(An Exploration Stage Company)

Management's Discussion and Analysis (MD&A)

(Form 51-102F1)

Year ended December 31, 2021

This Management's Discussion and Analysis ("MD&A") of Pacific Ridge Exploration Ltd. ("Pacific Ridge" or the "Company"), dated **April 27, 2022**, provides an update on the Company's business activities, financial condition, financial performance and cash flows for the year ended December 31, 2021. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("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 consolidated financial statements for the years ended December 31, 2021 and 2020 (the "Financial Statements"), available on the SEDAR website at www.sedar.com.

The Company's shares are listed on the TSX Venture Exchange under the symbol "PEX" and on the Over-the-Counter Venture Markets (OTC-QB) under symbol PEXZF. Additional information related to Pacific Ridge is also 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 below, under *Risk Factors*.

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

Highlights for the first quarter of 2021

On January 4, 2021, the Company announced that it had appointed Blaine Monaghan as President and CEO. Gerald Carlson was appointed Executive Chairman.

On January 18, 2021, the Company announced that it had entered into a consulting agreement with G2 Consultants Corp. ("G2"), a financial public relations firm, to increase Pacific Ridge's profile within the financial community.

On February 8, 2021, the Company announced it had appointed Borden Putnam III to the Company's Board of Directors.

On March 3, 2021, the Company announced the appointment of James (Jim) M. Logan, P.Geo. to its newly formed Technical Advisory Committee (the "Committee"). In addition to Mr. Logan, the Committee includes Borden Putnam III (Committee Chair), an independent director, Craig Hart, a technical advisor, Gerald Carlson, Executive Chairman, and Danette Schwab, Vice President of Exploration.

On March 8, 2021, the Company closed a non-brokered flow-through private placement by issuing 8,000,000 units at a price of $0.142 per unit ("FT Unit") for gross proceeds of $1,136,000 (the "Q1 Financing"). DELPHI Unternehmensberatung Aktiengesellschaft ("DELPHI") acquired all of the FT Units. Proceeds from this Q1 Financing were used to drill the Kliyul copper-gold project, located in British Columbia.

On March 9, 2021, the Company granted an aggregate of 850,000 stock options to two of its directors and to a consulting firm. Each option is exercisable into one common share of the Company at a price of $0.105 per share for a period of five years from this date. Options granted to directors vested immediately, while the 200,000 options granted to the consultant will vest 25% each quarter over a 12-month period. The grant is subject to the terms of the Company's stock option plan and the policies of the TSX Venture Exchange.

Highlights for the Second quarter of 2021

On May 4, 2021, the Company announced that it had entered into an agreement to acquire 100% of the RDP copper-gold porphyry project in central British Columbia, approximately 40 km west of its flagship Kliyul copper-gold project.

On May 11, 2021, the Company announced the addition of Dan Core, Ph.D. to its Technical Committee. Dr. Core brings experience in targeting porphyry mineral system utilizing both geological and geophysical data sets, and he has previous experience with the Kliyul project.

On May 26, 2021, the Company announced the nomination of mining industry veteran Gary Baschuk to its Board of Directors. Mr. Baschuk was elected at the annual general meeting of shareholders that took place on June 24, 2021.

On June 1, 2021, the Company raised $1,500,000 on closing of a non-brokered private placement of 10,000,000 units issued at a price of $0.15 per unit ("Unit") (the "Q2 Financing"). Crescat Capital LLC ("Crescat") acquired 7,000,000 of the Units.

On June 7, 2021, Arctic Fox announced the commencement of drilling activities at the Company's Spius porphyry copper gold project. Drilling tested below the high-grade surface showing area, where grab samples of mineralized porphyry from float and a small outcrop exposure range from 1.11% Cu to 2.53% Cu, and to test for mineralization at depth near hole SP-19-03, which ended in porphyry-style copper mineralization at a depth of 276 metres.

On June 17, 2021, the Company announced the 2021 exploration plans for its Kliyul copper-gold porphyry project.

On June 24, 2021, at the Company had its annual general meeting of shareholders. Gary Baschuk was elected to the board while incumbents Gerald Carlson, Blaine Monaghan, Bruce Youngman and Borden Putnam were re-elected.

During Q2 2021, an aggregate of 643,333 warrants and 19,500 share purchase warrants with an exercise price of $0.12 were exercised, adding $79,540 to the Company's treasury.

Highlights for the Third quarter of 2021

On July 15, 2021, the Company announced that it had applied for trading on the OTC Venture Market ("OTCQB"), which will help the Company in growing its U.S. shareholder base. On the same date, the Company also announced that it had entered into a consulting agreement with Westlake Capital, based in Switzerland, with the objective of increasing the Company's profile within the European investment Community. Finally, the Company also announced the granting of 1,100,000 stock options to directors, officers, employees, and certain consultants. The options have an exercise price of $0.25 and are valid for five years.

On July 30, 2021, the Company announced that the start of drilling had been delayed at the Kliyul copper-gold project due to a wildfire that temporarily closed the main access road to the project area. On the same date, the Company announced that its common shares had commenced trading on the OTC Venture Market ("OTCQB") under the ticker symbol "PEXZF".

On August 5, 2021, the Company announced that it had commenced its 2,500 m drill program at Kliyul.

On September 22, 2021, the Company announced that it had completed the Kliyul diamond drill program. All three drill holes encountered classic copper-gold porphyry-style mineralization. The mineralization and alteration intersected in this drilling has extended the known extents of the Kliyul Main Zone to the west and to depth.

During Q3 2021, an aggregate of 140,000 stock options with an exercise price of $0.08 per share were exercised for cash proceeds of $11,200.

Highlights for the Fourth quarter of 2021

On September 22, 2021, the Company announced that it had completed its maiden diamond drill program at the Kliyul copper-gold porphyry project, including 1544 m in 3 holes. All three holes encountered porphyry-style mineralization. Mineralization at the Kliyul Main Zone ("KMZ") was successfully extended to the west and to depth, and a new copper skarn prospect was identified.

On December 1, 2021, the Company announced assay results from the first of the 2021 drill holes at Kliyul. Starting at surface, hole KLI-21-036 is the longest and highest-grade interval ever returned from Kliyul, intersecting 449 m averaging 0.22% Cu and 0.60 gpt Au, or 0.61% CuEQ* and 0.96 gpt AuEQ** (see below for details).

On December 29, 2021, the Company announced that it had agreed to amend payment terms to its agreement with BMC Minerals Ltd. ("BMC") for the option to purchase Pacific Ridge's Fyre Lake property, Yukon. As renegotiated, BMC has paid $250,000 to Pacific Ridge and will pay an additional $850,000 by December 31, 2022, or within 10 business days of BMC listing on an internationally recognized stock exchange, whichever comes first. BMC will continue to pay $75,000 to Pacific Ridge every six months until the final payment of $850,000 has been paid, with the next payment being due June 30, 2022.

Subsequent to year end, the Company announced that it had optioned its RDP project to Antofagasta Minerals. Please refer to Subsequent Events at the end of this MD&A for information on this transaction.

Mineral Properties

Kliyul and Redton, British Columbia

In January 2020, the Company entered into an earn-in property agreement (the "Kliyul-Redton Agreement"), as amended on April 7, 2020, and on July 22, 2020, with Aurico Metals Inc. ("Aurico"), with respect to the Kliyul and Redton properties located in British Columbia (jointly, "the Properties").

Kliyul is a 6,000 ha advanced exploration project located 50 km southeast of the Kemess mine and 5 km from the Omineca mining road and power line, in one of the most geochemically anomalous areas for copper and gold in the Quesnel Terrane. The property contains several Minfile database occurrences, including four major target areas: Kliyul, Bap Ridge, Ginger-Shadow and M39, each representing an interpreted porphyry centre over a 4 km strike length.

Redton is a porphyry copper-gold property that adjoins Northwest Copper Corporation's ("NWCu") Kwanika property along its eastern and northern boundary. The property is road accessible in a proven porphyry belt, underlain by rocks of the Hogem Batholith within the prolific Quesnel Terrane.

In 2020, the Company completed a surface exploration program at Kliyul designed to extend the depth of investigation of the chargeability and resistivity response related to the Kliyul mineralization as well as to define vectors to mineralization for a major drill test of priority Au-Cu targets planned for 2021. At Redton, the Company completed a one-hole, 434 m drill program. The drill hole tested the Redton North target, a 550 m by 250 m magnetic and IP chargeability anomaly with a coincident 500 m x 100 m copper-molybdenum soil anomaly, located 2.5 km north of NWCu's Kwanika Central Zone deposit. No significant copper or gold assays were encountered in the hole.

During August and September of 2021, Pacific Ridge completed 1,544 m of diamond drilling in three drill holes at Kliyul. All three holes encountered porphyry-style mineralization consisting of pyrite, chalcopyrite and lesser bornite in veins and as disseminations. Logging of the drill core has identified an early magnetite-chlorite alteration and veining which is cross-cut by later-stage banded quartz-magnetite veins as well as later generations of quartz+magnetite+chalcopyrite veining. The later stage veining brings in chalcopyrite+bornite with quartz as well as epidote and/or anhydrite+magnetite. Early magnetite and quartz-magnetite veins are interpreted to represent the higher temperature part of the porphyry system at Kliyul Main Zone. The presence of bornite is also an indication of proximity to the higher temperature core of a porphyry system and may be a positive vector towards the core of Kliyul Main Zone. All these characteristics are associated with classic porphyry copper occurrences.

Assay results for the first hole, KLI-21-036, were announced on December 1, 2021. Starting at surface, it is the longest and highest-grade interval ever returned from Kliyul. A summary of the KLI-21-036 results is shown in the table below:

Hole	From(m)	To(m)	Width(m)	Cu(%)	Au(g/t)	CuEq(%)*	AuEq(g/t)**
KLI-21-036	12.0	449.0	437.0	0.22	0.60	0.61	0.96
Includes	12.0	65.0	53.0	0.22	0.83	0.75	1.17
and	12.0	33.0	21.0	0.34	1.30	1.17	1.84
and	47.0	65.0	18.0	0.22	0.89	0.79	1.23
Includes	143.3	435.0	291.7	0.28	0.74	0.75	1.18
and	294.0	435.0	141.0	0.36	1.11	1.07	1.68

*CuEq = ((Cu%) x $Cu x 22.0462) + (Au(g/t) x $Au x 0.032151)) / ($Cu x 22.0462)
**AuEq = ((Cu%) x $Cu x 22.0462) + (Au(g/t) x $Au x 0.032151)) / ($Au x 0.032151)
Commodity prices: $Cu = US$4.00/lb and $Au = US$1,750/oz.
Factors: 22.0462 = Cu% to lbs per tonne, and 0.032151 = Au g/t to oz per tonne
Recovery for Cu and Au is assumed to be 100%

Results of the final two holes were released early in 2022. The Company is planning an expanded, 6,000 m drill program at Kliyul during the 2022 field season. Planning for this program is underway.

RDP, British Columbia

In May 2021, the Company acquired an option on the RDP copper-gold porphyry project in central British Columbia, approximately 40 km west of its flagship Kliyul copper-gold project. Pacific Ridge has the option to earn a 100% interest in RDP by making payments of $125,000 ($5,000 on signing), issuing 1,200,000 shares (100,000 shares on signing) and completing $860,000 in exploration in stages by December 15, 2023. In addition, the Company will issue 300,000 shares to the vendor on completion of 5,000 m of drilling and an additional 500,000 shares upon defining a 1,000,000 ounces of gold equivalent resource in the inferred or greater category. The property is also subject to a 2% NSR payable to the vendor, half of which can be purchased at any time for $1.5 million.

RDP is a 3,800 ha project lying within the Stikine Terrane, which is host to numerous significant porphyry deposits in northern British Columbia, including Kemess, Red Chris, Kerr- Sulphurets and Galore Creek. Exploration at RDP since the early 1970's has included prospecting and mapping, various geochemical surveys, ground and airborne geophysical surveys, trenching and a limited amount of drilling. This work has identified three porphyry centres. Mineralization at the Roy showing consists of a quartz-magnetite-chalcopyrite stringer stockwork within a monzonite intrusive. Trenching in 1991 encountered 0.121% Cu and 0.55 gpt Au over 62 m within an 80 m trench. Only a single hole has been documented at Roy, in 2011, and it encountered 0.11% Cu and 0.64 gpt Au over 122.95 m. At the Day showing, mineralization includes pyrite, magnetite, chalcopyrite, minor molybdenite, and traces of bornite as disseminations and fracture fillings in diorite and adjacent altered volcaniclastic rocks. Historical drill highlights include 0.67% Cu and 0.93 gpt Au over 58.8 m in hole D-74-13 and 0.54% Cu and 0.75 gpt Au over 57 m in hole C-92-13. The Porcupine target was initially explored as a stratabound massive sulphide target, but recent interpretation of the alteration and soil geochemistry suggests the potential for porphyry style mineralization.

During 2021, the Company completed a mapping and sampling program at RDP, focusing on the Roy and Day showing areas. Drilling is planned for the 2022 field season.

Please also refer to the Subsequent Events section at the end of this MD&A for further developments with respect to the RDP project.

Spius, British Columbia

On April 27, 2018, as amended on December 12, 2019, October 25, 2020, and December 27, 2021 the Company acquired an option to earn a 100% interest in the Spius Cu-Mo porphyry property by making payments of $110,000 ($50,000 paid), issuing 1,400,000 shares (400,000 issued) and completing $825,000 in exploration by December 31, 2022. The property is road accessible and located 40 km southwest of Merritt, British Columbia.

The Spius property was explored for its porphyry potential in the 1960's and early 1970's. Exploration focused on a gossan area where work included an IP survey, trenching and 27 percussion and core drill holes. The drilling was shallow, with none of the drill holes exceeding 100 m. Recent exploration has defined a central copper soil geochemical anomaly. Two float samples of porphyry style mineralization with disseminated chalcopyrite assayed 2.53% Cu and 1.43% Cu.

Due to the weak results from a four-hole drill program during the year ended December 31, 2019, the Company decided to impair the $71,000 carrying value for Spius.

On October 20, 2020, the Company entered into an Option Agreement with Arctic Fox Ventures Inc. ("Arctic Fox" – formerly Arctic Fox Interactive Ltd.) whereby the Company granted Arctic Fox an option to acquire a 60% interest in the Company's Spius Option by making payments to the Company of $50,000, issuing 1,000,000 shares and spending $550,000 on exploration by December 31, 2022. With this agreement, Arctic Fox effectively assumes all the Company's obligations under the original agreement with the underlying owners of Spius, including its amendments.

In June 2021, Arctic Fox completed a two-hole 457.4 m drill program at Spius. The first hole encountered porphyry style mineralization, averaging 0.114% Cu, 23.5 ppm Mo and 0.7 ppm Ag over 41.45 m from 35.85 m to the bottom of the hole, including a higher-grade copper: 0.886% Cu over 1.3 m (66.05 to 67.35 m). The second hole encountered porphyry style mineralization throughout its length, including 0.155% Cu, 71 ppm Mo and 0.8 ppm Ag over 15.2 m (341.25 to 356.45 m), with two intervals of higher-grade copper: 0.832% Cu over 0.65 m (257.5 to 258.4 m) and 0.658% Cu over 1.32 m (346.18 to 347.5 m). These higher-grade intervals occur within zones of quartz-sericite-pyrite veins with potassium feldspar altered selvages, with chalcopyrite and traces of molybdenite. Arctic Fox is evaluating these results to determine its future plans for the property.

Mariposa, Yukon

The Company's 100% owned 295 km² Mariposa property is in the Yukon's White Gold District, 120 km southeast of Dawson City, 40 km southeast of White Gold's Golden Saddle deposit and 30 km east-northeast of Newmont'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, in a setting favorable for hosting gold mineralization.

Since 2010, The Company has spent over $6 million exploring the Mariposa property, including geological mapping, soil geochemical surveys, geophysical surveys, trenching and drilling. Results are summarized on the Company's web site.

The plans for advancing Mariposa include seeking a potential farm-out for the property.

Eureka Dome, Yukon

The Company's 100% owned 32 km² Eureka Dome property is located 70 km southeast of Dawson City, within the Klondike-White Gold District. Placer mining activity in Eureka Creek dates to the 1896 gold rush, with estimated historical production from Eureka and Black Hills Creeks of greater than 140,000 oz. Au.

The plans for advancing Eureka Dome include seeking a potential farm-out for the property.

Gold Cap, Yukon

The 100% owned 1,100 ha Gold Cap property adjoins the northeast boundary of White Gold Corp's Golden Saddle property. The property 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 anomalous gold zones.

The plans for advancing Gold Cap include seeking a potential farm-out for the property.

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 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 Ltd. ("BMC" – formerly BMC Minerals (No. 1) Ltd.), as amended on December 19, 2018, and on April 10, 2020, whereby BMC has the right to acquire a 100% interest in Fyre Lake. The Company received a non-refundable deposit and initial option payment of $375,000 ($25,000 received in November 2016 and $350,000 received in January 2017), a second option payment of $300,000 in December 2017, and a third option payment of $1,200,000 on December 28, 2018.

In April 2020, the Company renegotiated the terms of the final $1.22 million payment, which had been due upon BMC obtaining production financing for its Kudz Ze Kayah project, but in any event no later than December 31, 2020. As renegotiated, BMC paid $250,000 to Pacific Ridge in April 2020, and will pay $1.0 million within thirty days of BMC receiving the Type A Water License for the development of its proposed ABM Mine, but in any event no later than December 31, 2021. BMC will continue to pay $75,000 to Pacific Ridge every six months until the final tranche has been paid, with the June 30, 2021, payment received. In 2019 the Company received payments of $150,000, $400,000 in 2020 and $325,000 in 2021.

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, 2021, the Company announced that it had agreed to amend payment terms to its agreement with BMC Minerals Ltd. ("BMC") for the option to purchase Pacific Ridge's Fyre Lake property, Yukon, as originally announced by the Company on December 28, 2016. Previously, the final payment to Pacific Ridge of $1.0 million was due upon BMC obtaining production financing for its Kudz Ze Kayah project, but in any event no later than December 31, 2021. As renegotiated, BMC paid $250,000 on December 24, 2021 to Pacific Ridge and will pay an additional $850,000 by December 31, 2022 or within 10 business days of BMC listing on an internationally recognized stock exchange, whichever comes first. BMC will continue to pay $75,000 to Pacific Ridge every six months until the final payment of $850,000 has been paid, with the next payment being due June 30, 2022. All other terms and conditions of the agreement remain the same, including the bonus payment of $1,000,000 that is due if and when BMC's Kudz Ze Kayah property has reached commercial production for one year.

Summary of exploration expenses:

The following acquisition-related costs are carried by the Company in its consolidated statement of financial position presented with its Financial Statements:

	Company-owned properties	On option from third parties			Total
	Mariposa YT	Kliyul BC	Redton BC	RDP BC	
	$	$	$	$	$
Balance, December 31, 2019	429,619	-	-	-	429,619
Option payments in cash	-	12,500	12,500	-	25,000
Balance, December 31, 2020	429,619	12,500	12,500	-	454,619
Option payments in cash	-	10,000	10,000	15,000	35,000
Option payments in shares	-	-	-	52,000	52,000
Staking costs	-	-	-	16,449	16,449
Balance, December 31, 2021	**429,619**	**22,500**	**22,500**	**83,449**	**558,068**

The following is a summary of exploration expenses incurred in each of the Company's projects, the total of which is presented with the Company's statement of loss and comprehensive loss presented with its Financial Statements:

Property	Province / Territory	Years ended December 31 **2021**	2020
		$	$
Kliyul	BC	**2,034,974**	381,180
RDP	BC	**135,074**	-
Redton	BC	**33,306**	182,157
Spius	BC	**20,432**	27,520
Mariposa	YT	**3,797**	526
Fyre Lake		**514**	-
General exploration not allocated to a specific property		**108,460**	13,438
		2,336,557	604,821

Selected annual information

Selected annual information from the Company's three most recently completed financial years are listed below:

	2021	2020	2019
	$	$	$
Net income (loss) income for the year	(2,803,742)	(493,510)	(278,072)
Basic and diluted income (loss) income per share	(0.06)	(0.02)	(0.01)
Total assets	1,336,262	1,227,771	1,387,673
Long-term financial liabilities	-	-	-
Cash dividends declared	-	-	-

During 2021, the Company completed two private placements described under *Financing Activities*, below. The private placements made possible a much-increased exploration activity than in prior years, particularly at the Company's Kliyul property, thus resulting in a significantly higher net loss for this year.

During 2020 the Company received $400,000 from BMC for the Company's Fyre Lake property, and is reported as *Property option payments* on the Company's consolidated statement of loss and comprehensive loss, and summarized in the next section. Also during 2020, the Company completed a flow-through private placement raising $234,000, and significantly increased exploration activities, focused on its recently-acquired Kliyul and Redton properties in British Columbia.

During 2019, while administration expenses and exploration and evaluation costs remained at consistent levels with those of 2018, the Company received smaller property option payments and smaller government grants, resulting in a net loss.

Financing Activities

On March 8, 2021, the Company raised gross proceeds of $1,136,000 on closing of a non-brokered flow-through private placement, issuing 8,000,000 units at a price of $0.142 per unit ("2021 FT Unit"). Each 2021 FT Unit was comprised of one common share of the Company that qualifies as a "flow-through share" for the purposes of the Income Tax Act (Canada) (an "2021 FT Unit Share") and one-half of one common share purchase warrant, with each whole warrant exercisable to purchase one additional non-flow-through common share at an exercise price of $0.15 for a period of two years. No finder's fees were paid. Share issuance costs in connection with legal advice, filing fees and transfer agent fees amounted to $10,178.

On June 1, 2021, the Company closed a non-brokered private placement, raising gross cash proceeds of $1,500,000 through the issuance of 10,000,000 units at a price of $0.15 per unit ("Unit"). Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant exercisable to purchase one additional common share at an exercise price of $0.23 for a period of 24 months expiring on June 3, 2023. No finders' fees were paid in connection to the private placement, and share issuance costs amounted to $30,283.

Results of Operations

Year-to-date

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

	Years ended December 31		
	2021	2020	Increase (decrease)
Administration expenses	**$**	$	$
Amortization of right-of-use asset	**38,273**	27,168	11,105
Depreciation	**2,833**	1,370	1,463
Finance lease interest	**4,643**	2,254	2,389
Insurance	**20,160**	8,132	12,028
Professional and consulting	**129,419**	33,552	95,867
Management and administrative	**330,275**	97,828	232,447
Office operations and facilities	**46,905**	30,852	16,053
Shareholder communications	**301,740**	47,255	254,485
Share-based payments	**233,508**	46,916	186,592
Transfer agent and regulatory fees	**54,269**	17,820	36,449
	1,162,025	313,147	848,878
Exploration-related expenses (income)			
Exploration and evaluation costs	**2,336,557**	604,821	1,731,736
Mining tax credit	**(157,070)**	(347)	(156,723)
Property option payments	**(325,000)**	(400,000)	75,000
	1,854,487	204,474	1,650,013
Other expenses (income)			
Interest received	**(3,366)**	(3,584)	218
Foreign exchange (gain) loss	**4,451**	(973)	5,424
Flow-through tax recovery	**(213,855)**	(19,554)	(194,301)
	(212,770)	(24,111)	(188,659)
Net loss	**(2,803,742)**	(493,510)	(2,310,232)
Other comprehensive income (loss):			
Net change in fair value of marketable securities	**11,300**	26,000	(14,700)
Total comprehensive loss	**(2,792,442)**	(467,510)	(2,324,932)
Loss per share (basic and diluted)	**(0.06)**	(0.02)	
Weighted average number of shares outstanding basic and diluted	**47,832,999**	32,864,364	

Results of Operations (continued)

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.

Administration expenses:

The first three lines of the above table reflect the leasing of the Company's administration offices, with added space during 2021 to accommodate the Chief Executive Officer.

The significant increase in Insurance is due to two factors: the first one being the Company purchasing directors and officers' insurance (which did not have during the prior year's comparative period), and a general increase in the premium paid for the Company's liability insurance.

Professional and consulting fees also increased during the higher legal fees resulting from additional contracts being negotiated and higher audit fees as well.

Management and administrative expenses significantly increased over the comparative period with the incorporation of a new chief executive officer, and a general increase in compensation to executive officers.

Office operations remained consistent with those of the same period of the previous year.

Shareholder communications had the greatest increase over the comparative period of the prior year due to activities related to raising the Company's profile with potential investors

Share-based payments relate to the fair value of the stock options granted during the periods. This is a non-cash expense reflected in the contributed surplus line of the Company's statement of financial position.

The two private placements that took place during 2021 also had a significant impact in transfer agent and other regulatory fees.

Exploration-related expenses

The Company concluded its 2021 exploration program, which was mainly directed at the Kliyul project and its drilling campaign, and to the RDP project to a lesser extent. The 2021 increased exploration activities were possible due to the financing activities that took place during the first half of the year.

The Company also received an amount of $157,070 corresponding to the British Columbia Mining and Exploration tax credit (BCMETC) for exploration activities. Of this amount, $76,269 corresponds to fiscal year 2019 and the remaining $80,801 to activities during fiscal year 2020. The income for such tax credit is recognized during the year when it is received, and not during the year when it was incurred, due to the uncertainty and the possibility of government audits that may significantly change the actual amount.

The Company also received $325,000 from BMC with respect to its Fyre Lake property during 2021; during the prior year's comparative period, in addition to the $75,000, BMC had made an extra payment of $250,000. Both $250,000 payments were a result of amending the original agreement in order to delay the payment of the final amounts, now due in December of 2022.

Other expenses:

In addition to interest earned on cash balances and some foreign exchange fluctuation, the Company had set up a *flow-through liability* at the time of closing the flow-through private placement in March of 2021. As the full amount of the flow-through placement was used in qualifying expenses during the year, the liability was de-recognized as a flow-through tax recovery. This was done in the same way for the smaller flow-through private placement of 2020

Most recent quarter:

	Three months ended December 31		
	2021	2020	Increase (decrease)
Administration expenses	**$**	$	$
Amortization of right-of-use asset	**10,370**	7,344	3,026
Depreciation	**1,020**	367	653
Finance lease interest	**906**	1,360	(454)
Insurance	**-**	2,282	(2,282)
Professional and consulting	**34,682**	19,260	15,422
Management and administrative	**122,695**	28,703	93,992
Office operations and facilities	**16,439**	4,872	11,567
Shareholder communications	**76,243**	14,316	61,927
Share-based payments	**12,621**	24,956	(12,335)
Transfer agent and regulatory fees	**4,630**	1,616	3,014
	279,606	105,076	174,530
Exploration-related expenses (income)			
Exploration and evaluation costs	**1,030,513**	243,282	787,231
Property option payments	**(250,000)**	(75,000)	(175,000)
	780,513	168,282	612,231
Other expenses (income)			
Interest received	**(300)**	(372)	72
Foreign exchange (gain) loss	**1,300**	1,194	106
Flow-through tax recovery	**(213,855)**	(19,554)	(194,301)
	(212,855)	(18,732)	(194,123)
Net loss	**(847,264)**	**(254,626)**	(592,638)
Other comprehensive income (loss):			
Net change in fair value of marketable securities	**1,000**	9,500	(8,500)
Total comprehensive loss	**(846,264)**	(245,126)	(601,138)
Loss per share (basic and diluted)	(0.02)	(0.01)	
Weighted average number of shares outstanding basic and diluted	**53,867,386**	33,987,378	

The expense patterns during the last quarter of 2021 follow closely those of the rest of the year as described for the previous table, but with certain increases due to year-end management bonuses and the larger exploration-related invoices received during the last quarter at the end of the year's exploration cycle.

Summary of Quarterly Results

The following table sets forth a comparison of information for the previous eight quarters:

	Quarter ended (three-month figures) ($)			
	31-Dec 2021 (Q4)	30-Sep 2021 (Q3)	30-Jun 2021 (Q2)	31-Mar 2021 (Q1)
Revenues	**-**	-	-	-
General and administration	**(255,989)**	(246,412)	(186,261)	(198,557)
Lease amortization and interest	**(11,276)**	(11,533)	(11,785)	(8,322)
Depreciation of plant and equipment	**(1,020)**	(869)	(572)	(372)
Share-based payments	**(12,621)**	(165,610)	-	(55,277)
Exploration and evaluation costs	**(1,030,513)**	(1,071,490)	(143,205)	(91,349)
Interest received	**300**	1,174	1,316	576
Mining tax credit and government grants	**-**	80,801	-	76,269
Flow-through income tax recovery	**213,855**	-	-	-
Property option payments	**250,000**	-	75,000	-
Net loss for the period	**(847,264)**	(1,413,939)	(265,507)	(277,032)
Basic and diluted loss per share	**(0.02)**	(0.03)	(0.01)	(0.01)
Total assets	**1,336,262**	2,231,951	3,476,562	2,120,290
Total liabilities	**252,047**	355,660	382,742	354,751
Shareholders' equity	**1,084,215**	1,876,291	3,093,820	1,765,539
Cash dividends declared	**Nil**	Nil	Nil	Nil

	Quarter ended (three-month figures) ($)			
	31-Dec 2020 (Q4)	30-Sep 2020 (Q3)	30-Jun 2020 (Q2)	31-Mar 2020 (Q1)
Revenues	-	-	-	-
General and administration	(72,243)	(53,851)	(45,388)	(62,984)
Lease amortization and interest	(8,704)	(7,053)	(6,737)	(6,928)
Depreciation of plant and equipment	(367)	(387)	(383)	(233)
Share-based payments	(24,956)	(4,521)	-	(17,439)
Exploration and evaluation costs	(243,282)	(216,839)	(119,229)	(25,471)
Interest received	372	664	823	1,725
Impairment of mineral properties	-	-	-	-
Mining tax credit and government grants	-	-	-	347
Property option payment	75,000	-	325,000	-
Flow-through income tax recovery	19,554	-	-	-
Net income (loss) for the period	(254,626)	(281,987)	154,086	(110,983)
Basic income (loss) per share	(0.01)	(0.01)	0.00	(0.00)
Total assets	1,227,771	1,435,598	1,457,613	1,300,590
Total liabilities	152,446	138,402	97,403	99,466
Shareholders' equity	1,075,325	1,297,196	1,360,210	1,201,124
Cash dividends declared	Nil	Nil	Nil	Nil

Quarterly Results

- During Q4, 2021, the Company still incurred significant exploration activities at its Kliyul property. The Company also received $250,000 from BMC with respect to the Company's Fyre Lake property, as described before. Some previously granted stock options vested during the quarter and hence the corresponding share-based payment was incurred. In addition, as explained in the previous section, the flow-through liability that had been set up in connection with the March 2021 private placement was derecognized as a flow-through tax recovery during this quarter.
- Q3 2021 reflects that the majority of the 2021 exploration program, which includes the Kliyul drilling campaign, has taken place during this quarter. The Company also received the BCMETC tax credit corresponding to fiscal year 2020, and there was a significant non-cash share-based payment due to stock options granted during this quarter.
- During Q2, 2021, the company raised an additional $1,500,000 through a non-broker and non-flow-through private placement of units, as described in the initial section of this MD&A. This results in a substantial increase in the total assets of the Company.
- During Q1 2021 the company raised $1,136,000 through a non-brokered flow-through private placement described in the initial section of this MD&A; hence the increase in total assets from Q4 2020. Also, as discussed in the section immediately above, administration expenses were increased with the addition of a new chief executive officer and some adjustment to compensation of other officers of the Company, as well as the increase in insurance expenses, as previously discussed. Also during this quarter, the Company received the BCMETC amount for 2019, also contributing to the increase in assets of the Company. A grant of stock options also took place during the quarter, after the closing of the aforementioned financing. The quarter's net loss, however, is consistent with that of Q4 2020.
- During Q4 2020 the Company concluded the year's exploration programs in Kliyul and Redton, at which time many of the related costs were incurred. A grant of stock options also took place during this quarter, resulting in the share-based payments figure. During the quarter the Company received an additional $75,000 from BMC related to the Fyre Lake property. Also during Q4 2020 the Company incurred all of the amounts raised in the flow-through private placement in qualifying exploration expenses, and thus it de-recognized a flow-through premium liability of $19,554 as flow-through tax recovery.
- During Q3 2020, the Company was fully engaged in summer exploration at Kliyul and Redton, with these being the most significant expenses of this quarter. Also during this quarter, the Company announced and completed a non-brokered private placement of FT Units raising $234,000.
- During Q2 2020 exploration activities were initiated in the Kliyul and Redton properties. Also, in addition to the $75,000 received every six months from BMC for the Fyre Lake property, the Company received $250,000 as part of the renegotiation of the agreement with BMC.
- During Q1 2020 the contract for the Kliyul and Redton properties was executed, and the exploration expenses of this quarter relate mostly to these properties. Also during Q1 2020, stock options were granted resulting in the related share-based payment amount.

Liquidity Working Capital and Capital Resources

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

	December 31, 2021	December 31, 2020
	$	$
Cash	**549,391**	628,720
Other receivable	**31,012**	7,980
Marketable securities	**54,000**	42,700
Liquidity:	**634,403**	679,400
Prepaid	**83,792**	9,587
Trade payables and accrued liabilities	**(222,796)**	(103,905)
Office lease liability - current portion	**(29,252)**	(27,920)
Working capital:	**466,147**	557,162

The Company is dependent on raising funds through 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 27, 2022, the Company has cash on hand of approximately $7,272,000 and working capital of approximately $7,029,500.

The Company believes it has sufficient cash to sustain its operations for at least 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 December 31		Years ended December 31	
	2021	2020	**2021**	2020
	$	$	**$**	$
Management fees paid to a Company controlled by the Executive Chairman of the Company, and salary paid to him *	**36,000**	24,000	**108,000**	96,000
Salary paid to the CEO of the Company	**69,800**	-	**181,725**	-
Management fees paid to a company controlled by the CFO of the Company	**22,500**	12,000	**63,500**	39,000
Share-based payments recorded for stock options granted to directors and officers of the Company (non-cash expense)	**-**	6,021	**154,402**	16,484
	128,300	42,021	**507,627**	151,484

* A percentage of the Executive Chairman's compensation is charged to exploration and evaluation costs

No amounts were due to related parties at December 31, 2021 or 2020.

Management is of the opinion that these transactions have occurred in the normal course of operations.

Outstanding Share Data

	Date of this MD&A	December 31, 2021	December 31, 2020
Common shares issued and outsanding	**80,694,008**	54,089,508	34,849,008
Share purchase warrants outstanding (1)	**21,874,000**	9,850,002	1,560,000
Finders' warrants outstanding (2)	**-**	16,500	57,000
Stock options outstanding (3)	**4,540,000**	4,840,000	3,355,000
Fully diluted capital:	**107,108,008**	68,796,010	39,821,008

As at the date of this MD&A:

(1) Of the total amount of investor warrants outstanding, 650,000 with an exercise price of $0.12 expire on February 14, 2022; 200,000 with an exercise price of $0.12 expire on March 31, 2022, 4,000,000 with an exercise price of $0.15 expire on March 8, 2023, and 5,000,002 with an exercise price of $0.23 expire on June 3, 2023.

(2) Of the total amount of agent's warrants outstanding with an exercise price of $0.12 per share, 4,500 expired on February 14, 2022; and 12,000 on March 31, 2022.

(3) Of the total amount of stock options outstanding, 4,640,000 are exercisable as at the date of this MD&A. The weighted average exercise price of the outstanding options is $0.10.

Off-Balance Sheet Arrangements

None

Proposed Transactions

There are no proposed transactions as of the date of this MD&A.

Changes in Accounting Policies

There were no changes in accounting policies during the year ended December 31, 2021. For the current set of accounting policies, please refer to note 2 to the annual audited consolidated financial statements for the year ended December 31, 2021.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the years ended December 31, 2021 and 2020, and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

Financial Instruments

The Company has classified cash, other receivables, and trade payable and accrued liabilities at amortized cost; marketable securities as FVTOCI, and warrants as FVTPL.

Fair values

As at December 31, 2021, 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.

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 December 31, 2021, the Company had cash of $549,391 (2020- $628,720), trade payable and accrued liabilities of $222,795 (2020 - $103,905), and a lease liability of $29,252 (2020 - $48,541). Subsequent to December 31, 2021, the Company closed a brokered private placement and raised total gross cash proceeds of $7,431,200 (see *Subsequent Events* at the end of this MD&A).

Currency risk

The Company keeps approximately 5% 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 $1,000 (2020 - $3,000).

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 December 31, 2021, the Company held marketable securities with a fair value of $54,000 (December 31, 2020 - $42,700). 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 is 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.

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 marketplace. 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.

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.

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.

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 prices of those commodities may fluctuate widely and are 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.

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.

COVID-19 Pandemic

The COVID-19 pandemic had an initial negative impact on global financial markets, followed by a recovery, but significant volatility could still be expected. The economic viability of the Company's business plan could still be impacted by its ability to obtain financing, and global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues.

In addition, as the health and safety of the Company's employees, contractors, visitors, and stakeholders are the Company's top priority, the Company will keep monitoring developments with respect to COVID-19, both globally and within its operating jurisdictions, and will implement any such changes to its business as may be deemed appropriate to mitigate any potential impacts to its business and the stakeholders. Such changes may include, but are not limited to, temporary closures of the Company's site exploration activities or offices and deviations from the timing and nature of exploration plans.

The Company has taken into consideration the COVID-19 situation for renegotiating, if required, any contractual obligations with respect to exploration and other expenses. The Company has also examined suitability of the internal controls required for a secure operation of its computer and other electronic resources from a remote location and has contracted a service to provide more frequent and secure backups of the Company's information.

Ukraine situation

While the Company has no operations, projects or personnel in Europe, the recent events in Ukraine have added potential elements risk such as inflationary pressures affecting prices of fuel and supplies, as well as supply chain delays. These risks could potentially affect the cost and timely development of its exploration programs

Legal Proceedings

As at December 31, 2021, and at the date of this document, there were no legal proceedings against or by the Company.

Subsequent events

a) On January 27, 2022, the Company entered into a property purchase agreement to acquire a 100% interest in the Onjo copper-gold porphyry project ("Onjo) in north-central British Columbia. The Company paid $50,000 in cash and issued 750,000 common shares with a fair value of $0.35 per share or $262,500. The vendor of Onjo retains a 2% NSR, with the Company having an option to purchase one quarter of the NSR at any time for USD $1,500,000.

b) On February 10, 2022, the Company entered into an earn-in agreement (the "Agreement") with Antofagasta Minerals S.A. ("Antofagasta"), a wholly owned subsidiary of Antofagasta PLC (ANTO: LSE), on the RDP copper-gold project ("RDP" or the "Project"), located in north-central British Columbia.

   Antofagasta can earn a 75% interest in RDP by making cash payments in an aggregate amount of $1,350,000, plus a success payment of $800,000 upon exercise of the option, and spending $10,000,000 on exploration over eight years, with a firm commitment to spend $1,000,000 in year one, and delivering a NI 43-101 compliant preliminary economic assessment report. During the option period, Antofagasta will fund all exploration and Pacific Ridge will be the initial operator. Once Antofagasta has earned its 75% interest, Pacific Ridge and Antofagasta will form a 25:75 joint venture. If either party's interest in the joint venture falls below 10%, that party's interest will be converted to a 2% NSR, half of which can be purchased by the other party for $4,500,000.

   At the date of publication of this MD&A, the Company has received $430,000 from Antofagasta in advances for exploration in RDP.

c) On February 22, 2022, the Company entered into a sale and purchase agreement to acquire a 100% interest in four internal claims at the recently acquired Onjo copper-gold porphyry project (see (a) above) by paying $25,000 cash and issuing 250,000 common shares with a fair value of $0.265 per share or $66,250 to the vendor. With the acquisition of these claims, Pacific Ridge now owns 100% of the claims within the Project boundary.

d) On April 22, 2022, the Company closed a "best efforts" brokered private placement (the "Financing") with M Partners Inc. and Red Cloud Securities Inc., co-lead agents and joint book runners ("Agents"), and raised total gross cash proceeds of $7,431,200 through the issuance of 19,150,000 charity flow-through units ("CFT Units") at a price of $0.328 per CFT Unit and 5,000,000 common share units ("CS Units") at a price of $0.23 per CS Unit, including exercise in full of the Agent's 15% over-allotment option.

   The CFT Units issued in connection with the Financing consist of one flow-through common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). The CS Units issued in connection with the Financing consist of one non-flow-through common share of Pacific Ridge and one-half of one Warrant. Each Warrant will be exercisable to purchase one additional non-flow-through common share at an exercise price of $0.35 for a period of 24 months.

   In connection with the Financing, the Company paid the Agents an aggregate cash commission of $289,770 and issued the Agents an aggregate of 1,299,999 compensation warrants. Each compensation warrant is exercisable to purchase one common share of the Company at a price of $0.23 for a period of 24 months. All securities issued in connection with the Financing carry a legend restricting trading of the securities until August 22, 2022. The Financing and payment of Agents' fees are subject to TSX Venture Exchange final acceptance.

   Proceeds from this Offering will be used principally for the planned 6,000-metre diamond drill program at the Company's flagship Kliyul copper-gold project, and for general working capital.

e) Subsequent to December 31, 2021, the Company raised $228,540 on exercise of 654,500 share purchase warrants with an exercise price of $0.12 per share, 500,000 share purchase warrants with an exercise price of $0.23 per share, and 300,000 stock options with a weighted average exercise price of $0.12.

f) Subsequent to December 31, 2021, Mr. Gary Baschuk, a director of the Company, was added to the Company's Technical Committee.

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