

	Quarter ended (three-month figures) ($)			
	31-Mar 2018	31-Dec 2017	30-Sep 2017	30-Jun 2017
Revenues	-	-	-	-
General and administration	(58,031)	(70,236)	(43,859)	(60,988)
Share-based payments	(10,028)			(19,294)
Exploration and evaluation costs	(16,851)	(27,252)	(223,264)	(88,626)
Unrealized loss in fair value of warrants	5,840	(4,190)	-	-
Impairment of resource properties	-	(18,500)	-	(13,763)
Mining tax credit and government grants	-	119,659	10,044	-
Property option payments	-	300,000	-	-
Net income (loss) for the period	(79,070)	299,481	(257,079)	(182,671)
Basic income (loss) per share	(0.00)	0.01	(0.01)	(0.01)
Total assets	1,093,264	1,174,148	937,646	1,162,811
Total liabilities	8,363	36,705	94,184	62,270
Shareholders' equity	1,084,901	1,137,443	843,462	1,100,541
Cash dividends declared	Nil	Nil	Nil	Nil

	Quarter ended (three-month figures) ($)			
	31-Mar 2017	31-Dec 2016	30-Sep 2016	30-Jun 2016
Revenues	-	-	-	-
General and administration	(54,357)	(93,823)	(53,011)	(53,747)
Share-based payments	-	(31,917)	(15,840)	-
Exploration and evaluation costs	(144,989)	(204,687)	(143,022)	(8,100)
Gain in sale of marketable securities	-	10,936	-	-
Impairment of mineral properties	-	-	-	-
Mining tax credit and government grants	-	19,355	-	-
Property option payment	350,000	25,000	-	-
Net income (loss) for the period	150,654	(275,136)	(211,873)	(61,847)
Basic income (loss) per share	0.00	(0.01)	(0.01)	(0.00)
Total assets	1,338,770	1,282,631	823,301	1,007,493
Total liabilities	87,852	190,867	55,425	25,364
Shareholders' deficiency	1,250,918	1,091,764	767,876	982,129
Cash dividends declared	Nil	Nil	Nil	Nil

Quarterly Information Trends

The Company's results have been largely driven by the level of its property holding costs, exploration activities and recoveries from project optionees. The Company has had no revenue from mining operations since its inception other than from disposal of its assets and mineral royalties. Major variations in costs are summarized below:

- The gain or loss on disposal of mineral properties is dependent on the negotiated sales proceeds and can vary significantly from property to property.
- General exploration expenditures can vary from quarter to quarter depending on the stages and priorities of the exploration program and the availability of funds.
- Share-based payments can vary widely from quarter to quarter based on the timing, amount and tenure of stock option awards.

Liquidity Working Capital and Capital Resources

The Company's liquidity and working capital figures are as follows:

	March 31, 2018	December 31, 2017
	$	$
Cash	**495,812**	598,401
Other receivable	**2,381**	2,334
Marketable securities	**59,170**	36,830
Liquidity:	**557,363**	637,565
Prepaid	**5,522**	5,522
Trade payables and accrued liabilities	**(8,363)**	(36,705)
Working capital:	**554,522**	606,382

The Company is dependent on raising funds by the issuance of shares or disposition of interests in resource properties in order to finance further acquisitions, undertake exploration and meet general and administrative expenses. As at April 19, 2018, the Company has cash on hand of approximately $493,000.

The Company believes it has sufficient cash to sustain its operations for the next 12 months. The longer-term ability of the Company to continue its business is dependent on the continuing success of its exploration programs coupled with available funding through sale of its share capital, funding from option/joint venture parties or disposition of property interests.

Transactions with related parties:

The following transactions with related parties took place:

	Three months ended March 31	
	2018	2017
	$	$
Management fees paid to a company controlled by the CEO of the Company	**24,000**	24,000
Management fees paid to a company controlled by the CFO of the Company	**6,200**	4,500
Stock-based compensation recorded for stock options granted to directors and officers of the Company (non-cash expense)	**10,028**	-
	40,228	28,500

Management is of the opinion that these transactions have occurred in the normal course of operations and they are measured at the exchange amount, being the amount of consideration established and agreed to by the transacting parties.

Outstanding Share Data

As at April 19, 2018, the Company has

a) 31,329,009 common shares issued and outstanding;
b) 3,026,500 stock options outstanding and exercisable at a weighted exercise price of $0.06; and
c) 2,815,250 warrants outstanding exercisable at $0.14 until May 3, 2018.

Off-Balance Sheet Arrangements

None

Proposed Transactions

None

Changes in Accounting Policies

The Company has not made any changes to its significant accounting policies, as described within Note 2, of its annual audited financial statements for the year ended December 31, 2017, except as noted below. Certain requirements were issued by the IASB that are mandatory for annual years beginning on or after January 1, 2018, as follows:

Changes in Accounting Policies (continued)

IFRS 9, *Financial Instruments* has been adopted by the Company effective January 1, 2018, replacing the former standard, IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

Please refer to note 2(c) to the condensed interim financial statements for the three months ended March 31, 2018, for detailed information on the adoption of IFRS 9.

The Company will now classify its cash, other receivables and trade payable and accrued liabilities at amortized cost; its marketable securities (excluding warrants) as fair value through other comprehensive income ("FVTOCI") and its warrants as fair value through profit and loss ("FVTPL"). Fair value movements and gains or losses realized on the sale of financial assets at FVOCI will not be reclassified to the statement of income. IFRS 9 is not expected to have a material effect on the Company's financial statements.

IFRS 16, *Leases*, specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. The Company has no leases as at March 31, 2018, and therefore believes that IFRS 16 won't have a material effect on the Company's financial statements

Financial Instruments

With the adoption of IFRS 9, the Company has classified cash, other receivables, and trade payable and accrued liabilities at amortized cost; marketable securities as FVTOCI, and warrants as FVTPL.

<u>Fair values</u>

As at March 31, 2018, the recorded amounts for cash, other receivables and trade payable and accrued liabilities approximate their fair values due to their short maturity. The Company's marketable securities and warrants are measured subsequent to initial recognition at fair value on a recurring basis. These financial instruments are grouped into Level 1 to 3 based on the degree to which the significant inputs used to determine the fair value are observable. Marketable securities are classified within level 1 of the fair value hierarchy as their fair value measurement is derived from quoted prices in active markets for identical assets. Warrants are classified within level 2 of the fair value hierarchy as their fair value measurement is derived from inputs other than quoted prices included within level 1, that are observable either directly or indirectly. No financial instruments were considered level 3, which are fair value measurements derived from valuation techniques that include significant inputs that are not based on observable market data.

Financial Instruments (continued)

Interest rate risk

The Company's cash held in financial institutions earns interest at variable interest rates. 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 deposited with large, federally insured, commercial financial institutions, and therefore exposed to minimal credit risk.

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 March 31 2018, the Company had cash of $495,812 (December 31, 2017 - 2016- $598,401), and trade payable and accrued liabilities of $8,363 (December 31, 2017 - $36,705).

Currency risk

The Company keeps approximately 8% of its cash in US dollars. A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's working capital by approximately $4,000 and its net loss for the period by approximately $4,000.

Price risk

The Company is exposed to price risk on its marketable securities and warrants due to fluctuations in the current market prices and fluctuations in trading volumes of those securities. At March 31, 2018, the Company held marketable securities and warrants with a fair value of $59,170 (December 31, 2017 - $36,830). These investments are subject to market price fluctuations that can be significant.

Critical Accounting Estimates

The Company makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results. The following are the areas of estimate and judgment applied by management that most significantly affects the Company's financial statements. These estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Resource properties: The carrying value of the Company's mineral properties are reviewed by management quarterly, or whenever events or circumstances indicate that their carrying amounts may not be recovered. Management considers potential impairment indicators including, but not limited to, changes in commodity prices, plans for the properties and the results of exploration to date.

Share-based payments: The Company follows accounting guideline in determining the fair value of share-based compensations. The computed amount is not based on historical costs but is derived based on subjective assumptions input into a pricing model

Risk Factors

The Company is subject to a number of risks due to the nature of its business and the present stage of exploration projects. 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 mineral resources 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 and availability of capital from the public market place. 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, landslides 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 any of which events 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.

Risk Factors (continued)

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 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 and territorial Environmental Review Agencies. 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 territorial 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 minimal environmental impact.

Risk Factors (continued)

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 specific 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 or related issues 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 other companies that may 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 be predicted.

Risk Factors (continued)

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 or territory 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, and ability to attract equity financing is 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 the last three 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.

Management and Directors

The Company is dependent on its key management personnel. Loss of the key person could have an adverse effect 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.

Risk Factors (continued)

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 market price will not occur which may impact the Company's market capitalization as well as its ability to facilitate equity financing.

Legal Proceedings

As at March 31, 2018, and at the date of this document, there were no legal proceedings against or by the Company.