BIRD RIVER RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE NINE MONTH PERIOD ENDED APRIL 30, 2018

INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) of Bird River Resources Inc. (the “Company”) is prepared with information as at June 29 2018 and provides an analysis of the Company’s performance and financial condition as at and for the nine month period ended April 30 2018 as well as an analysis of future prospects. The Board of Directors carries out its responsibility for review of this disclosure principally through its audit committee, comprised of independent directors. The audit committee reviews this disclosure and recommends its approval by the Board of Directors.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the years ended July 31 2017 and 2016 and the unaudited interim financial statements for the three and nine months ended April 30, 2018, together with the notes thereto. All amounts are in Canadian dollars unless otherwise specified. The financial statements, along with Certifications of Annual and Interim Filings, news releases and other information, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (ii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking statements that are based on the Company’s expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under “Risks and Uncertainties”. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

GENERAL OVERVIEW

Bird River Resources Inc. has been engaged in the acquisition, exploration and development of mineral properties since its incorporation in 1958. It is currently in the oil and gas business in southwestern Manitoba and has been since 2009, mainly through joint ventures with experienced oil and gas exploration operators. Initially, the Company agreed to participate as to a five percent interest in the drilling of a three oil well drilling program near the towns of Sinclair and Pierson in southwestern Manitoba, all of which remain producing. Since then, the Company has participated in the drilling of additional wells in that area, most of which remain producing (see "Narrative Description of the Business - Oil and Gas Activities - Manitoba" below).

On February 8, 2018, the Company agreed to acquire all of the issued and outstanding shares of High Point Oil Inc. ("High Point"), a private Alberta company for consideration of the issuance of 55,172,124 common shares to the shareholders of High Point and the exchange of all of High Point's outstanding common share purchase warrants for 2,958,480 common share purchase warrants of the Company. The acquisition transaction closed on February 12, 2018. High Point has identified 20 drilling targets and has obtained eligibility to hold licenses for all types of wells, facilities and pipelines from the Alberta Energy Regulator. High Point commenced its 2018 drilling program in June of 2018 after spring breakup. As at the date of this M&A the first well stands cased and completion for production activities have commenced. (see "Narrative Description of the Business – Oil and Gas Activities – Alberta" below).

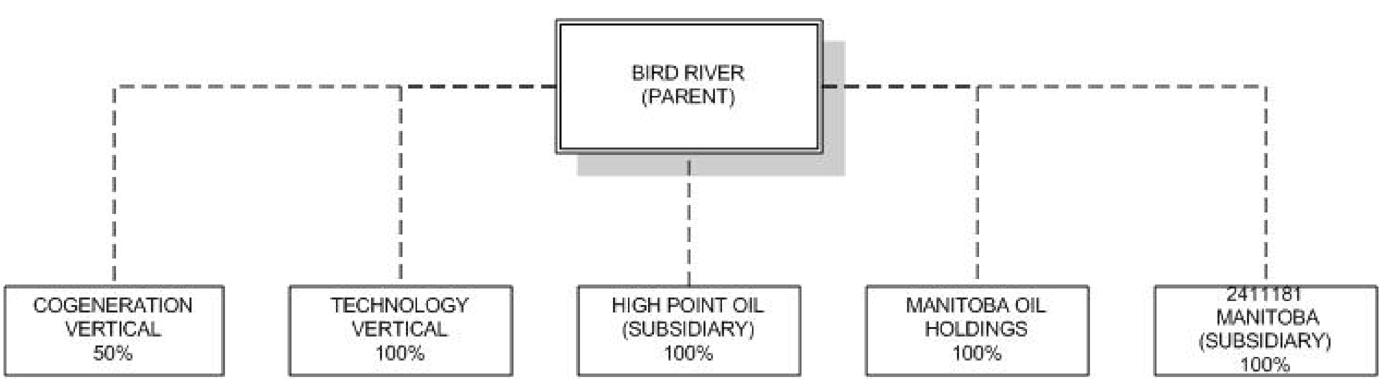
On December 12, 2017, the Company announced that it has retained API Consulting Inc. (operating as "API Garage") and its BlockX Labs division in the research and development of asset management platforms utilizing its private blockchain technology. Bird River's objective is to establish a wholly owned subsidiary or division which would investigate and commercialize the application of technologies such as blockchain to the oil and gas industry. BlockX was hired to investigate the manner in which blockchain could provide access to historical records such as seismic data for use by the oil and gas industry as well as other resource industries. This new asset management platform would be based on using proprietary blockchain technology owned by Bird River. This project is in the discovery phase and BlockX Labs was contracted to determine the feasibility of developing the platform for these uses. BlockX Labs anticipated that it would be able to deliver a report on their work by the end of 2017. BlockX is an arm's length private company that has considerable experience in providing these kinds of services for clients in many industries. For their services, the Company agreed to pay API Consulting Inc. the consideration of the amount of $50,000, consisting of the issuance of 250,000 common shares of the Company to API Consulting Inc. at the price of $0.10 per common share and the payment of $25,000 cash. To date, the Company paid the amount of $25,000 cash and has reached other arrangements in lieu of the issuance of the 250,000 common shares. This project is presently on hold. Currently, the Technology vertical is also investigating how Cryptocurrency mining could be used to monetize natural gas now stranded in Alberta due to lack of pipeline capacity. (see "Narrative Description of the Business – Technology Vertical" below).

On March 26, 2018, the Company and Divestco Inc. (TSXV: DVT) announced a cogeneration joint venture (the "Cogen") which will convert natural gas to electricity via a boiler-turbine at a projected industry low cost of 1.4 cents per kilowatt hour (based on current natural gas spot prices). Regulatory approvals are in place for the Cogen system to feed up to 3 megawatts of electricity into the power grid. The Cogen has secured a reliable, long-term gas supply through a privately owned natural gas producer. Construction and implementation of the project is expected to take 4-5 months. As an initial end user, Divestco expects to enter into a long-term agreement to purchase electricity from the Cogen to power its computing center. In addition to Divestco's intense computing operations, the Cogen has identified and is pursuing numerous other opportunities for the excess power generated. Under the proposed arrangement, Bird River will pay for two thirds and Divestco will pay for one third of the Cogen project costs with both parties having a 50% ownership in the completed project (see "Narrative Description of the Business – Cogeneration Vertical" below).

The Company formerly operated an environmental division which distributes various industrial minerals and absorbent products for use in abandoned water well sealing operations, animal bedding, odor control and animal waste management (see "Narrative Description of the Business - Environmental Division" below).

The Company formerly held a base and platinum group metals property known as the Ore Fault Property, located in the Bird River Sill area approximately 125 km northeast of Winnipeg Manitoba. In 2008, the Company sold its working interest in this property for cash and now retains a 1% net smelter return royalty on this property (see "Narrative Description of the Business - Ore Fault Property" below).

The Company's organizational chart is as follows:



The Company's financial performance is dependent on many external factors (see "Risk Factors"). The Company expects that the bulk of any revenues it may earn from its operations in the near future will be from the sale of oil and gas as well as contributions from cogeneration and crypto mining projects. In addition, the availability and cost of funds for exploration, development and production costs are difficult to predict. These circumstances and events could materially affect the financial performance of the Company.

NARRATIVE DESCRIPTION OF THE COMPANY'S BUSINESS

General

The Company currently has four business segments, being segments in Oil, Technology and Cogeneration in Alberta and Oil interests in Manitoba. The Company formerly held interests in the Ore Fault property (which has since been converted to a net smelter returns royalty), an environmental division and a quarry lease. More narrative description on these segments is provided in sections below.

As at April 30, 2018, the Company has an estimated consolidated working capital of approximately $3,135,000, which includes approximately $3,311,000 in cash. The Company has currently allocated its cash balances for the following purposes:

High Point	Technology	Cogeneration	Manitoba Oil	Working Capital	Total
$2,400,000	$100,000	$450,000	-	$185,000	$3,135,000

High Point:

	Amount ($)
Drilling, completion and equipping costs	2,400,000

Technology Vertical:

	Amount ($)
Computer equipment	100,000

Cogeneration Vertical:

	Amount ($)
Gas turbine and related equipment	450,000

Oil and Gas Activities – Alberta

Acquisition

On February 12, 2018, the Company announced that it has entered into a definitive agreement with the owners of High Point to acquire all of the issued capital of High Point by way of a share exchange of common shares. Pursuant to the share exchange agreement dated February 9, 2018 among the Company, High Point, and the shareholders of High Point, the Company acquired all of the issued and outstanding shares of High Point. In consideration for the purchased shares, Bird River issued to the shareholders of High Point an aggregate of 55,172,124 common shares at a deemed value of $0.10 per common share and the issuance of 2,958,480 common share purchase warrants of the Company in exchange for the outstanding warrants of High Point. The Acquisition was an arm's length transaction and High Point became a wholly-owned subsidiary of the Company. The share exchange did not constitute or result in a "reverse takeover" of the Company, nor did it result in a new controlling shareholder group.

Bird River engaged First Republic Capital Corporation ("FRCC") to act as its financial advisor in connection with one or more possible transactions, including any financings, joint venture, merger, or other business combination. In this capacity, FRCC assisted the Company in the analysis and review of the acquisition of High Point. Accordingly, the Company paid an M&A fee of 5% of the transaction value of the acquisition paid on closing by the issuance of 2,728,776 common shares of the Company to FRCC.

Business

High Point is in the business of exploring for and producing oil and gas in Alberta. The current focus of this business is on light oil due to continued strong market demand and pricing for this product. High Point acquires or purchases 3D seismic which it interprets to determine prospective locations which then allows it to acquire targeted lands upon which to drill.

High Point may venture into natural gas production if it can be proven to be economic. Conventional natural gas production is not presently economic in Alberta due to depressed natural gas prices resulting primarily from lack of pipeline capacity. High Point does not anticipate exploring for or producing heavier grades of crude oil in the foreseeable future due to the poor economics for this product.

The business objective of High Point over the forthcoming 12-month period is to drill, complete and tie-in its first 4 light oil wells. The milestones associated with these objectives are as follows:

- To be granted eligibility by the Alberta Energy Regulator to hold licenses for all types of wells, pipelines and facilities. This milestone has been achieved.
- To license the first 3 well program. This milestone has been achieved.
- To complete the first 3 well program at a cost of approximately $2.3 to $2.5 million dollars. This program commenced in June of 2018. In order to share risk and to allow greater flexibility in the use of cash resources, this program is being completed in joint venture with DEL Canada Partnership.
- Use the cash flow generated by the first 3 well program to drill one additional well in 2018 and thereafter at a rate of about 1 well per every 3 months) at a cost of $0.9 million.
- If additional equity becomes available to drill up to 10 wells total in 2018 at approximately $0.8 to $0.95 million per well. The individual well cost is anticipated to be lower if a greater number of wells are drilled at a time or if partners participate in the wells.

The cash for the first 3 well programs is presently held in High Point’s bank account. Subsequent wells are expected to be financed from the operations of the first wells at a rate of approximately one every three months.

The founders of High Point have believed for a long time that there is significant untapped oil potential in smaller reservoirs within Alberta. These reservoirs are only mappable with 3D seismic. Furthermore, these reservoirs have small aerial extent. This leads to a different paradigm for exploring and production. Unlike the search for larger regional plays, vast tracts of contiguous mineral rights are not either necessary or beneficial. Starting prior to 2010 the founders started acquiring and interpreting smaller 3D seismic sections and acquiring very targeted discreet mineral rights in the Huxley, Mikwan and Chigwell areas of Alberta. As the market conditions changed in Alberta it became evident that larger 3D seismic data bases were now more economical to acquire and that this tightly focused approach could be the basis for a very successful company. This led to the incorporation of High Point in 2017 with the founders vending in the first of the companies targeted mineral leases in the Huxley area. Subsequent to High Point's founding an additional Huxley lease was vended in. These leases were evaluated by an independent third party engineer, prior to vend in, and were assigned significant probable and possible reserves. However, no proven reserves have been assigned and will not be until they can be proven by the successful drilling of wells. Since incorporation High Point has acquired and interpreted over 170 sq. miles of 3D seismic, identified 20 drilling targets and acquired additional mineral rights on the open market. As at the date of this M&A High Point has obtained a second block of seismic data under seismic option, has processed and is beginning the interpretation of an additional 90 square miles of 3D seismic data in the same area. Based on the successful interpretation of the first seismic data it is expected that additional drilling locations will be added to High Point’s inventory.

Other than lands and seismic data acquired or to be acquired in the ordinary course of business, there have been no significant acquisitions by High Point since its incorporation, nor are any such transactions contemplated.

On April 4, 2018, the Company announced an operational update on its oil & gas business and that the Alberta Energy Regulator (AER) has granted High Point eligibility to hold licenses for all types of wells, facilities and pipelines. The

Company has now achieved a significant step towards its inaugural drilling program, which will commence immediately following the Spring breakup.

Applications for well licenses have been approved. Drilling of a three well programcommenced in June after the Spring breakup to avoid the increased risk and cost of running a drill program during the problematic thaw cycle. As at the date of this M&A the first well stands cased and completion for production operations are underway. The drilling of the second well has commenced. The Company has also expanded its drilling inventory with the acquisition of several new petroleum leases. In addition to the 20 drilling locations already established, more drilling locations are expected to be identified as the Company expands its 3D seismic database. It is anticipated that some of these incremental locations will also be added to the Company's 2018 drilling program.

NI 51-101 Disclosure

High Point was previously a private company and has not yet drilled any wells. Accordingly, High Point has not had a full reserves evaluation completed. However, High Point did acquire two properties from its founders each of which contained a target location. High Point commissioned an NI 51-101 compliant review of the two properties from Chapman Petroleum Engineering Ltd. The Cover sheet, engineer's qualifications and summary documents from these reports are attached as Appendices A and B to the Listing Statement now being prepared. Readers are cautioned that certain portions of a complete NI 51-101 report are not applicable because these NI 51-101 compliant reports were for single wells and not for all of the mineral rights held by High Point.

Oil and Gas Activities - Manitoba

In March 2009, the Company entered into a joint venture agreement with Antler River Resources Ltd. ("Antler") to invest $35,000 for a 5% gross interest (4% net) in a three well oil drilling program. The wells are located near the towns of Sinclair and Pierson in southwestern Manitoba. All three wells are now producing. In December 2009 the Company participated in the drilling of a vertical well north east of Sinclair. The well commenced pumping in January 2010 and all four wells are still in production.

In March 2011, the Company reported the test production results for its fifth horizontal oil well, located at 11-26-1-28W near Pierson. The operator of the well is Atikwa Resources Inc. (ATK:TSX-V) ("Atikwa") and the initial production over the first ten days for the well averaged 150 barrels per day. The Company has a 5% gross and 4% net participation in the well. This well is still in production; however the rate of production has declined.

In September 2011, the Company reported its participation in the drilling of a new horizontal oil well located at 12-15-8-28W1 east of Sinclair. This is the first well of a planned six well drilling program. The operator of the well and joint venture partner is Antler. The horizontal well has approximately a one mile leg and was cased all the way. The Company has a 5% gross and 4% net participation in the well. The well continues to be in production.

In October 2011, the Company announced that the drilling portion of a new well northeast of Sinclair at 12-15-8-28W1 was completed. The well was drilled into the Bakken formation at 926 meters with a horizontal leg of 1300 meters. The well was cased for the entire length of the leg and has 27 fracking ports approximately 50 meters apart. The operator of this well is Antler and the Company has a 5% gross interest.

An additional well was drilled at 13-23-1-28W east of Pierson. This was a horizontal well with a 600 meter leg drilled into the Spearfish formation. The operator of this well is Atikwa with a 50% interest and the Company has 5% gross (4% net). The well is presently shut in due to water problems.

In January 2012, the Company announced the completion of a new Antler horizontal well at 13-15-8-28 northeast of Sinclair. The well was drilled into the Bakken formation at 926 meters with a horizontal leg of 1300 meters and commenced pumping 30 cubes of fluid with a 35% oil cut, working out to about 65 barrels of oil a day (a cube is about 6.28 US barrels). The Company has a 5% gross interest and a 4% net participation. This well continues to be in production.

In February 2012, the Company reported an update of the last five oil wells drilled and their production:

- Well HZ 12-15-8-28 drilled into the Bakken Formation with a 1300 meter leg. Production had leveled out at 80 barrels of oil per day.
- Well HZ 11-26-1-28 drilled into the Spearfish Formation with a 600 meter leg was producing 40 barrels of oil per day.
- Well HZ15-30-1-27 drilled into the Spearfish Formation with a 600 meter leg was producing 100 barrels per day of fluid, of which 50 barrels is oil.
- Well HZ 7-34-1-28 drilled into the Spearfish Formation with a 600 meter leg was producing 130 barrels of oil per day.
- Well HZ 13-23-1-28 drilled into the Spearfish Formation with a 1300 meter leg was producing 240 barrels of fluid, of which 15 barrels is oil.

In July 2012, the Company reported with Antler that another double success had been achieved with the drilling and fracking of two new horizontal oil wells. The wells, located east of Sinclair at 16-16-7-28 and 3-15-8-28 were each drilled with 600 meter legs and were fully cased. The wells initially produced approximately 75 barrels per day for each well. The operator of the wells is Antler. The Company has 2.5% interest (2% net) in each of the new wells and the Company now had an interest in 11 production wells.

In February 2013, the Company participated with Antler in drilling a new horizontal well located at 3-22-7-28 in southwestern Manitoba. The Company has a 5% gross interest (4% net) in the well. The drilling of the well was successful and is now production.

In September 2014, the Company participated with Antler to drill a new horizontal well located at 4-5-2-27 in southwestern Manitoba, with the Company having a 5% gross interest (4% net) in the new well. The drilling of the new well was competed in early November 2014 and is now in production at a total cost of $67,433.

In August 2015, the Company paid $4,400 towards the work-over of well 11-26-1-28 using an acid activation process that cleans out the bore hold to increase oil recovery.

In December 2016: the Company participated in the successful work-over of well 12-15-8-28. As a result the well's production of oil doubled from approximately 10 bpd to 20 bpd.

The following table summarizes the Company's oil well holdings in Manitoba:

Summary of Oil Well Holdings - Manitoba

Well ID and Location	Year	Dir	Location	Oper	Company's Interest	Geological Formation	Status	Notes
LSD 6-13-7-29	2010	V	W of Sinclair	ARR	5% well only	Bakken	P	
LSD 14-15-8-28	2010	V	E of Sinclair	ARR	5% well only	Bakken/Lodgepole	P	
HZ 13-15-8-28	2012	H	E of Sinclair	ARR	5% well only	Bakken/Lodgepole	P	
HZ 11-26-1-28W	2011	H	Pierson	AB	5% gross, 4% net	Spearfish	P	
HZ 12-15-8-28W1	2011	H	NE of Sinclair	ARR	5% gross, 4% net	Bakken	P	
HZ 15-30-1-27	2012	V		ARR		Spearfish	P	
HZ 13-23-1-28W	2011	H	E of Pierson	AB	5% gross, 4% net	Spearfish	NP	(a)
HZ 7-34-21-28	2012	H		ARR	2.5% gross, 4% net	Bakken	P	
HZ 3-15-8-28	2012	H	E of Sinclair	RFM	2.5% gross, 2% net	Bakken	P	
HZ 3-22-7-28	2013	H	SW Manitoba	ARR	5% gross, 4% net	Mississippi MC3	P	
HZ 4-5-2-27	2014	H	SW Manitoba	ARR	4% profit, 5% costs	Bakken/Lodgepole	NP	(a)
HZ 16-16-7-28	2012	H	E of Sinclair	ARR	2.5% gross, 2% net	Mississippi MC3	P	

Legend

ARR	Antler River Resources Ltd.
AB	1885683 Alberta Ltd. (formerly held by Atikwa Resources)
RFM	Riflemen
H	horizontal
V	vertical
P	producing
NP	not producing
(a)	Not producing due to water problems.

The Company has rights to the assets and obligations for the liabilities relating to this joint operation, therefore has recognized its share of the assets, liabilities, revenues and expenses in its consolidated financial statements. Pursuant to the arrangement, expenditures are limited to costs of surface access, building location, drilling, completing, equipping and operating or abandoning the oil wells. The related expenditures are deferred in the accounts of the Company until the technical and commercial viability of extracting resources has been demonstrated. The Company has earned an interest equal to 80% of their contribution to the costs of surface access, building location, drilling, completing, equipping and operating or abandoning the oil wells, which represents, approximately, a 4% net interest in the joint operation. Technical and commercial viability of extracting resources has been demonstrated on ten oil wells and as a result, all capitalized costs have been transferred to petroleum and natural gas properties in property and equipment and are being depleted accordingly.

Historically, oil production in southwest Manitoba typically shows a decline in production rates from year to year; however, many wells have been known to produce over 25 years.

NI 51-101 Disclosure

Pursuant to the requirements of NI 51-101 - Standards of Disclosure for Oil and Gas Activities, copies of the Company's recent Forms 51-101F1 and 51-101F3 pertaining to the Company's oil interests in Manitoba are available on SEDAR under the Company's profile at www.sedar.com.

Technology Vertical

On December 12, 2017, the Company announced that it had retained API Consulting Inc. (operating as API Garage) ("API") and its BlockX Labs division in the research and development of asset management platforms utilizing its private blockchain technology. The Company's objective is to establish a wholly owned subsidiary or division which would investigate and commercialize the application of technologies such as blockchain to the oil and gas industry. BlockX was hired to investigate the manner in which blockchain could provide access to historical records such as seismic data for use by the oil and gas industry as well as other resource industries. This new asset management platform would be based on using proprietary blockchain technology owned by the Company. This project is in the discovery phase and BlockX Labs had been contracted to determine the feasibility of developing the platform for these uses. BlockX Labs anticipates that it will be able to deliver a report on their work by the end of 2017. BlockX is an arm's length private company that has considerable experience in providing these kinds of services for clients in many industries. For their services, the Company had agreed to pay API the consideration of the amount of $50,000, consisting of the issuance of 250,000 common shares of the Company to API at the price of $0.10 per common share and the payment of $25,000 cash. Subsequent to the original agreement with API, both parties agreed to amend API's compensation to include the granting of 250,000 options in lieu of the issuance of the 250,000 common shares. The options have not as yet been granted. This project is presently on hold.

On January 19, 2018, the Company announced an update on the blockchain technology research and development (R&D) being conducted for the Company. The objective of the R&D was the exploration of proprietary asset management platforms utilizing blockchain technology to be developed for Bird River for the resource industries. After initial study, it has been determined to narrow our focus into one software application specifically designed for the oil and gas industry. This project is ongoing with initial implementation of the software prior to enabling with block chain technology underway.

On April 9, 2018, the Company and Divestco Inc. (TSXV: DVT) ("Divestco") announced a joint venture to create a high volume, cost-effective commercial cryptocurrency mining operation based in Calgary, Alberta using existing infrastructure. This follows a previously announced joint cogeneration agreement under which the two companies planned to join forces to produce low-cost electricity by converting natural gas to electricity (see "Cogeneration Vertical" below).

The cryptocurrency mining operation would benefit with an estimated cost of electricity at approximately 1.4 cents per kilowatt hour compared to the Canadian industry average cost of electricity at approximately 6 cents per kilowatt hour.

Under the agreement, the Company will pay for 100% of the capital cost of acquiring mining rigs for cryptocurrency mining operations. Divestco will provide the infrastructure for the cryptocurrency mining activity including climate-controlled space, racking equipment for up to 3,000 mining rigs, and personnel with specific expertise in crypto mining. Divestco will operate the data centre and all the crypto data mining rigs. Revenue, net of operating expenses, will be split with 80% of revenue to the Company and 20% of revenue to Divestco until such time that the original capital cost has been fully recouped, and will thereafter be split 50/50 between the two companies.

The business objective of the Technology Vertical over the forthcoming 12-month period is to complete initial testing of a variety of Crypto currency mining machines and to test a small commercial installation to gain knowledge related to the operation of this industry segment. In addition, the Corporation intends to identify applications for block chain technology in other aspects of the oil and gas industry. The milestones associated with these objectives are as follows:

- To enter into a joint venture with a partner having the technical capability to complete this project. A memorandum of understanding has been completed with Divestco. Divestco's contribution to the joint venture is that it has an existing computer facility with the sound suppression, cooling and available power infrastructure to house a mining facility. Divestco estimates that such a facility would cost up to $5.0 million today. In addition, Divestco has the expertise in the technical operation of such machines. The memorandum of understanding provides that the Company's contribution to the joint venture will be to pay for 100% of the costs of mining machines. As a result, it will earn 80% of the net revenue from these machines until their cost is recovered at which point its' interest in the net revenue will drop to 50%. This non-binding memorandum provides for a contribution by the Company of up to $1.5 million. $50,000 has been spent to date to acquire a number of test machines which are now being run in a variety of manners to test efficiency at mining a variety of currencies.
- Acquire additional test machines to test the efficiency of graphics processing chips. These chips produce Crypto currencies at a slower rate but appear to do so whilst creating much less heat and noise. In addition, these machines can be used for other purposes making them more saleable should mining Crypto currencies cease to be and effective use of the Corporation's resources. This has occurred.
- To scale up the results of the above testing to a small commercial scale operation. The MOU above provides for an investment of up to $1.5 million. A portion of this cash is now in the bank. The balance will be spent as cash flow and any additional equity financing allows. At present only $100,000 additional is expected to be invested on this project in the near term.
- To consider the application of block chain technology to other technologies with in the oil and gas industry. To date, High Point is testing a non-block chain enabled application to determine if it makes sense to use in its oil and

gas operation. The intent is to enter into a joint project with the applications providers to enable this application using block chain technology. Initial testing of the application is expected to be complete by the end of June at which time a decision regarding using block chain on it will be made and resources allocated to it if agreed.

The cash for the Company's investigations in this direction up to the end of June is presently in the Company's bank account. Subsequent periods will be financed from cash flow and potentially from additional equity offerings. The facility will be operated under contract by Divestco.

Cogeneration Vertical

On March 26, 2018, the Company and Divestco announced a cogeneration joint venture (the "Cogen") which will convert natural gas to electricity via a boiler-turbine at a projected industry low cost of 1.4 cents per kilowatt hour (based on current natural gas spot prices). Regulatory approvals are in place for the Cogen system to feed up to 3 megawatts of electricity into the power grid. The Cogen has secured a reliable, long-term gas supply through a privately owned natural gas producer. Construction and implementation of the project is expected to take 4-5 months. As an initial end user, Divestco expects to enter into a long-term agreement to purchase electricity from the Cogen to power its computing center.

With the move to more renewable energy sources and the transition away from coal fired generation in Alberta, electricity costs in the province are expected to trend up resulting in heavy electrical users potentially looking for more cost-efficient options. In addition to Divestco's intense computing operations, the Cogen has identified and is pursuing numerous other opportunities for the excess power generated.

Under the proposed arrangement, Bird River will pay for two thirds and Divestco will pay for one third of the Cogen project costs with both parties having a 50% ownership in the completed project.

The Company, through its oil and gas subsidiary, High Point, has identified an opportunity in natural gas in Alberta. At present, natural gas and natural gas reserves in Alberta are at a significant discount to North American prices due primarily to pipeline constraints. Hence, the Company has determined that if it can monetize natural gas at a premium to the existing depressed rates it will be able to expand its oil and gas operation to focus on natural gas and not just light sweet crude.

In order to pursue this opportunity, the Company has entered into a memorandum of understanding with Divestco Inc. to pursue the monetization of natural gas reserves through the co-generation of electricity. Divestco possesses the technical expertise to achieve this goal.

The business objective of the Cogeneration Vertical over the forthcoming 12-month period complete an initial co-generation facility to test this approach to monetizing natural gas reserves. The milestones associated with these objectives are as follows:

- To enter into a joint venture with a partner having the technical capability to complete this project. A memorandum of understanding has been completed. The company will be responsible for two-thirds of the cost of the test project and will earn a 50% interest in the net revenues. Formal joint venture agreements are anticipated before the end of June 2018.
- To obtain an agreement with an electrical distribution company to distribute the generated electricity. Divestco has negotiated such an agreement for up to 3 Megawatts of energy.
- To acquire, build and install the necessary equipment and facilities to generate up to 1 megawatt of energy. The design phase is mostly complete. Construction is expected to be complete prior to the end of 2018.

To date, $120,000 of the Company's maximum anticipated share of the cost of this project of $567,000 has been spent. The balance of $447,000 is presently in the bank. The Company plans to use the cash flow generated by this project to add additional capacity up to the planned 3 megawatts.

Assuming the success of this test facility and if additional equity becomes available, to pursue opportunities to obtain natural gas reserves and to build additional co-generation facilities. The natural gas reservoirs will be owned and operated by the Company's oil and gas vertical High Point.

The cash for the Company's initial facility is presently in the Company's bank account. Subsequent facilities will be financed from cash flow and potentially from additional equity offerings. The facility will be operated under contract by Divestco.

Environmental Division

The Company operated an environmental division which distributed various industrial minerals, including diatomaceous earth and bentonite. These industrial minerals were also used in the division's abandoned water well sealing operation. The well sealing service could generally be conducted from the early spring through to the early winter. Additionally, the Company also was a distributor of various other absorbent products that are sold to industry and agricultural businesses for animal bedding, odor control and animal waste management. In March 2018 the Company's management arranged the sale of the environmental division due to declining sales and profitability as they concluded that due to competitive market conditions that this division was no longer aligned with strategic interests of the Company. All of the net assets of the environmental and products division (which included remaining inventory, vehicles and equipment) were sold to Pembina Mountain Resources Ltd., a private Manitoba company owned by a former officer and director of the Company for the total consideration of $7,247. The sale transaction closed on April 30, 2018.

Ore Fault Property

In January 2004, the Company acquired 80% of the issued and outstanding shares of 2411181 Manitoba Ltd. from Myriad Resources Inc. which owned the original Ore Fault Property located in the Bird River Sill area of southeastern Manitoba. As consideration, the Company issued 400,000 common shares valued at $0.05 per share plus a $3,000 note payable due on January 15, 2005 for total consideration of $23,000. The Company already owned the other 20% of 2411181 Manitoba Ltd. On March 10, 2006, the Company announced that it was acquiring all the underlying smelter rights to the Ore Fault Property for consideration of 700,000 common shares. The transaction subsequently closed and the shares released from escrow on September 5, 2006.

On May 16, 2005, the Company expanded its Ore Fault Property by acquiring the adjacent 124-hectare Lotus Property comprised of 3 claims in consideration for $5,000 and 50,000 common shares. The transaction was completed at arm's-length.

The Ore Fault Property, inclusive of the Lotus Property, was then comprised of 19 claims.

On October 11, 2007, the Company signed a binding letter of intent with Marathon PGM Corporation (MAR - TSX) ("Marathon") to create a joint venture to actively explore and earn an interest in the Ore Fault Property, as the Company's property was adjacent to Gossan Resources' Bird River Sill property, which was also under option to Marathon. This arrangement was approved by the Company's shareholders on December 28, 2007.

In May 2008, the Company was advised by Marathon that as it had spent $549,002 on or for the benefit of the Ore Fault Property and had made payments to the Company in the aggregate amount of $200,000, it had completed its requirements to acquire a 50% participation interest in the Ore Fault Property as per the option and joint venture agreement and indicated its intention to fulfill its right to earn a 70% interest in the Ore Fault Property by August 1, 2008.

On August 19, 2008, Marathon exercised its option and acquired the remaining 30% of the Ore Fault Property for cash consideration of $1,450,000 thereby giving it 100% ownership of the Ore Fault Property. The Company retains a 1% net smelter return royalty (the "NSR") on all minerals and metals extracted from the Ore Fault Property.

Exploration and evaluation assets

For Bird River:

In conjunction with the Company's activities in the natural resource industry, the Company carried the following capitalized amounts as at July 31 2017 and July 31 2016:

	July 31, 2017 ($)	July 31, 2016 ($)
Petroleum and natural gas leases (i)	-	35,127
Mineral exploration properties (ii)(iii)	-	-
	-	35,127

(i) The Company's lease holdings were as follows:

Lease ID	Location	% Owned	July 31, 2017 ($)	July 31, 2016 ($)	Expiry
NW quarter 17-1-27	Coulter/Vale	6.67	-	4,243	April 16 2017
NE quarter 23-1-28	Dist Lyleton	15	-	16,371	July 25 2017
NE quarter 30-1-27	Dist Cameron	15	-	14,080	July 25 2017

During the fiscal year ended July 31 2017, 3 leases expired resulting in a write down of $35,127. During the fiscal year ended July 31 2016, 5 other leases expired resulting in a write down of $91,577.

(i) The Company retains a 1% net smelter return ("NSR") royalty on the Ore Fault Property.

NI 51-101 Disclosure

Copies of the Company's recently filed Forms 51-101F1 and 51-101F3 as required to be filed and prepared pursuant to the requirements of NI 51-101 - Standards of Disclosure for Oil and Gas Activities are attached to this listing statement as Schedule A and are also incorporated herein by reference.

For High Point:

Balance at incorporation on April 25, 2017	$	–
Additions transferred into Corporation by founding shareholders for shares		59,400
Additions for cash		638,816
Balance at December 31, 2017	$	698,216
Additions transferred into Corporation by founding shareholders for shares		450,000
Additions for cash		247,989
Balance at March 31, 2018	$	1,396,205

At the time of incorporation, seismic data and exploration and evaluation assets were transferred to High Point for share consideration. Subsequent to incorporation, High Point purchased seismic data and services and petroleum and natural gas leases. Such E&E assets consist of High Point's evaluation projects and are pending the determination of technical feasibility and commercial viability based on proven or probable reserves. At such time that technical and commercial viability has been proven, these assets will be transferred to property, plant and equipment – development and production assets. If such viability cannot be proven these E&E assets will be written down to their estimated value.

For the periods ended March 31, 2018 and December 31, 2017, $nil were transferred to property, plant and equipment – development and production assets.

SUMMARY OF SELECTED ANNUAL FINANCIAL INFORMATION

The following is selected information from the Company's three most recently completed fiscal year-ends:

Annual Information	Year Ended July 31, 2017 ($)	Year Ended July 31, 2016 ($)	Year Ended July 31, 2015 ($)
Total revenue	95,007	95,911	95,260
Net income (loss)	(183,757)	(244,043)	(307,796)
Income (loss) per share - basic and fully-diluted	(0.02)	(0.02)	(0.03)
Total assets	150,918	304,356	468,095
Long-term liabilities	9,663	9,385	9,115
Dividends declared	-	-	-

The net loss and comprehensive loss for the year ended July 31, 2017 was $183,757 as compared to a net loss and comprehensive loss of $244,043 for the year ended July 31, 2016. The decrease of $60,286 in the net loss for the year is primarily attributable to the decrease in general and administrative expenses due to lower professional fees and the decline in a write down of the remainder of exploration and evaluation assets as the Company's remaining leases had expired. Total revenue during the year stayed relatively constant, with revenue from the producing oil wells declining to $31,215 vs. $43,877 in 2016, due to lower oil prices and a natural decrease in production. Expenses for the year were $243,471 compared to $253,942 in 2016 which is a decrease of $10,471 during 2017.

The net loss and comprehensive loss for the year ended July 31, 2016 was $244,043 as compared to a net loss and comprehensive loss of $307,796 for the year ended July 31, 2015. The decrease of $63,753 in the net loss for the year is primarily attributable to the decrease in depletion expense of $11,720 and the decline in the impairment charge relating to the investment in petroleum and natural gas properties by $188,979 from the previous year (2015 -$201,141) to $12,162 in 2016. Total revenue during the year (2016 – 95,911) increased modestly from the previous year (2015 - 95,260). Revenue from the producing oil wells declined by $11,060 to $43,877 due to lower oil prices compared to petroleum revenue of $54,937 in 2015. Expenses for the year were $253,942 compared to $408,274 in 2015 which represents a decrease in expenses of $154,332 during 2016. During the year, general and administrative expenses increased by $41,421 to $156,991 (2015 - $115,570) due to increases in professional fees of $42,808.

The net loss and comprehensive loss for the year ended July 31, 2015 was $307,796 as compared to a net loss and comprehensive loss of $128,963 for the year ended July 31, 2014. The increase of $178,833 in the net loss is primarily attributable to the decrease in revenue of $25,250 and the impairment charge relating to the investment in petroleum and natural gas properties in the amount of $201,141 (2014 - $41,532). This decrease in revenue is attributable to the decline in revenue from the producing oil wells to $54,937 due to lower oil prices compared to petroleum revenue of $76,223 in 2014. Expenses for the year were $408,274 compared to $260,369 in 2014 which is an increase in expenses of $147,905 over last year. At the end of the 2015 fiscal year, management recognized an impairment loss of $201,141 on its oil and gas properties. During the year, general and administrative expenses decreased $13,477 to $115,570 (2014 - $129,047).

SELECTED QUARTERLY INFORMATION

The following is selected financial information for the eight most recent interim periods indicated.

Quarter Ended	Total Revenue ($)	Net Income (Loss) Total ($)	Net Income (Loss) Per Share ($)	Total Assets ($)
April 30, 2018	9,382	(1,104,810)	(0.010)	9,479,722
January 31, 2018	9,896	(52,054)	(0.002)	4,353,685
October 31, 2017	20,251	26,398	0.002	124,168
July 31, 2017	33,177	(117,403)	(0.011)	150,918
April 30, 2017	22,743	524	0.000	241,876
January 31, 2017	17,507	(38,080)	(0.004)	249,084
October 31, 2016	21,580	(28,687)	(0.002)	265,869
July 31, 2016	21,119	(154,122)	(0.016)	304,629

As discussed in the "Narrative of the Company's Business" section above, the Company has joint venture agreements with Antler and 1885683 Alberta Ltd. (formerly Atikwa) in oil and gas drilling programs in southwest Manitoba for a participation of five percent gross interest on average. Through these joint ventures, the Company has participated in the successful development and completion of 10 producing oil wells. Deferred expenditures include costs of surface access, building location, drilling, completing, equipping and operating or abandoning the oil wells. The cash flows of the joint operations include the expenditures as outlined above as well as the company's proportionate share of the joint venture's revenues and operating expenses.

The Company achieved a net and comprehensive loss for the three month period ended January 31, 2018 of $52,054 (versus a net loss and comprehensive loss of $38,192 for the three month period ended January 31, 2017). The net loss was after gains on settlement of indebtedness totaling $4,179. Total revenue during the period was $9,896 (2016 – 17,507). Revenue from the producing oil wells increased to $5,138 due to higher oil prices and production volumes compared to petroleum revenue of $3,029 in 2017. General and administrative expenses for the period were higher at $47,764 compared to $40,807 in 2017 due mostly to increases in professional fees.

The Company achieved a net and comprehensive loss for the six month period ended January 31, 2018 of $25,657 (versus a net loss and comprehensive loss of $66,878 for the six month period ended January 31, 2017). The net loss was after gains on settlement of indebtedness totaling $60,960. Total revenue during the period was $30,147 (2016 – 39,087). Revenue from the producing oil wells decreased to $9,489 due to lower production volumes compared to petroleum revenue of $13,183 in 2017. General and administrative expenses for the period were higher at $83,013 compared to $68,907 in 2017 due mostly to increases in professional fees.

Over the past several quarters, administrative expenses have varied within a range reflecting the Company’s costs associated with oil and gas investments, new business development, the well sealing service and related costs in maintaining the Company’s listing as a reporting issuer in good standing. Management does not foresee any material change in the amounts of these expenditures in the near future.

LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2018, the Company had positive working capital of $3,215,562 compared to a working capital deficiency of $161,026 as at the fiscal year ended July 31, 2017. The increase in working capital was due to the issuance of common shares to settle indebtedness in the amount of $138,723 and the issuance of private placements to raise $4,574,210 (before costs of issue). The Company continues to receive revenue from its interests in oil wells and the sale of industrial products. The Company incurs ongoing general operating expenses relating to the management of a public reporting issuer, such as office expenses. stock transfer, filing fees, stock exchange fees, and management and professional fees.

Presently, the Company holds percentage interests (5% gross - 4% net) and (2.5% gross - 2% net) in a total of twelve oil wells, of which ten are in production.

Over the past several quarters, general and administrative expenses ("G&A") have varied within a range reflecting the Company's costs associated with oil and gas investments, new business development, the well sealing service and related costs in maintaining the Company's listing as a reporting issuer in good standing. With the acquisition of High Point, monthly G&A has increased to $80 to $90 thousand to reflect the costs associated with operating a full cycle active oil and gas company that is the operator rather than a non-operator. The Company anticipates that revenues from oil sales will soon be adequate to cover this cost. However, the company continues to seek additional working capital to pursue its present and future objectives.

The Company's ability to raise funds for future development is largely tied to the Canadian capital markets and investor interest in resource exploration and development companies. Even though financial markets have improved, there continues to be ongoing concern about the demand for Canadian commodities and therefore availability of funding for junior resource companies. Demand by the world's major consumers of raw materials, particularly in China and India has declined over the few years; however, management remains optimistic about the improved economic growth in the North American economy.

The Company's financial performance is dependent on many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of oil and gas. Both prices and markets for oil and gas can be volatile, difficult to predict and respond to changes in domestic and international political, social and economic environments. In addition, the availability and cost of funds for exploration, development and production costs are difficult to predict. These circumstances and events could materially affect the financial performance of the Company.

DECOMMISSIONING OBLIGATIONS

The Company has decommissioning obligations resulting from its ownership interest in petroleum and natural gas properties. The total decommissioning provision is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The total estimated undiscounted cash flows required to settle the obligations, before considering salvage, as at July 31, 2017 was approximately $19,000 (2016 - $19,000). These amounts have been discounted using a pretax rate of 2.96% reflecting the time value of money and the risks specific to the obligations.

These obligations are to be settled based on the economic lives of the underlying assets, which currently extend up to 25 years into the future and will be funded from general corporate resources at the time of abandonment.

The Company's decommissioning obligations as at July 31, 2017 and July 31, 2016 were as follows:

	July 31, 2017 ($)	July 31, 2016 ($)
Balance, beginning of period/year	9,385	9,115
Accretion	278	270
Balance, end of period/year	9,663	9,385

DISCLOSURE OF OUTSTANDING SHARE DATA

Common shares:

Date		Number of Common Shares	Amount $
August 1 2016	Balances	10,570,225	1,012,247
	Changes during the year	-	-
July 31 2017	Balances	10,570,225	1,012,247
September 29 2017	Settlement of indebtedness (1)	2,308,709	138,523
December 22 2017	Private placement (2)	32,587,000	3,422,410
December 28 2017	Private placement (3)	12,735,000	1,151,800
	Warrant valuation		(672,505)
	Costs of issue – cash (4)		(321,104)
	Costs of issue – broker warrants (4)		(147,970)
February 12 2018	Acquisition of High Point Oil Inc. (5)	55,172,124	5,517,212
February 12 2018	Warrant valuation		(49,277)
February 12 2018	Commission paid (6)	2,728,776	272,877
June 29, 2018	Balances	116,001,834	10,324,213

(1) On September 29 2017, the Company issued a total of 2,308,709 common shares at the price of $0.06 per common share to settle the amount of $138,723 of indebtedness to arm's length parties.
(2) On December 22 2017, the Company closed a first tranche of financing for 27,130,000 Units at the price of $0.10 per Unit and 5,457,000 Flow Through shares at the price of $0.13 per Flow Through share for gross proceeds of $3,422,410. Each Unit consists of one common share and one half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.20 expiring on December 22 2019.
(3) On December 28 2017, the Company closed a second tranche of financing for 10,125,000 Units at the price of $0.10 per Unit and 2,610,000 Flow Through shares at the price of $0.13 per Flow Through share for gross proceeds of $3,422,410. Each Unit consists of one common share and one half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.20 expiring on December 29 2019.
(4) In connection with these private placements, the Company paid cash commissions of $321,104 and 5,458,455 Broker Warrants.
(5) Issued to the shareholders of High Point Oil Inc. at a deemed price of $0.10 per common share.
(6) Merger and acquisition fee of 5% of the value of the acquisition of High Point Oil Inc. paid in common shares of the Company to First Republic Capital Corporation.

Warrants:

The Company issued warrants and broker warrants in connection with private placements as follows:

Issue Date	Number of Warrants	Remaining Warrants	Exercise Price	Expiry Date
December 22 2017	13,565,000	13,565,000	$0.20	December 22 2019
December 28 2017	5,012,500	5,012,500	$0.20	December 28 2019
	18,477,500	18,477,500		

Broker warrants:

Issue Date	Number of Warrants	Remaining Warrants	Exercise Price	Expiry Date
December 22 2017	3,154,950	3,154,950	$0.20	December 22 2019
December 28 2017	726,030	726,030	$0.20	December 28 2019
	3,880,980	3,880,980		

High Point warrants:

Due to the acquisition of High Point on February 12 2018, the Company exchanged warrants of the Company to the former holders of warrants of High Point as follows:

Issue Date	Number of Warrants	Remaining Warrants	Exercise Price	Expiry Date
February 12 2018	1,930,880	1,930,880	$0.00357	June 5 2019
February 12 2018	467,600	467,600	$0.0714	November 10 2019
February 12 2018	560,000	560,000	$0.0714	December 15 2019
	2,958,480	2,958,480		

Stock options outstanding:

	Number outstanding (#)	Exercise price ($)	Expiry date
Directors' options	100,000 (i)	0.10	March 14, 2019
Director's options	100,000 (ii)	0.10	March 14, 2019
Director's options	1,300,000 (iii)	0.10	March 14, 2019

TRANSACTIONS WITH RELATED PARTIES

Other than as discussed below or disclosed elsewhere in this MD&A, no director or officer of the Company or person or company beneficially owning, directly or indirectly, or exercising control or direction over more than 10% of the Company's outstanding securities, or any of their respective associates or affiliates, had or has any material interest, directly or indirectly, in any transaction completed within the last three years or in any proposed transaction that has materially affected or would materially affect the Company.

Key management personnel compensation of Bird River:

The Company did not pay employment based remuneration to directors, officers and other members of key management for the six month periods ended January 31 2018 and 2017, however, the Company did pay contract based remuneration to directors, officers and other members of key management as disclosed below.

During the six month period ended January 31 2018, the Company paid management fees in the amount of $20,500 (2017 - $24,000) to officers and directors of the Company. The Company also paid rent in the amount of $3,200 (2017 - $4,800) to a former director and officer of the Company. These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties.

As at January 31 2018, included in trade and other payables are amounts owing to directors and officers of the Company in the amount of $17,500 (2017 - $111,362). These amounts are unsecured and non-interest bearing with no specified terms of repayment

Key management personnel compensation of High Point:

Messrs. Pfeifer and Blacker are employed full time as the CEO and CFO respectively of High Point. They are presently the only officers of High Point. During High Point's first year from incorporation (April 25 2017) to December 31 2017 a total of $178,600 in salary and consulting fees were paid to the officers of High Point. In the four months subsequent to December 31, 2017, $112,000 in salary has been paid to the officers of High Point. Of this amount $77,000 has been included in consolidated General and Administrative costs. No other director of High Point has been paid any salary or fee to date.

Acquisition of High Point:

At the date of acquisition, Messrs. Pfeifer, Blacker and Carroll held 458,333, 26,700 and 100,000 shares in High Point Oil Inc. respectively which resulted in them receiving 12,833,324, 747,600 and 2,800,000 shares in Bird River respectively.

Key management personnel compensation during the period is comprised of:

	April 30, 2018 ($)	January 31, 2017 ($)
Management fees and salaries	130,311	24,000
Share based payments	5,983	-
	136,294	**24.000**

CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ACCOUNTING POLICIES

Critical Accounting Estimates

Significant assumptions about the future that management has made could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) the recoverability of accounts receivable that are included in the statement of financial position;

(ii) the recoverability of exploration and evaluation expenditures incurred on the Company's property interests;

(iii) although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title and such properties may be subject to prior agreements or transfers and title may be affected by undetected issues;

(iv) the estimated useful lives and residual value of property and equipment which are included in the financial statements and the related depreciation included in profit or loss;

(v) the inputs used in accounting for share based payment transactions included in financial assets at fair value through profit or loss; and

(vi) management's judgment in determining the functional currency of the Company as Canadian Dollars.

Critical accounting judgments

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Restoration, rehabilitation and environmental obligations

Management's assumption of no material restoration, rehabilitation and environmental exposure, is based on the facts and circumstances that existed in the current and prior periods.

Going concern assumption

Going concern presentation of the financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Accounting policies

Reference is made to the Company's audited financial statements for a full discussion of its significant accounting policies.

RISKS AND UNCERTAINTIES

Many risks are discussed below, but these risk factors should not be construed as exhaustive. There are numerous factors, both known and unknown, that could cause actual results or events to differ materially from forecast results.

Risk inherent in oil and gas

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop, and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. Any future increase in the Company's reserves will depend not only on the Company's ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that further commercial quantities of oil and natural gas will be discovered or acquired by the Company. The Company's principal risks include finding and developing economic hydrocarbon reserves efficiently and being able to fund the capital program.

Marketing Risk

Perhaps one of the most significant risks facing the oil and gas industry in Alberta at present is the ability to market its product effectively. Severe pipeline constraints have resulted in extreme reductions in value of heavier weights of crude oil and in natural gas. The Company is currently targeting light oil (which has not been as affected by these constraints) in an effort to mitigate this risk but there is no guarantee that such constraints will not have increasing adverse effects on light oil. This risk is almost impossible to predict as it is highly impacted by policy decisions of all levels of governments in Canada and indeed by world governments and the actions of the Organization of Petroleum Exporting Countries (or "OPEC"). The Company hopes to reduce the impact of these constraints on gas prices through investigating additional ways in which to monetize natural gas (see the discussions of the Cogeneration and Technology verticals above). This would increase the Company's exposure to risks associated with natural gas but may also increase opportunities available to the Company. There is no guarantee that the planned verticals of the company will be successful and warrant the Company putting additional resources into natural gas exploration and production.

Capital Risk

The Company's need for capital is both short-term and long-term in nature. Short-term working capital will be required to finance accounts receivable, drilling deposits and other similar short-term assets, while the acquisition and development of oil and natural gas properties requires large amounts of long-term capital. In the short term, the Company anticipates that capital requirements will be funded by cash on hand and through internally generated cash flow. In the longer term it anticipates that capital requirements will be met through a combination of internal adjusted funds flow, debt and/or equity financing. There is no assurance that debt and equity financing will be available on terms acceptable to the Company to meet its capital requirements.

Inter-relation of Business Components

If any components of the Company's business plan are missing or incomplete, the Company may not be able to execute its' entire business plan.

Environmental Risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial, and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil, or water may give rise to liabilities to governments and third parties and may require the Company's operating entities to incur costs to remedy such discharge. Although the Company intends to be in material compliance with current applicable environmental regulations, no assurance can be given that changes in environment laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects. The Company's involvement in the exploration for and development of oil and natural gas properties may result in the Company becoming subject to liability for pollution, blowouts, property damage, personal injury or other hazards. Prior to drilling, the Company obtains insurance in accordance with industry standards to address certain of these risks. However, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liability. In addition, such risks may not, in all circumstances, be insurable or, in certain circumstances, The Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that was not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations or prospects and will reduce income otherwise used to fund operations.

Price Risk

The Company’s financial performance and condition are substantially dependent on the prevailing prices of oil and natural gas which are unstable and subject to fluctuation. Fluctuations in oil or natural gas prices could have an adverse effect on the Company’s operations and financial condition and the value and amount of its reserves. Prices for crude oil fluctuate in response to global supply of and demand for oil, market performance and uncertainty and a variety of other factors which are outside the control of the Company including, but not limited, to the world economy and OPEC's ability to adjust supply to world demand, government regulation, political stability and the availability of alternative fuel sources. Natural gas prices are influenced primarily by factors within North America, including North American supply and demand, economic performance, weather conditions and availability and pricing of alternative fuel sources. Decreases in oil and natural gas prices typically result in a reduction of a Company’s net production revenue and may change the economics of producing from some wells, which could result in a reduction in the volume of the Company’s reserves. Declines in the prices of crude oil or natural gas could also result in delay or cancellation of existing or future drilling, development or construction programs or the curtailment of production. All of these factors could result in a material decrease in the Company’s net production revenue, cash flows and profitability causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to the Company will in part be determined by the Company’s borrowing base. A sustained material decline in prices from historical average prices could further reduce such borrowing base, therefore reducing the bank credit available. The Company may utilize financial derivatives contracts to manage market risk. All such transactions would be conducted in accordance with a risk management policy that has been approved by the Board of Directors.

Legislative Risk

Included in the above risks is legislative risk. However, the oil and gas industry internationally and particularly in Canada is becoming increasingly subject to public scrutiny. It is virtually impossible to predict how this scrutiny may result in new and unexpected legislation which may adversely affect the Company’s ability to obtain capital, its valuations and/or its operations.

Technology Risk

Technological advances are happening at ever increasing rates. The Company believes that there will be a market for its products for the foreseeable future. However, there is no guarantee that new technologies will not largely supplant the need for the Company's products in certain or all industries at some indeterminate point in the future.

Personnel Risk

There is no guarantee that the personnel employed by the Company will continue to be employed in such a manner. They may experience health and or life changes that make this difficult. The Company mitigates against this risk by sufficiently documenting its actions such that an appropriately trained and skilled replacement employee should be functional within a reasonable time period. However, there is no guarantee that all knowledge or skill of existing or future employees would be retained should they depart the Company for any reason. The Company may retain the services of outside consultants from time to time.

Cogeneration Vertical

The risk factors applicable to oil and gas are also applicable to the Cogeneration Vertical with the following additional factors. Many risks are discussed below, but these risk factors should not be construed as exhaustive. There are numerous factors, both known and unknown, that could cause actual results or events to differ materially from forecast results.

Marketing Risk

Perhaps one of the most significant risks facing the oil and gas industry in Alberta at present is the ability to market its product effectively. Severe pipeline constraints have resulted in extreme reductions in value of heavier weights of crude oil and in natural gas. The Cogeneration Vertical takes advantage of the depressed value of natural gas due to these pipeline constraints. There is a risk that significant investment in pipelines could reduce this advantage once the pipelines are complete. This risk is almost impossible to predict as it is highly impacted by policy decisions of all levels of governments in Canada.

Environmental Risks

The Cogeneration from natural gas is subject to most of the environmental risks enumerated for oil and gas... At present there is a positive atmosphere for electrical energy that is driven by the environmental movement. This provides a positive environment for creating additional electrical generation. Should the environmental movement decrease or increase it may have adverse or positive effects on the Cogeneration Vertical. This is not possible to predict.

Price Risk

The performance of this vertical will be substantially dependent on the prevailing prices for electricity which are unstable and subject to fluctuation. Fluctuations in electrical prices could have an adverse effect on the Company's operations and financial condition and the value of its generation facilities.

Transmission Risk

In order to sell electricity, the Company is reliant on third party electrical distributors for transmission of the electricity. Such third party distributors are large and well known and it is believed that the risk of doing business with them is acceptable. However, there is no guarantee that their operations will continue to be successful or that they will consent to additional future transmission agreements.

Partnership Risk

There is no guarantee that the personnel employed by our joint venture partner will continue to be employed in such a manner. They may experience health and or life changes that make this difficult. There is also no guarantee that the Company's joint venture partner will continue to operate as it has in the past.

Technology Vertical

The risk factors applicable to oil and gas are also applicable to the Technology Vertical changed as applicable with the following additional risk factors identified… Many risks are discussed below, but these risk factors should not be construed as exhaustive. There are numerous factors, both known and unknown, that could cause actual results or events to differ materially from forecast results.

Environmental Risks

Crypto currency mining is very power intense. There is the beginning of an international concern with the amount of energy being used in this endeavor. It is not possible to predict what sort of legislation this might result in.

Price Risk

The exchange rate between Crypto currencies and dollars has fluctuated wildly. This effects the cost of Crypto currency mining machines which are frequently priced in Crypto currencies as well as the amount of revenue the Company will earn from selling the Crypto currencies it earns. It is expected that such volatility in the value of Crypto currencies will continue and it is not possible to predict the affect this will have on the technology vertical. It is possible that this volatility may make this vertical uneconomic resulting in the Company shutting it down and selling its investment.

Partnership Risk

There is no guarantee that the personnel employed by our joint venture partner will continue to be employed in such a manner. They may experience health and or life changes that make this difficult. There is also no guarantee that our joint venture partner will continue to operate as it has in the past.

FINANCIAL INSTRUMENTS

Risk management and hedging activities

In the normal course of operations, the Company is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not meaningfully participate in the use of financial instruments to control these risks. The Company has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

Currency risk

The Company does not hold any assets or liabilities denominated in a foreign currency, therefore is not exposed to currency risk.

Price risk

The Company is exposed to price risk with respect to commodity prices of oil and gas. The Company monitors commodity prices in order to manage their exposure to these risks. An annual average change of 1% in crude oil prices would affect the reported net income by $188for the period ended April 30, 2018 (2017 - $132)..

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company is exposed to credit risk on its financial assets. Cash is held with established Canadian financial institutions and the Company's other receivables are from Canadian government entities, from which management believes the risk of loss to be remote. The Company does not have any derivatives or similar instruments that mitigate the maximum exposure to credit risk.

The carrying amount of financial assets recorded in the consolidated interim financial statements of $3,566,639 (July 31, 2017 - $51,691) represents the maximum exposure to credit risk at the reporting date.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the Company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. It is management's opinion that it is unlikely that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. As at April 30, 2018, the Company had working capital in the amount of $3,215,562 (July 31, 2017 – deficiency of $161,026).

The contractual maturities of financial liabilities based on the earliest date on which payment can be required are as follows:

	Total amount ($)	6 months or less ($)	More than 6 months ($)
As at April 30, 2018:			
Trade payables	353,321	32,080	-
Other payables	31,696	31,696	-
	384,941	63,776	-
As at July 31, 2017:			
Trade payables	140,396	140,396	-
Other payables	89,678	89,678	-
	230,074	230,074	-

Interest rate risk

The Company is not exposed to any meaningful interest rate risk due to the short term nature of its interest generating assets.

Sensitivity analysis

The Company had cash and cash equivalents subject to interest rate risk of $3,510,236 (July 31, 2017 - $35,456). A 1% change in the primary interest rate would affect the reported net income on an annualized basis for the period ended April 30, 2018 by $35,102 (2017 - $355).

Fair values, carrying amounts and changes in fair value

The fair values of the Company's financial instruments approximate their carrying value due to their short-term nature. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the consolidated interim statement of financial position, have been prioritized into three levels:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level two includes inputs that are observable other than quoted prices included in level one; and
- Level three includes inputs that are not based on observable market data.

The Company's financial instruments within the fair value hierarchy as at January 31, 2018 and July 31, 2017 were as follows:

	Level 1 ($)	Level 2 ($)	Level 3 ($)
As at April 30, 2018:			
Cash and cash equivalents	3,510,236	-	-
As at July 31, 2017:			
Cash and cash equivalents	35,456	-	-

Collateral

The carrying value of financial assets the company has pledged as collateral is $ nil (2017 - $ nil).

CAPITAL MANAGEMENT

The Company considers its capital structure to consist of share capital, stock options and warrants. When managing capital, the Company's objective is to ensure that the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral and petroleum and natural gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the company's management to sustain future development of the Company's operations. As at April 30, 2018, the Company had managed capital, being total equity on the consolidated interim statement of financial position of $9,018,363 (July 31, 2017 – net deficit of $88,819).

A number of the properties in which the Company currently has an interest are in the exploration stage. The company has resources to complete 3 new wells on the assets it acquired as part of the High Point acquisition but is dependent on external financing and the results of the first three wells to fund its future activities. In order to carry out the planned exploration and pay for administrative expenses, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties it if feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended April 30, 2018. The Company is not subject to externally imposed capital requirements.

DISCLOSURE AND INTERNAL FINANCIAL CONTROLS

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements and that (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of: (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.