FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Bird River Resources Inc. ("Bird River" or the “Company”)
1059 Selkirk Avenue
Winnipeg, MB R2X 0C2

Item 2. Date of Material Change

October 17 2018

Item 3. News Release

The Company issued a news release on October 18 2018 via a Canadian news wire service, a copy of which has also been filed on SEDAR.

Item 4. Summary of Material Change

The Company obtained approval for its common shares to resume trading on the Canadian Securities Exchange (the "CSE").

Item 5. Full Description of Material Change

The Company announced that it had obtained approval for its common shares to resume trading on the CSE. As per a bulletin issued by the CSE, the Company's common shares would resume trading at market open on Monday October 22 2018.

On April 22 2018, the CSE advised the Company that trading of the Company’s shares on the CSE has been temporarily halted pending the Company providing the CSE with additional disclosure with respect to its previously announced acquisition of High Point Oil Inc. (“High Point”) by way of a share exchange (the “Transaction”). The CSE has advised the Company that the Transaction, together with certain changes in the composition of the Company’s management and the Company’s previously announced joint ventures with Divestco Inc. may collectively constitute a “fundamental change” pursuant to the policies of the CSE.

Since that date, the Company has filed documentation with the CSE that included, among other things, evidence of shareholder approval of the Transaction, an updated comprehensive CSE Form 2A listing statement and an escrow agreement regarding the shareholdings of Mr. Ty Pfeifer who was the controlling shareholder of High Point prior to the Transaction which subject his shareholdings to escrow to be released on the terms and conditions as set out by the CSE.

Attached hereto is a copy of the final listing statement as filed with the CSE. A copy of the escrow agreement has been filed under the Company's profile on sedar.com.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

N/A

Item 7. Omitted Information

N/A

Item 8. Executive Officer

The following executive officer of the Company is knowledgeable about the material change and this report and may be contacted at:

Jon Bridgman, Chief Executive Officer
Phone: 204-589-2848
email: jonbirdriver@gmail.com

The foregoing accurately discloses the material change referred to herein.

Dated this 26th day of October, 2018.

Bird River Resources Inc.

"John V. Tokarsky"

John V. Tokarsky
Chief Financial Officer

BIRD RIVER RESOURCES INC.

CSE LISTING STATEMENT
FORM 2A

October 15, 2018

Table of Contents

Bird River Resources Inc.
CSE Listing Statement
Form 2A

1. Corporate Structure

Bird River Resources Inc. (the "Company" or "Bird River") is a junior natural resource exploration company in Canada and is a reporting issuer in the provinces of Ontario and Manitoba with its common shares listed for trading on the Canadian Securities Exchange (or "CSE") under the trading symbol "BDR". The common shares of the Company were approved for listing on February 14, 2006. The Company's Registered and Head offices are located at 1059 Selkirk Avenue, Winnipeg, Manitoba, R2X 0C2.

The following are the relevant corporate documents relating to the Company:

a) Letters Patent of Incorporation pursuant to *The Companies Act* (Manitoba) - March 7, 1958 - incorporating BIRD RIVER CHROMITE MINES LIMITED.

b) Supplementary Letters Patent pursuant to *The Companies Act* (Manitoba) - August 16, 1968 - changing the name of the company to BIRD RIVER MINES CO. LTD.

c) Articles of Revival pursuant to *The Corporations Act* (Manitoba) - June 30, 1987 - reinstating the company from default status.

d) Articles of Revival pursuant to *The Corporations Act* (Manitoba) - December 18, 1995 - reinstating the company from default status.

e) Articles of Amendment pursuant to *The Corporations Act* (Manitoba) - March 13, 2000 - allowing the company to “issue an unlimited number of common shares”.

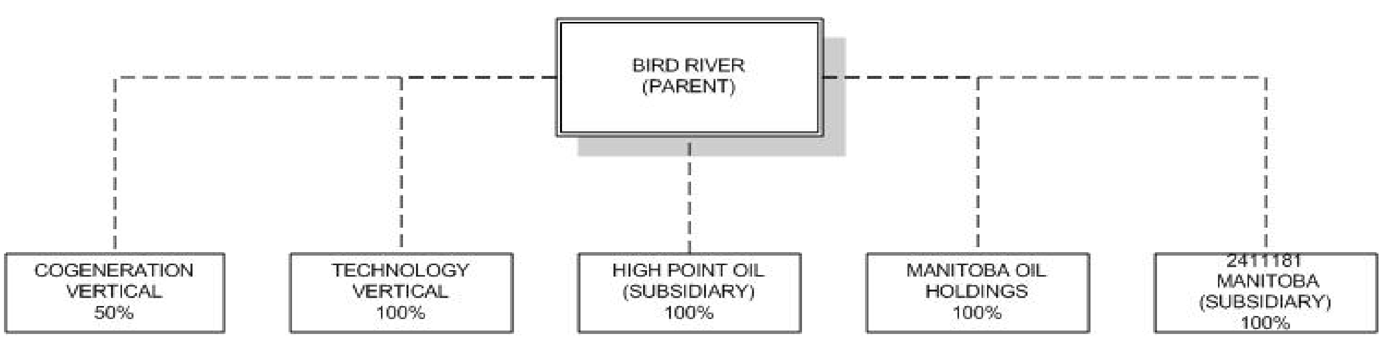
f) Articles of Amendment pursuant to *The Corporations Act* (Manitoba) - February 13, 2001 - changing the name of the company to BIRD RIVER MINES INC.

g) Articles of Amendment pursuant to *The Corporations Act* (Manitoba) - February 4, 2011 - changing the name of the company to BIRD RIVER RESOURCES INC.

The Company has a wholly-owned subsidiary, 2411181 Manitoba Ltd., which was originally used to acquire its interest in the Ore Fault Property. 2411181 Manitoba Ltd. currently has no assets.

The Company has a wholly-owned subsidiary, High Point Oil Inc., a company incorporated in the Province of Alberta on April 25, 2017, which the Company acquired on February 12, 2018. High Point Oil Inc. was acquired to expand the Company's oil and gas business.

The Company's organizational chart is as follows:



The Company's constating documents do not differ from Canadian corporate legislation with respect to corporate governance principles.

2. General Development of the Business

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).
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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 intends to commence its 2018 drilling program in the second calendar quarter of 2018 after spring breakup (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 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.

As at the most recent quarter ended January 31, 2018, the Company had a consolidated net working capital of $4,216,239. As at the date of acquisition of High Point in February 2018, High Point had a working capital deficiency of $191,591, so that the Company would have had a pro forma consolidated net working capital of $4,024,648 on the acquisition date. The Company presently anticipates that its general and administrative costs for next fiscal year ending July 31, 2018 will be approximately $540,000. The Company will continue to seek additional working capital to pursue its objectives as required and as market condition permit.

3. Narrative Description of the 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 is anticipated before the end of May 2018
- To complete the first 3 well program at a cost of approximately $2.3 to $2.5 million dollars.
- 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. A second tranche of 90 sq. miles of seismic has been processed and interpretation is now completed resulting in an additional 6 locations.

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 are underway. Drilling is planned after the spring breakup to avoid the increased risk and cost of running a drill program during the problematic thaw cycle. 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.

On June 12, 2018, the Company announced that High Point had entered into a Strategic Alliance Agreement with DEL Canada Partnership ("DEL"), a private Calgary-based oil and gas company (the “DEL Agreement”). Under the terms of the DEL Agreement, DEL will pay certain capital costs through to equipping to earn a working interest in each well drilled on High Point generated prospects. The Agreement is elective on a well-by-well basis. DEL currently participates in the Company’s inaugural drilling program commencing with its first well.

High Point has drilled three oil wells located in the Huxley area of central Alberta. All wells have been drilled into the Nisku formation and were a joint venture with DEL. All wells encountered hydrocarbons in the expected zone. Two of the wells remain standing with further development being evaluated. The producing well has been producing consistently since August 1.

As at the end of September, production from the first three well program was approximately 240 bopd.

Additional wells in the program are currently being licensed. Also in partnership with DEL, High Point has acquired an additional 5 wells in its area of focus. These acquired wells include 1 oil well, 1 gas well and 3 shut in wells. The producing wells add approximately 18 barrels of oil per day to High Point production and a minor amount of gas.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 this Listing Statement. 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 in 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.

BlockX completed a written report and a presentation to the Company as well as potential technology partners in early January 2018. Opportunities to develop technology solutions specific to the oil and gas industry were identified at the time. Two opportunities in particular were of interest to Bird River Management:

1. Introducing a full blockchain system at an individual well site level. Every piece of equipment, material, and time would be an individual block. This was deemed by management to result in more efficiency and trust for all parties involved in the well. A current problem within the industry is lack of transparency of cost by the rig operator, materials going missing, incorrect quantities being received, etc.; and

2. The ability to tag seismic data to a block, which would be of major benefit in identifying who owns the right to the seismic data. After discussions with a major seismic provider, the greatest risk to their current revenue model was unintentional theft by an individual. A block would thus be implemented to signal the rightful owner as well as the party that had purchased the license to review.

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 blockchain technology underway.

Since that time, it was determined that these opportunities would be secondary to the other technology opportunities that had come out of these meetings. These technologies were developed exclusive of BlockX and their future involvement in the activities of Bird River is indefinitely on hold.

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 cryptocurrency 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 blockchain 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 cryptocurrencies 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 cryptocurrencies cease to be and effective use of the Corporation's resources.
- To consider the application of blockchain technology to other technologies with in the oil and gas industry. To date, High Point is testing a non-blockchain 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 blockchain technology. Initial testing of the application is expected to be complete by the end of June at which time a decision regarding using blockchain 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.

Divestco has custody of the cryptocurrency assets and any share of revenues will be paid in Canadian dollars. The Company's management has monitoring access to the cryptocurrency numbers. Risk of theft or misappropriation is minimized by regular conversion of cryptocurrencies into Canadian dollars. Because of this, the amount at risk will always be kept at a minimum and effectively self-insuring its involvement in this project.

Bird River's total contribution to the proof of concept phase of this joint venture included the purchase of dedicated computers (rigs) at a total capital cost of $141k. There is no further investment beyond that amount contemplated at present. Bird River earns 80% of the net operating income of any machines it purchases until their capital cost is recovered at which time Bird River's share of the net operating income of the machines reverts to 50%.

Testing of the first machine types was completed and provided evidence that dedicated Crypto mining machines are the most effective and efficient tool compared with other computer types. Subsequent testing is underway to determine the true energy and cooling costs of a small scale commercial operation. Recent increases in power cost in Alberta due to additional government charges have proven the importance of controlling the energy source in this sort of venture (see Cogeneration Vertical).

A further test in the near future will include testing the return to be achieved by moving mobile facilities to a third party small cogeneration plant.

Bird River's highest priority is to produce oil and gas. This project is not intended to compete with competitors creating large installations. Rather, it is intended to provide Bird River with a solid understanding of this industry and will allow Bird River to partner with others to provide energy on a knowledgeable basis. The Company has no intention of becoming a speculator in cryptocurrencies.

Natural gas is presently selling in Alberta at significant discounts. This is a direct result of two factors. The first is that much of the oil production from Northwest Alberta is associated with significant gas production. The oil and liquids from these wells are the valuable product and the natural gas is essentially a by-product. The second factor is that natural gas export pipeline capacity is completely inadequate, and this situation is not expected to change for several years.

The combined result is such that natural gas producers are in some instances forced to pay their buyers to take the gas so that they can keep producing oil and liquids. Accordingly, natural gas weighted resource properties can be acquired for almost nothing. If the Company could prove the ability to monetize natural gas firstly through converting it to electricity and as a further value add use the electricity produced through crypto mining, it would allow the

Company to seek out natural gas opportunities that are presently uneconomical and therefore attractively priced. We hope that the technology vertical will hopefully be profitable in its own right, but its reason primary purpose is to enhance the oil and gas business.

Cogeneration Vertical

The Company, through 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.

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.

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.

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.

In order to pursue these opportunities, 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 $120,000 of the Company's share of the Cogen facility has been spent to cover the design and construction of the electrical transmission company's connection to the Cogeneration site. A balance of $447,000 is presently being conserved 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, the Company plans 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. Subsequent facilities would be financed from cash flow and potentially from additional equity offerings. The facility will be operated under contract by Divestco.

Bird River's contribution to the Cogeneration joint venture to date has been $120,000. This expenditure covered the first phases of the engineering and design. Due to regulatory hurdles this project is taking longer than anticipated and it is not expected that additional capital will be required in the 2018 calendar year.

The Company's risk exposure at present is the $120,000 committed. No further investment will be made until full agreements are complete. It is anticipated that the raw gas will be purchased for the going rate which has averaged approximately $1.00 per GJ. It is hoped that the operating cost of the facility will result in a final electricity cost in the neighborhood of $0.014 per kilowatt hour. This is all presently based on generator designs and will not be confirmed until the facility is operational.

Both of the Cogeneration and cryptomining projects are parallel projects that could benefit one another but are not completely dependent on the success of the other. Each will hopefully add to the value of natural gas. It is expected that the small scale crypto facility will be profitable in its own right even without the Cogen aspect. It is also expected that the Cogen facility will be profitable in its own right without the crypto. However, it is hoped that the combination of the two will result in a significant uplift on the value of the natural gas consumed.

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.

4. Selected Consolidated Financial Information

For Bird River:

The following table sets forth selected financial information for the last three completed financial years:

Annual Information	Year Ended July 31, 2017 ($)	Year Ended July 31, 2016 ($)	Year Ended July 31, 2015 ($)
Total revenues	95,007	95,911	95,260
Net income (loss)	(183,757)	(244,043)	(307,796)
Basic and diluted loss per share	(0.02)	(0.02)	(0.031)
Total assets	150,918	304,356	468,095
Total long-term liabilities	9,663	9,385	9,115
Cash dividends declared per share	-	-	-

The following is selected financial information from the Company's eight most recently completed quarters:

		Net Income (Loss)		
Quarter Ended	Total Revenue ($)	Total ($)	Per Share ($)	Total Assets ($)
April 30, 2018	9,382	(1,104,810)	(0.010)	3,510,236
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

For High Point:

The following table sets forth selected financial information for the period from incorporation to their latest fiscal year ended December 31, 2017:

Annual Information	Year Ended December 31, 2017 ($)
Total revenues	242
Net income (loss)	(826,590)
Basic and diluted loss per share	(0.56)
Total assets	1,126,596
Total long-term liabilities	-
Cash dividends declared per share	-

The following is selected financial information from High Point's most recently completed quarters:

Quarter (Part Quarter) Ended	Interest Revenue ($)	Net Income (Loss) Total ($)	Net Income (Loss) Per Share ($)	Total Assets ($)
April 25, 2017 to June 30, 2017	-	(467,602)	(0.49)	805,202
September 30, 2017	183	(153,449)	(0.11)	651,770
December 31, 2017	59	(205,539)	(0.14)	1,126,596
March 31, 2018	1,742	(203,962)	(0.11)	4,675,667

Dividends

The Company currently does not pay any dividends and has no current plan to do so. Any decision to pay dividends in the future will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the board of directors of the Company may consider appropriate in the circumstances. There are currently no restrictions that prevent the Company from paying dividends.

5. Management's Discussion and Analysis

Bird River's Management's Discussion and Analysis ("MD&A") for the fiscal years ended July 31, 2017 and July 31, 2016 and for the nine-month interim period ended April 30, 2018 are attached to this Form as Schedule B.

High Point's MD&A for the period from incorporation to December 31, 2017 and for the three-month interim period ended March 31, 2018 are attached to this Form as Appendix E.

6. Market for Securities

The common shares of the Company are listed and posted for trading on the Canadian Securities Exchange (CSE) under the trading symbol "BDR".

On April 18, 2018 the Company received approval for listing and trading on the Frankfurt Exchange under the trading symbol "1Q1". To the Company's knowledge, no trades of the Company's common shares have occurred to date on the Frankfurt Exchange.

7. Consolidated Capitalization

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
July 31, 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		

8. Options to Purchase Securities

The Company has an incentive stock option plan which governs the granting of options to directors, officers, employees and consultants of the Company. As of the date of this filing statement, the following options have been granted and are outstanding pursuant to the stock option plan:

Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Market value of securities under option on the date of grant ($)	Market value of securities under option as of the date of this filing statement (a) ($)
Current and past executive officers as a group (number = 3)	600,000	0.10	March 14, 2019	0.08	0.225
Current and past directors as a group who are or were not executive officers (number = 3)	700,000	0.10	March 14, 2019	0,08	0.225
All employees and past employees as a group (number = 0)	-	-	-	-	-
All consultants as a group (number = 2)	100,000 100,000	0.10 0.10	March 14, 2019 March 14, 2019	0.07 0.08	0.225 0.225
Any other person or company including any underwriter (number = 0)	-	-	-	-	-

(a) Being the last closing price of the Company's common shares on the CSE on April 10, 2018.

The Company's incentive stock option plan is limited to the maximum number of common shares permitted under the rules of any stock exchange on which the common shares are then listed or of any other regulatory body having jurisdiction, which maximum number is presently 10% of the Company's issued and outstanding common shares.

9. Description of the Securities

The authorized capital of the Company consists of an unlimited number of common shares without par value of which 116,001,834 common shares are issued and outstanding as of the date of this filing statement.

Holders of common shares are entitled to notice of and to attend all meetings of the shareholders of the Company. At such meetings, holders of common shares are entitled to one vote for each common share held. Holders of common shares are entitled to such dividends as the board of directors of the Company may declare out of funds legally available therefore. Upon liquidation, each common share is entitled to participate equally in the assets of the Company after the payment of creditors. The common shares have no pre-emptive rights or redemption or conversion privileges.

Selected details of the Company's trading history on CSE are as follows:

Period	Volume	High	Low	Close
Month ended April 2018	287,000	0.25	0.225	0.225
Month ended March 2018	3,430,381	0.29	0.18	0.25
Month ended February 2018	6,338,846	0.335	0.135	0.23
Month ended January 2018	1,402,617	0.43	0.28	0.37
Month ended December 2017	6,294,400	0.63	0.14	0.315
Month ended November 2017	885,000	0.15	0.075	0.145
Quarter ended October 2017	2,853,500	0.085	0.07	0.085
Quarter ended July 2017	5,500	0.09	0.05	0.07
Quarter ended April 2017	8,000	0.05	0.05	0.05
Quarter ended January 2017	32,750	0.06	0.03	0.06
Quarter ended October 2016	94,250	0.06	0.05	0.05
Quarter ended July 2016	30,000	0.06	0.05	0.05
Quarter ended April 2016	8,000	0.055	0.055	0.055

10. Escrowed Securities

Certain of the Company's securities issued pursuant to the acquisition of High Point are subject to an Escrow Agreement dated September 30, 2018:

Designation of class held in escrow	Number of securities subject to escrow	Percentage of class
Common shares	11,900,000	10.25%

Shares subject to escrow are permitted to be released in stages with all securities to be released on the date that is 36 months from the date of the relisting of the Company's shares on the Canadian Securities Exchange. The timing of releases may also be changed by virtue of changes of the Company's corporate or listing status as contained in the Escrow Agreement.

11. Principal Shareholders

To the knowledge of the directors and senior officers of the Company, the only persons or companies who beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to all classes of voting securities of the Company are as follows:

Name	Number of Shares	Percentage Held
Ty Pfeifer	11,900,000	10.25%

12. Directors and Officers

For Bird River Resources Inc. (parent company):

Name & Municipality of Residence	Position with Company	Period of Service	Present Occupation if Different from Office Held[1]	Number of Common Shares Beneficially Owned or Over Which Control is Exercised[2]
Jon Bridgman Toronto, Ontario	Chief Executive Officer and Director	Since 1990	Financial Executive	325,000
Donal Carroll[3][4] Toronto, Ontario	Director	Since 2017	Business Executive	2,800,000
Ty Pfeifer Calgary, Alberta	Director; President and Chief Executive Officer of High Point Oil Inc.	Since 2018		11,900,000
Edward Thompson[3][4] Winnipeg, Manitoba	Secretary-Treasurer and Director	Since 1998	Financial Executive	606,500
John V. Tokarsky	Chief Financial Officer	Since 2017	President of Tokarsky Corporate Services Limited	-
David Walters[3][4] Toronto, Ontario	Director	Since 2017	Managing Director of Ensign Capital, a Toronto based merchant bank	-

Notes
1. All of the above-named officers and directors have held their present position(s) with the same or associated firms or organizations during the past five years except as noted.
2. The information as to shares beneficially owned or over which the above-named officers and directors exercise control or direction not being within the knowledge of the Company has been furnished by the respective officers and directors individually.
3. Members of the Company's Audit Committee.
4. Members of the Company's Compensation & Nominating Committee.

For High Point Oil Inc. (subsidiary):

Name & Municipality of Residence	Position with Company	Period of Service	Present Occupation if Different from Office Held[1]	Number of Common Shares of the Company Beneficially Owned or Over Which Control is Exercised[2]
Howard Blacker	Director, Chief Financial Officer of High Point Oil Inc.	Since 2017		747,600
Donal Carroll Toronto, Ontario	Director	Since 2018	Business Executive	2,800,000
Ty Pfeifer Calgary, Alberta	Director; President and Chief Executive Officer of High Point Oil Inc.	Since 2017		11,900,000

Notes
1. All of the above-named officers and directors have held their present position(s) with the same or associated firms or organizations during the past five years except as noted.
2. The information as to shares beneficially owned or over which the above-named officers and directors exercise control or direction not being within the knowledge of the Company has been furnished by the respective officers and directors individually.

The terms of each director is until the next annual meeting of shareholders or until their successor is elected or appointed.

Further biographical and other information of the Company's Directors and Officers are described below.

Except as disclosed below, to the best knowledge of the Company, no director or officer or principal shareholder of the Company is, as at the date hereof or has been within the last ten years prior to the date hereof, (a) subject to a cease trade order, an order similar to a cease trade order or an order that denied a company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the director or officer of the Company was acting in the capacity as director, chief executive officer or chief financial officer of that company; (b) subject to a cease trade order, an order similar to a cease trade order or an order that denied a company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the director or officer ceased to be a director, chief executive officer or chief financial officer of that company and which resulted from an event that occurred while that person was acting in such capacity; (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (d) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets:

Mr. Bridgman is currently a director of Lakefield Marketing Corporation, an Ontario reporting issuer that has recently filed an application to have a cease trade order revoked for failure to file financial statements. He is also a director of E Ventures Inc., an Ontario reporting issuer for which the Ontario Securities Commission issued a cease trade order in 2003 as a result of that company's failure to file annual financial statements. He has remained a director and is currently arranging the reactivation of the company on behalf of its shareholders.

Mr. Tokarsky is currently a director of V. Fund Investments Limited, a reporting issuer in Alberta and British Columbia which has been under cease trade orders issued in January 2000. He is also currently a director and senior officer of Delta Uranium Inc., a reporting issuer in Alberta, British Columbia and Ontario which has been under cease trade orders issued in November 2013. All cease trade orders were issued as a result of that company's failure to file financial statements due to lack of funds. The cease trade orders remains in effect.

Directors, Officers and Management

W. Howard Blacker – Chief Financial Officer and Director of High Point (age 57)

Mr. Blacker is a Chartered Professional Accountant and a Chartered Accountant. He articled with Coopers and Lybrand where he practised until 1990, working in the firm’s audit, tax and insolvency divisions. He left public practice in 1990 to join a geological and geophysical consulting firm as Chief Financial Officer and Director. Since then, he has been the Chief Financial Officer and/or Director of a number of public and private firms, primarily in the energy sector. He has focused his career on financial control, management and corporate governance. Mr. Blacker holds a B.Comm. from the University of Calgary. Mr. Blacker has held his position with High Point since its incorporation in April of 2017 and is a full time employee.

After 20 years as Director and CFO of various public and private oil and gas companies ending with Zapata Energy Corporation (now Surge Energy Inc.), in 2010, Mr. Blacker elected to reduce his time commitment to the industry in 2010 in order to spend more time on family matters and on the hands on construction of his daughters' house. He was the interim CFO for Zodiac Exploration Inc. from 2012 to 2013. Both Zapata and Zodiac traded on the TSX-V Exchange. In 2016, Mr. Blacker began consulting to various firms including Fulcrum Energy Inc. and Energy Accounting Services Inc. providing accounting services. In April of 2017 he agreed to join High Point Oil Inc. as its Chief Financial Officer.

Mr. Blacker has entered into High Point's standard non-solicitation/confidentiality agreement but has not entered into any employment, severance, or non-competition agreements

Jon Bridgman - Chief Executive Officer and Director of the Company (age 76)

Mr. Bridgman brings over 50 years of investment and financial experience with three major Canadian brokerage firms and a major U.S. Insurance company. Throughout his career Mr. Bridgman has been instrumental in arranging mergers and public offerings for a variety of companies. He is co-founder of seven businesses, two of which went public. He has had extensive senior management operational experience with two US listed industrial companies and has been director of several Canadian and US public companies. Mr. Bridgman is president of United Mercantile Inc., a private consulting firm and holds the FCSI designation. He is also a member of Rotary International (District 7090). Mr. Bridgman is an independent contractor to Bird River as well as to other corporate clients. Mr. Bridgman has not entered into any non-competition or non-disclosure agreement with the Company.

Donal Carroll – Director of the Company; Director of High Point (age 43)

Mr. Carroll is a Business Executive who is currently Chief Financial Officer of World Class Extractions Inc. Prior thereto, Mr. Carroll held positions with Danaher Group (NYSE:DHR) (February 2008 to October 2013), Alberto Culver – now Unilever (NYSE:UL) (July 2005 to January 2008) and Cardinal Meats (October 2013 to June 2017). Mr. Carroll provides his services to the Company on a part time basis as needed as an independent contractor.

Mr. Carroll has 15 years of corporate finance leadership and public company experience as well as deep expertise in syndicate investing both in equity and debt securities. With a balance of prudent financing practices and unique insights, he has successfully guided companies for expansion and growth. Throughout his tenure with Danaher Group, Alberto Culver (now Unilever) and Cardinal Meats, he was instrumental in major restructuring activities, mergers and acquisitions and the implementations of new internal controls and ERP systems resulting in significant efficiencies through periods of substantial change and strong company growth. Mr. Carroll holds a CPA-CMA designation as well as a B.Comm. from University College Dublin. Mr. Carroll has been a director of the Company since 2017 and has been a director of High Point since February 2018. Mr. Carroll has not entered into any non-competition or non-disclosure agreement with the Company.

Tyron Pfeifer – Director of Company; President, Chief Executive Officer and Director of High Point (age 61)

Mr. Pfeifer started his career in the field as a well logger. He has steadily worked through the full range of exploration and production activities of the oil and gas industry across western Canada as well as internationally. He has spent the majority of his career at the executive and directorship level in private and public companies. He has focused on increasing production through the use of appropriate technologies and on the development of high impact drilling locations. He is an affiliate of the Canadian Society of Petroleum Geologists, the American Association of Petroleum Geologists, and the Society of Professional Well Log Analysts. Mr. Pfeifer holds a B.Sc. from the University of Saskatchewan. Mr. Pfeifer has held his position with High Point since its incorporation in April of 2017 and is a full time employee.

Previously, Mr. Pfeifer was the President of Sand Hills Energy Inc. /Butte Energy Inc. from 2009 to 2017. He was a director and acting COO of Groundstar Resources Limited from 2014 to the present.

Mr. Pfeifer has entered into High Point's standard non-solicitation/confidentiality agreement but has not entered into any employment, severance, or non-competition agreements

Edward Thompson – Secretary-Treasurer and Director of the Company (age 74)

Mr. Thompson is a retired financial planner and is a past president of a Money Concepts financial planning center in Winnipeg which he established in 1988. He remains a member of Advocis (a Financial Planning regulating group) and has been a member thereof since 1989. Mr. Thompson has a B.Sc. Ag. from the University of Manitoba, was also a past president of the Manitoba Institute of Agrology (a Professional Agricultural organization) and has been a member thereof since 1968. Mr. Thompson is also a past district governor for Rotary International (District 5550). Mr. Thompson provides his services to the Company on a part time basis as needed as an independent contractor. Mr. Thompson has not entered into any non-competition or non-disclosure agreement with the Company.

John V. Tokarsky – Chief Financial Officer (age 57)

Mr. Tokarsky is the Chief Financial Officer of the Company and provides these services through Tokarsky Corporate Services Limited, a company which has been associated with Mr. Tokarsky since 1984. Tokarsky Corporate Services Limited has provided accounting, bookkeeping and corporate secretarial services to junior reporting issuers in Canada since 1971, mostly in the exploration of minerals, oil and gas and various industrial companies. Mr. Tokarsky is a college graduate, has accounting training and holds CSC and CPH certifications from the Canadian Securities Institute.

Mr. Tokarsky has more than 34 years of experience in the industry having assisted approximately 100 junior public companies with their corporate secretarial requirements, accounting issues, public listing issues, securities act and continuous disclosure obligations. He has a strong practical and current working knowledge of securities and corporate laws, regulations, practices and policies. He upholds regulatory and compliance best practices and has a proven track record in dealing with stock exchanges, securities commissions and other regulatory bodies.

Mr. Tokarsky has acted as a director and/or senior officer of a number of his clients as need be and have also most recently been Controller, Corporate Secretary and Treasurer of Augustine Ventures Inc. from November 2010 to October 2014 including acting as its Chief Financial Officer during that time. Mr. Tokarsky can be considered as an independent contractor that provides his services on a part time basis as need be. Mr. Tokarsky has not entered into any non-competition or non-disclosure agreement with the Company.

David Walters – Director (age 58)

David Walters is currently the Managing Director of Ensign Capital, a Toronto based merchant bank and exempt market dealer. He is Chairman of Coinstrike Inc., a privately held crypto mining company. He was previously CEO of Longford Corporation, a TSX Venture listed oil and gas company and Managing Director of the WATT Energy Limited Partnerships. He is an Electrical Engineering graduate of the Royal Military College, holds an MBA from the Ivey School of Business and is also a Chartered Financial Analyst (CFA). Mr. Walters can be considered as an independent contractor that provides his services on a part time basis as need be. Mr. Walters has not entered into any non-competition or non-disclosure agreement with the Company.

Conflicts of Interest

Certain directors and officers of the Company may also be directors and officers of other companies. Any decisions made by a director or officer involving the Company are made in accordance with his duty and obligation to deal fairly and in good faith with the Company and such other companies. In addition, each of the directors of the Company is required to declare and refrain from voting on any matter in which such director may have a conflict of interest.

Mr. Pfeifer and Richfield Oils Inc. (High Point's founders) have been working on developing oil and gas exploration and development plays for the past 10 years. Their work included geological and geophysical evaluation and the acquisition of mineral interests. This resulted in the development of the Huxley play which led directly to the incorporation of High Point Oil Inc. The founders have transferred two such mineral leases into High Point. In each case, High Point commissioned an independent study of the prospective acquisition to satisfy itself as to the value of the acquisition. In each such case, Mr. Pfeifer recused himself from the resolution to acquire the property. The NI 51-101 independent reserve evaluations so prepared are attached as Appendices A and B to this listing statement. It is anticipated that up to 4 more such acquisitions will be made from the founders of High Point. Such future acquisitions will be considered by an independent committee of the board of Bird River.

Other Directorships

The following table includes each person's experience as a director or officer of other reporting issuers or equivalent for the past five years:

Name	Name of Reporting Issuer	Trading Market	Position	From	To
W. Howard Blacker	Zodiac Exploration Inc.	TSX-V	Interim Chief Financial Officer	July 2012	May 2013
	Emerald Bay Energy Inc.	TSX-V	Director	June 2004	April 2010
	Zapata Energy Corporation	TSX-V	Chief Financial Officer	July 2004	April 2010
Jon Bridgman	Aurquest Resources Inc.	n/a	Secretary, Treasurer, Director	May 2000	December 2017
	E Ventures Inc.	n/a	President, Director	February 1999	present
	Lakefield Marketing Corporation	n/a	Director	November 2005	present
Donal Carroll	FSD Pharma Inc.	CSE	Interim Chief Financial Officer, Member of Special Committee of the Board of Directors (M&A)	July 2018	present
Tyron Pfeifer	Groundstar Resources Limited	TSX-V	Director President and Chief Executive Officer	September 2012 September 2012	present April 2018
	Butte Energy Inc.	TSX-V	President, Chief Executive Officer	June 2008	July 2017
John V. Tokarsky	Augustine Ventures Inc.	CSE	Secretary, Treasurer, Controller	November 2010	October 2014
	Delta Uranium Inc.	n/a	Chief Financial Officer, Director	January 2012	present
	V. Fund Investments Limited	n/a	Director	June 1998	present

13. Capitalization

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	116,001,834	143,052,594	100.0%	100.0%
Held by Related Persons or employees of the Issuer or Related Person of the issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	34,182,424	58,274,704	29.5%	41.6%
Total Public Float (A-B)	81,819,410	81,819,410	70.5%	58.4%
<u>Freely-Tradable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	55,171,124	58,130,604	47.6%	41.5%
Total Tradable Float (A-C)	60,829,710	81,963,510	52.4%	58.5%

Public Securityholders (Registered)

Class of Security – Common Shares

Size of Holding	Number of holders	Total number of Securities
1 - 99 securities	6	153
100 - 499 securities	31	6,150
500 - 999 securities	51	26,675
1,000 – 1,999 securities	52	59,200
2,000 - 2,999 securities	27	58,576
3,000 - 3,999 securities	18	55,536
4,000 – 4,999 securities	1	4,000
5,000 or more securities	144	32,266,878
Totals	330	32,477,168

Public Securityholders (Beneficial)

Class of Security – Common Shares

Size of Holding	Number of holders	Total number of Securities
1 - 99 securities	1	70
100 - 499 securities	5	1,005
500 - 999 securities	1	800
1,000 – 1,999 securities	7	8,425
2,000 - 2,999 securities	5	10,700
3,000 - 3,999 securities	5	15,100
4,000 – 4,999 securities	7	30,000
5,000 or more securities	78	8,316,274
Unable to confirm (OBO's)		41,464,868
Totals	109	49,847,242

Non-Public Securityholders (Registered)

Class of Security – Common Shares

Size of Holding	Number of holders	Total number of Securities
1 - 99 securities		
100 - 499 securities		
500 - 999 securities		
1,000 – 1,999 securities		
2,000 - 2,999 securities		
3,000 - 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	6	33,350,924
Totals	6	33,350,924

Convertible or Exchangeable Securities

Description of Security (include conversion/exercise terms, including conversion/exercise price)	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Options to purchase common shares @ $0.10 per share to expire March 14, 2019	1,500,000 options	1,500,000 common shares
Warrants to purchase common shares @ $0.20 per share to expire December 22, 2019	17,527,500 warrants	17,527,500 common shares
Warrants to purchase common shares @ $0.20 per share to expire December 29, 2019	950,000 warrants	950,000 common shares
Warrants to purchase common shares @ $0.0714 per share to expire November 10, 2019	467,600 warrants	467,600 common shares
Warrants to purchase common shares @ $0.0714 per share to expire December 15, 2019	560,000 warrants	560,000 common shares
Warrants to purchase common shares @ $0.00357 per share to expire June 5, 2019	1,930,880 warrants	1,930,880 common shares
Broker Warrants to purchase common shares @ $0.20 per share to expire December 29, 2019	3,154,950 broker warrants	4,732,425 common shares
Broker Warrants to purchase common shares @ $0.13 per share to expire December 29, 2019	726,030 broker warrants	726,030 common shares

14. Executive Compensation

The following table discloses compensation paid to the Company's Named Executive Officers and/or Directors for the financial years ended July 31, 2017 and 2016:

Table of compensation excluding compensation securities							
Name and position	Fiscal Year Ended	Salary, consulting fee, retainer or commission ($)(4)	Bonus ($)	Committee or meeting fees (1) ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Nelson Shodine Chief Executive Officer, Chairman, President and Director	2017 2016	27,500 30,000	- -	500 1,000	- -	8,800(2) 9,600 2)	36,800 40,600
Jon Bridgman Chief Financial Officer and Director	2017 2016	16,500(3) 18,000(3)	- -	500 1,000	- -	- -	17,000 19,000
Edward Thompson Secretary-Treasurer and Director	2017 2016	- -	- -	500 1,000	- -	- -	500 1,000
David Thom Director	2017 2016	- -	- -	500 1,000	- -	- -	500 1,000
Shane Shodine Director	2017 2016	- -	- -	500 1,000	- -	- -	500 1,000
Edward Corbett Director	2017	-	-	500	-	-	500
Alan Bell Director	2017 2016	- -	- -	- 1,000	- -	- -	- 1,000

Notes:
(1) Paid as director's fees per year.
(2) Paid as office rent.
(3) Paid to United Mercantile Inc., a company owned 100% by Mr. Bridgman.
(4) Portion of compensation paid with respect to the individual’s capacity as a Named Executive Officer of the Company.

Stock options and other compensation securities

The following table discloses stock options and other compensation securities granted or issued and outstanding to each of the Company's Named Executive Officers and/or Directors as at the financial year ended July 31, 2017:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of security or underlying security on date of grant ($)	Closing price of security or underlying security at year end ($)	Expiry date
Nelson Shodine Chief Executive Officer, Chairman, President and Director	-	-	-	-	-	-	-
Jon Bridgman Chief Financial Officer and Director	-	-	-	-	-	-	-
Edward Thompson Secretary-Treasurer and Director	-	-	-	-	-	-	-
David Thom Director	Options	100,000 (0.9%)	March 14, 2014	0.10	0.08	0.07	March 14, 2019
Shane Shodine Director	-	-	-	-	-	-	-
Edward Corbett Director	Options	100,000 (0.9%)	July 17, 2017	0.10	0.07	0.07	March 14, 2019

No stock options and other compensation securities were exercised by any Named Executive Officer and/or Director during the year ended July 31, 2017.

Stock option plans and other incentive plans

In order that the Company may be able to provide incentives for directors, officers, employees, consultants and other persons who provide ongoing services to the Corporation or any of its affiliates ("Eligible Participants") to participate in the growth and development of the Company by providing them with the opportunity through share options to acquire an ownership interest in the Company, the Company operates a stock option plan which is in accordance with Policy 6 of the Canadian Securities Exchange and National Instrument 45-106 of the Canadian Securities Administrators (the "Plan").

The maximum number of common shares which may be set aside for issue under the Plan is 10% of the issued and outstanding common shares of the Company and would fluctuate to such number that would be 10% of the issued and outstanding common shares at any particular time, provided that the board has the right, from time to time, to increase such number subject to the approval of the shareholders of the Company. The maximum number of common shares which may be reserved for issuance to any one Eligible Participant under the Plan is 5% of the common shares outstanding at the time of the grant (calculated on a non-diluted basis) less the number of shares reserved for issuance to such person under any option to purchase common shares granted as a compensation or incentive mechanism. Any shares subject to an option which for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Plan. The option price of any common shares cannot be lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options. Options granted under the Plan may be exercised during a period not exceeding ten (10) years, subject to earlier termination upon the optionee ceasing to be an Eligible Participant of the Company or any of its affiliates, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. Any options granted under the Plan would be subject to any other conditions that the Board may deem fit, including the imposition of hold and vesting periods. The Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the common shares, a merger or other relevant changes in the Company's capitalization.

Employment, consulting and management agreements

Management functions of the Company are not, to any substantial degree, performed by a person or persons other than the directors or senior officers of the Company.

Oversight and description of director and named executive officer compensation

The Board assumes, among other things, the obligations sometimes delegated to the compensation committee. The Board establishes executive and senior officer compensation, determines the general compensation structure, policies and programs of the Company, including the extent and level of participation in incentive programs. Executive officers do not vote with respect to compensation matters affecting them.

The Company's overall policy regarding compensation of the Company's executive officers is structured to provide competitive compensation levels and compensation incentives that support both the short-term and long-term goals of the Company, attract and retain suitable and qualified executive management, and establish a compensation framework which is industry competitive. The compensation program consists of the following three components:

Base compensation

Base compensation of executives is determined by referencing salary levels in the industry in which the Company operates. The Board reviews information drawn from a variety of sources, including proxy statements of competitive companies of comparable size and complexity, and, when appropriate, surveys conducted by compensation consultants. Criteria included in the determination of salary levels include the individual's experience level, the scope and complexity of the position held and salaries being paid for similar positions at other Canadian and United States companies of similar size.

Annual performance incentive

Bonuses may or may not be paid and are based on the achievement of corporate and individual performance objectives. Individual performance objectives are set at the beginning of the year and aligned with the Company's business plan.

Stock options

The stock option component of the executive compensation package is provided to focus management attention on corporate performance over a period of time longer than one year in recognition of long-term horizons for return on investments and strategic decisions. The level of stock option awards given to each executive is determined by his or her position, his or her potential future contributions to the Company and the number and terms of stock option awards previously granted to the executive. All stock option awards are reviewed by the Board. The Board determines a meaningful level of award for employees ranging from key employees to the Chief Executive Officer. The level of stock option awards is also influenced by the number of executives and key employees in the current year and the likelihood of grants in future years to executives and key employees since the total number of stock options available under the Company's Stock Option Plan is limited. The Plan shall not exceed the maximum number of Common Shares permitted under the rules of any stock exchange on which the Common Shares are then listed or of any other regulatory body having jurisdiction.

Pension plan benefits

No pension or retirement benefits plans have been instituted and none are proposed at this time.

Termination and change of control benefits

As at July 31, 2017, no payments, benefits or perquisites would be due to be paid to any Named Executive Officer upon any termination, resignation, retirement, change of control of the Company or change in responsibilities.

Compensation of directors

During the year ended July 31, 2017, directors of the Company were paid the amount of $500 each for their services as directors for a total of $3,000. There was no additional compensation for committee membership. Directors would also be eligible to receive a bonus in certain circumstances. Directors who are not officers would be entitled to receive compensation to the extent that they provide services to the Company at rates that would be charged by such directors for such services to arm's length parties.

15. Indebtedness Of Directors And Executive Officers

No directors or executive officers of the Company were indebted to the Company at any time during its last completed financial year.

16. Risk 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.

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 crypto mining, and other cryptocurrency operations are also applicable to the Technology Vertical changed as applicable with the following additional risk factors identified. The risk factors should not be construed as exhaustive, as there are numerous factors, both known and unknown, that could cause actual results or events to differ materially from forecast results.

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.

Risk inherent in cryptocurrency

Crypto mining and other cryptocurrency operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company is exposed to these risks through the operations it undertakes under the Technology Vertical. The impact of such risks shall increase or diminish in accordance with the future decisions of the Company to continue or to suspend the Technology Vertical. The Company has no operating history in an evolving industry that may not develop as expected. Assessing its business and future prospects is challenging in light of the risks and difficulties it may encounter. These risks and difficulties include the ability of the Company to:

- navigate complex and evolving regulatory and competitive environments;
- successfully maintain and evolve internal controls to manage compliance with an evolving and complex regulatory environment;
- successfully develop and deploy new products;
- successfully maintain its funding strategy;
- favorably compete with other companies that are currently in, or may in the future enter, the business of crypto mining;
- successfully navigate economic conditions and fluctuations in valuation of cryptocurrency assets;
- effectively manage the growth of its business;
- successfully expand its business;
- effectively use limited personnel and technology resources;
- effectively maintain and scale its financial and risk management controls and procedures;
- maintain the security of its crypto mining operations and the confidentiality of the information provided and utilized across operations; and
- attract, integrate and retain an appropriate number of qualified employees.

Blockchain Risk

The blockchains upon which the Company's crypto mining operations are based are new and harbor inherent risks. The blockchains could experience times of uncertainty such as, but not limited to, slow transaction speeds, forks, or denial-of-service attacks.

Code Cracking Risk

Technological advances such as quantum computers could present risks to cryptocurrencies and blockchain resulting in a theft of tokens. The Company will, to the extent possible, remain informed of such risks and incorporate additional security measures. However, the Company cannot predict the future of crypto mining, or other cryptocurrency operations, or the success of any future security updates.

Cryptocurrency Valuation Risk

The exchange rate between cryptocurrencies and dollars has fluctuated wildly in the past. The fluctuation of the valuation of cryptocurrencies affects the amount of revenue the Company will earn from selling the cryptocurrencies it earns and the cost of cryptocurrency mining machines, which are frequently priced in cryptocurrencies. It is expected that past volatility will continue and it is not possible to predict the effect this will have on the Technology Vertical. It is possible that volatility may make the Technology Vertical uneconomic, such that the Company may consider shutting down its operations and selling its investment. In order to guard against such a risk, the Company will convert all of its cryptocurrency holdings into Canadian dollars regularly, but for a small portion of cryptocurrency holdings which will not be converted and which will be held for the purpose of purchasing mining rigs for the cryptocurrency mining operations.

Hacking Risk

Hackers and other groups may attempt to steal cryptocurrencies held by the Company at any given time, thus impacting the ability of the Company to develop and operate the Technology Vertical. The Company has and will implement comprehensive security precautions to safeguard crypto mining, and other cryptocurrency operations.

Illiquidity Risk

There are no guarantees that there will be a market for the resale of the cryptocurrencies generated by the Company by its crypto mining activities. Such a market may never develop. Furthermore, the cryptocurrencies generated by the Company may be subject to resale restrictions, imposed by regulation or otherwise, and may not be readily available as collateral for loans.

Open Source Software Risks

Certain blockchains rely on open-source software, and there is a risk that third parties not affiliated with the Company may introduce weaknesses or bugs into the blockchain causing the Company to lose some or all of its cryptocurrency at any given time.

Private Keys Risk

Despite all reasonable security measures being introduced by the Company, loss or destruction of private keys by the Company or third-parties is irreversible.

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.

Regulatory Risks

Crypto mining consumes significant amounts of electricity. Concern has been expressed on the international stage that crypto mining may be harmful due to its electricity consumption. It is presently difficult to predict if such concerns relating to electricity consumption will result in legislation which would be detrimental to the operations of the Company. Additionally, other unforeseen regulation restricting crypto mining, or other cryptocurrency operations could be enacted.

17. Promoters

The Company does not have and has not had a promoter within the past two years.

18. Legal Proceedings

The Company knows of no actual, threatened or pending legal proceedings to which the Company is or is likely to be a party or of which any of its properties are or are likely to be the subject.

19. Interest of Management and Others in Material Transactions

Other than as discussed below or disclosed elsewhere in this Listing Statement, 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. 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 425,000, 26,700 and 100,000 shares in High Point Oil Inc. respectively which resulted in them receiving 11,900,000, 747,600 and 2,800,000 shares in Bird River respectively.

20. Auditors, Transfer Agents and Registrars

The auditor of the Company is Magnus LLP Chartered Professional Accountants, 430 Five Donald Street, Winnipeg, Manitoba, R3L 2T4.

The transfer agent and registrar of the Company is Computershare Investor Services, Suite 600, 530 - 8th Avenue S.W., Calgary, Alberta, T2P 3S8. Stock transfer services are also available at Computershare's offices on the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.

21. Material Contracts

The Company has not entered into any material contracts (other than contracts entered into in the ordinary course of business) within the past completed two fiscal years except as disclosed elsewhere in this Listing Statement.

22. Interest of Experts

No experts have any interest, direct or indirect, in any of the Company's properties.

23. Other Material Facts

There are no additional material facts about the Company and its securities that are not disclosed under the preceding items and are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its securities.

24. Financial Statements

Audited consolidated financial statements of Bird River for the fiscal years ended July 31, 2017, 2016 and 2015 and unaudited consolidated interim financial statements for the nine-months ended April 30, 2018 are attached to this Listing Statement as Schedule C.

Audited financial statements of High Point for the period from incorporation to the fiscal year ended December 31, 2017 and unaudited interim financial statements for the three months ended March 31, 2018 are attached to this Listing Statement as Appendix C.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Bird River Resources Inc. hereby applies to maintain the listing of the above mentioned securities on CSE. The foregoing contains full, true and plain disclosure of all material information relating to Bird River Resources Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated this 15th day of October, 2018.

Jon Bridgman Chief Executive Officer	John V. Tokarsky Chief Financial Officer
Donal Carroll Director	Ty Pfeifer Director

CERTIFICATE OF THE TARGET

Not applicable

SCHEDULE "A"

NI 51-101 AND NI 51-103
(MANITOBA OIL INTERESTS)

(BIRD RIVER RESOURCES INC. – PARENT COMPANY)

FORM 51-101F1
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION
BIRD RIVER RESOURCES INC. (“the Company”)

PART 1 DATE OF STATEMENT

The date of this statement is November 30, 2017. The effective date of the information provided in this statement is July 31, 2017. Any monetary amounts are stated in Canadian dollars.

PART 2 DISCLOSURE OF RESERVES DATA

The Company holds a minimal interest (2.5% to 5%) in various wells and the controlling shareholder (private company) of the wells has not had a report prepared by an independent qualified reserve evaluator and auditor.

PART 3 PRICING AND ASSUMPTIONS

The benchmark and company's forecast prices used in the impairment test calculations were primarily based on future commodity prices and are as follows:

	Light oil (Cdn $/bbl)
2018	55.37
2019	52.36
2020	50.89

Thereafter, 2% increase for inflation.

PART 4 RECONCILIATION OF CHANGES IN RESERVES AND FUTURE NET REVENUE

Not applicable

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Not applicable

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

The company has entered into a jointly controlled operation with Antler River Resources Ltd. The joint operation has no liabilities or revenues and the assets are limited to twelve oil wells (LSD 6-13-7-29, LSD 14-15-8-28, HZ 13-15-8-28, HZ 11-26-1-28, HZ 12-15-8-28, HZ 7-34-1-28, HZ 13-23-1-28, HZ 15-30-1-27, HZ 3-15-8-28, HZ 16-16-7-28, HZ 3-22-7-28 and HZ 4-5-2-27). 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. 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 joint venture operations.

Item 6.2 Properties with No Attributed Reserves

None.

Item 6.3 Forward Contracts

The Company does not hold any forward contract obligations as at July 31, 2017.

Item 6.4 Additional information Concerning Abandonment and Reclamation Costs

The Company's decommissioning obligations result 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 provisions, before considering salvage, is approximately $19,000 as at July 31, 2017 (2015- $19,000), which has been discounted using a pre-tax rate of 2.96% (2015-2.96%) reflecting the time value of money and the risks specific to the obligation. 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 the year ended July 31, 2017 is $9,663.

Item 6.5 Tax Horizon

The company did not pay any corporate income taxes in 2017 and does not expect to pay any corporate income taxes in 2018.

Item 6.6 Costs Incurred

During the fiscal year ended July 31, 2017 the Company did not incur any costs relating to its exploration and evaluation assets.

During the same period, the Company incurred production and operating expenses relating to petroleum and natural gas properties in the amount of $17,213. During the 2017 fiscal year, the Company did not participate in the drilling of any new wells.

At July 31, 2017, the Company assessed the recoverability of its investment in petroleum and natural gas properties by performing an impairment test at the cash-generating unit level. The recoverable amount of each cash-generating unit was estimated based on the higher of the value in use and the fair value less cost to sell. The estimated fair value less cost to sell was used and was determined using estimated future cash flows based on estimated reserves, discounted at 10%, with prices as indicated in Part 3 above. Based on the impairment test, the carrying amount of the investments in petroleum and natural gas properties was determined to be impaired in the amount of $51,288 relating to wells HZ 11-26-1-28, HZ 12-15-8-28, HZ 7-34-1-28, HZ 13-15-8-28, HZ 16-16-7-28, HZ 3-22-7-28 and HZ 4-5-2-27. This amount was recognized in the profit and loss for the year.

Item 6.7 Exploration and Development Activities

A summary of the exploration and evaluation asset activity for the period is as follows:

Balance, July 31, 2016	$ 144,189
Costs incurred during the period	-
Transfers to property and equipment	-
Depletion and depreciation	(12,511)
Impairment charges	(51,288)
Balance, July 31, 2017	$ 80,390

The Company was not a driller nor an operator, nor a general partner of any oil property to this date and is a joint venture partner with interests ranging from 2.5% to 5% in 12 wells of which 10 are in production.

Item 6.8 Net Production Estimates for Proven and Probable reserves

Not applicable

Item 6.9 Production History

The Company reported petroleum revenue of $31,215 for the year ended July 31, 2017 as result of its percentage interest (2.5% to 5%) in 10 producing wells.

FORM 51-101F3
REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS AND OTHER APPLICABLE DATA AND INFORMATION

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101")

1. Terms to which a meaning is ascribed in NI 51-101 have the same meaning in this form.

2. The report referred to in item 3 of section 2.1 of NI 51-101 must in all material respects be as follows.

Management of Bird River Resources Inc. ("the Company") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at July 31, 2016, estimated using forecast prices and costs.

The Reserves Committee of the board of directors of the Company has reviewed the assets, data and position of the Company as at July 31, 2017 and has determined that as of the last day of the Company's most recently completed financial year, the Company had minimal reserves.

An independent qualified reserves evaluator (auditor) has NOT been retained to evaluate the Company's reserves data as the Company holds a minimal interest (2.5% to 5%) in various wells and the controlling shareholder (private company) of the wells has not had a report prepared by an independent qualified reserve evaluator and auditor.

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management of the Company. The board of directors has on the recommendation of the Reserves Committee approved:

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing information detailing the Company's oil and gas activities;

(b) the Company is NOT filing for 51-101F2 which is the report of the independent qualified reserves evaluator (auditor) on reserves data because the Company has minimal reserves; and no independent report has been prepared; and

(c) the content and filing of this report.

Because reserves data are based on judgements regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

“Jon Bridgman” Jon Bridgman, Interim Chief Executive Officer

Signature, name and title of chief executive officer

“John V. Tokarsky” John V. Tokarsky, Chief Financial Officer

Signature, name and title of a senior officer other than the chief executive officer

“Edward Thompson” Edward Thompson, Director

Signature, name of a director

“Shane Shodine” Shane Shodine, Director

Signature, name of a director

Date: November 30, 2017

SCHEDULE "B"

MANAGEMENT DISCUSSION AND ANALYSIS

YEARS ENDED JULY 31 2017 AND 2016

NINE MONTH PERIOD ENDED APRIL 30 2018

(BIRD RIVER RESOURCES INC. - PARENT COMPANY)

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).

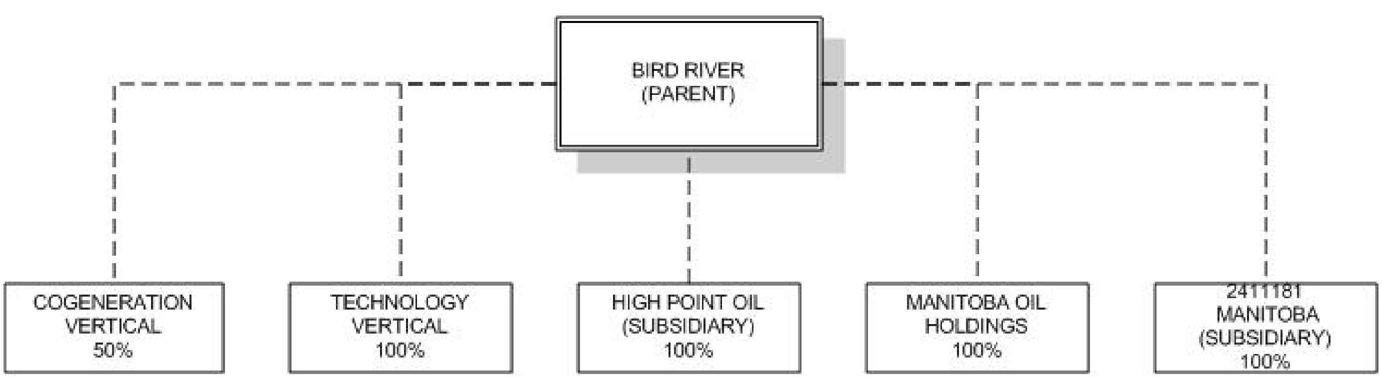
On December 12, 2017, the Company announced that it has retained API Consulting Inc. (operating as "API Garage") and its BlockX Labs division in the research and development of asset management platforms utilizing its private blockchain technology. Bird River's objective is to establish a wholly owned 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.

BIRD RIVER RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED JULY 31, 2017

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Bird River Resources Inc. (the "Company") is prepared with information as at November 30, 2017 and provides an analysis of the Company's performance and financial condition as at and for the year ended July 31, 2017 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 together with the notes thereto. All amounts are in Canadian dollars unless otherwise specified. The financial statements, along with Certifications of Annual 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. (formerly Bird River Mines Inc.) is a junior natural resource exploration company in Canada. It is a reporting issuer in the provinces of Ontario and Manitoba with its common shares listed for trading on the Canadian Securities Exchange (CSE) under the trading symbol "BDR". The Company's Registered and Head Offices are located at 1059 Selkirk Avenue, Winnipeg, Manitoba, R2X 0C2. The Company's constating documents do not differ from Canadian corporate legislation with respect to corporate governance principles.

The Company 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 Company's Business - Oil and Gas Activities" below).

The Company operates 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 Company's Business - Environmental Division" below).

The Company formerly held an exploration property known as the Ore Fault Property, located in the Bird River Sill area of Manitoba approximately 125 km northeast of Winnipeg. This property was prospective for base and PGM metals. 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 Company's Business - Ore Fault Property" below).

The Company held an 8 hectare Quarry Lease located 85 km southwest of Winnipeg near Miami, Manitoba. This lease hosts a narrow bed of bentonite that the Company previously used in an abandoned water well sealing operation. The leased expired during the 2016 fiscal year (see "Narrative Description of the Company's Business – Quarry Lease" below).

NARRATIVE DESCRIPTION OF THE COMPANY'S BUSINESS

Oil and Gas Activities

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 12-15-8-28 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:

1) 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.
2) Well HZ 11-26-1-28 drilled into the Spearfish Formation with a 600 meter leg was producing 40 barrels of oil per day.
3) 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.

4) Well HZ 7-34-1-28 drilled into the Spearfish Formation with a 600 meter leg was producing 130 barrels of oil per day.
5) 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.

Summary of Oil Well Holdings

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

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 are available on SEDAR under the Company's profile at www.sedar.com.

Environmental Division

The Company operates an environmental division which distributes various industrial minerals, including diatomaceous earth and bentonite. These industrial minerals are also used in the division's abandoned water well sealing operation. The well sealing service can generally be conducted from the early spring through to the early winter.

The Company distributes various industrial and environmental products (e.g. Dexpan and CanDry absorbents) and is also a distributor of various other absorbent products that are sold to industry and agricultural businesses for animal bedding, odor control and animal waste management

Quarry Lease

The Company held an 8 hectare Quarry Lease (QL-1530) located 85 km southwest of Winnipeg near Miami, Manitoba. This lease hosts a narrow bed of bentonite that the Company previously used in a water well sealing operation. The Company allowed the lease to expire during the 2016 fiscal year.

Ore Fault Property

In 2004, the Company acquired the remaining 80% of 2411181 Manitoba Ltd. which owned the original Ore Fault Property (the "Property") located in the Bird River Sill area of southeastern Manitoba for total consideration of $23,000 in cash and shares of the Company. The Company already owned the other 20% of 2411181 Manitoba Ltd. In 2006, the Company acquired all of the underlying smelter rights to the Property for consideration of 700,000 common shares. As a result, the Company held a 100% interest in the Property at that time. In 2005, the Company acquired 3 additional adjacent claims for consideration of $5,000 and 50,000 common shares. The Property was then comprised of 19 claims.

In 2007, the Company entered into an option and joint venture arrangement with Marathon PGM Corporation (MAR:TSX) ("Marathon") to create a joint venture to actively explore and earn an interest in the Property, whereby Marathon had the option to earn up to a 100% interest in the Property by a combination of exploration expenditures and cash payments to the Company. The Property, being adjacent to Gossan Resources' Bird River Sill property, was also under option to Marathon.

In 2008, Marathon earned a 50% participation interest in the Ore Fault Property by spending $549,000 in exploration expenditures and payments to the Company totaling $200,000 cash. Later in 2008, Marathon acquired the remaining interest in the Property for the cash consideration of $1,450,000. The Company retained and continues to retain a 1% net smelter return royalty (the "NSR") on all minerals and metals extracted from the Property.

Exploration and evaluation assets

In conjunction with the Company's activities in the natural resource industry, the Company carried the following capitalized amounts:

	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, the remaining 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 the write down of $91,577.

(ii) The Company formerly held one Quarry Lease which lapsed during fiscal 2016 resulting in a write down in the amount of $273.

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

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 ($)	Total Assets ($)
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
April 30, 2016	29,715	(25,491)	(0.002)	397,451
January 31, 2016	24,983	(38,566)	(0.004)	407,135
October 31, 2015	29,715	(25,491)	(0.002)	455,494

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.

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 July 31, 2017, the Company had a working capital deficiency of $161,026 compared to a working capital deficiency of $76,891 as at the fiscal year ended July 31, 2016. The decrease in working capital was due to continued low crude oil prices and low oil production. This resulted in revenue being less than the operating expenses giving a net loss of $183,757 for the year. The industrial products revenue increased by approximately $11,700 due to higher sales and the Company maintained a steady inventory level of $17,357 at July 31 2017. The Company incurs ongoing general operating expenses relating to the management of a public reporting issuer, such as office rent, telephone and internet services, stock transfer and filing fees, stock exchange fees 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.

The Company reviews business propositions regularly seeking M&A and other opportunities that will enable the Company to grow its revenue and thereby increase shareholder value.

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 during the past 12 months, 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 that the new government administration in the US will continue to lead in 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 and from the marketing of industrial products.. 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.

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. The Company presently anticipates that its general and administrative costs for its current fiscal year ending July 31, 2018 will be approximately $100,000 and continues to seek additional working capital to pursue its objectives.

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

The Company's authorized share capital consists of an unlimited number of common voting shares, of which 12,878,934 were outstanding as at November 29, 2017 (July 31, 2017 – 10,570,225) (July 31, 2016 – 10,570,225).

There were 1,500,000 stock options outstanding as of November 29, 2017 (July 31, 2017 – 200,000) (July 31, 2016 – 100,000). All of the options outstanding are exercisable into common shares at $0.10 per share to expire March 14, 2019.

As at November 29, 2017, there were 14,378,934 common shares issued and outstanding on a fully diluted basis (July 31, 2017 – 10,770,225) (July 31, 2016 – 10,670,225).

TRANSACTIONS WITH RELATED PARTIES

The Company did not pay employment based remuneration to directors, officers and other members of key management for the years ended July 31, 2017 and 2016, however, the Company did pay contract based remuneration to directors, officers and other members of key management as discussed below.

During the year ended July 31, 2017, the Company paid management fees in the amount of $27,500 (2016 - $30,000) to a director and officer of the Company and $16,500 (2016 - $18,000) to another director and officer. The Company also paid rent in the amount of $8,800 (2016 - $9,600) to a 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 July 31, 2017, included in trade and other payables are amounts owing to directors and officers of the Company in the amount of $162,923 (2016 - $116,698). These amounts are unsecured and non-interest bearing with no specified terms of repayment.

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

Oil and gas exploration and mineral exploration are speculative ventures. There is no certainty that expenditures on exploration and development will result in the discovery of an economic hydrocarbon reserve. At the present time, the Company holds interests in a small number of producing oil wells. The Company's viability and potential success lie in its ability to develop, exploit and generate revenue out of its resource properties. Revenues, profitability and cash flow from any future resource operations involving the Company will be influenced by oil, gas and/or metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Company's control.

The ability of the Company to sell, and profit from the sale of any eventual production from any of the Company's properties will be subject to the prevailing conditions in the marketplace at the time of sale. The global marketplace is unregulated and subject to changing attitudes of consumers and other end-users on the basis of economic conditions. Many of these factors are beyond the control of the Company therefore represent a market risk which could impact the long term viability of Company and its operations.

Capitalization and commercial viability

The Company will require additional funds to further explore and, if successful, develop its oil and gas interests and any additional properties or business venture that may be acquired. The Company may not have sufficient funds to carry out the completion of its exploration program, and may have to obtain other financing or raise additional funds. The Company has limited financial resources, and there is no assurance that additional funding will be available to the Company to carry out the completion of all the activities of its program, for additional exploration or for the substantial capital that is typically required in order to place a property into commercial production. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and evaluation of its properties.

The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company with the possible dilution or loss of such interests.

The Company is very dependent upon the personal efforts and commitment of its existing management who are not full-time employees of the Company. To the extent that management's services would be unavailable for any reason, the Company's operations could be disrupted. The Company is also reliant upon the services of outside consultants.

Title matters

While the Company has performed its own due diligence with respect to title of its property interests, this should not be construed as a guarantee of title. Properties and interests may be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects.

Competition

Significant and increasing competition exists for oil and gas opportunities internationally. There are a number of large established companies with substantial capabilities and far greater financial and technical resources than the Company. The Company may be unable to acquire additional attractive mining properties on terms it considers acceptable and there can be no assurance that the Company's exploration and acquisition programs will yield any new reserves or result in any commercial producing operations.

Limited history of earnings

The Company has a limited history of earnings, and there is no assurance that any other properties that it may acquire will generate earnings, operate profitably or provide a return on investment in the future. The Company has no plans to pay dividends for the foreseeable future. The future dividend policy of the Company will be determined by its directors.

Potential profitability depends upon factors beyond the control of the Company

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for oil and gas are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

Environmental risks and other regulatory requirements

The current or future operations of the Company require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mineral resources and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the construction of facilities and conduct of its operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which the Company might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in oil and gas operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of oil and gas companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new properties.

Operating hazards and uninsurable risks

In the course of exploration, development and production of properties, certain risks, including unexpected or unusual geological operating conditions including fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Company.

The Company is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Company periodically evaluates the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy. Should the Company be unable to fund fully the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Foreign countries and regulatory requirements

The Company may acquire properties located in other countries where exploration activities may be affected by varying degrees of political instability and haphazard changes in government regulations such as tax laws, business laws and laws pertaining to oil and gas and mining. Any changes in regulations or shifts in political conditions would be beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and safety.

Currency fluctuations

The Company maintains its accounts in Canadian currency. If the Company acquires properties in other countries, its operations may be subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company does not engage in currency hedging activities.

First Nations Issues

The Company's management regularly consults with and informs the local First Nations band regarding any issues that may have an impact on them, and has received continued support for the Company's current and proposed future activities. However, unforeseen circumstances in the future could potentially have an effect on the Company's operations.

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 and 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 have affected the reported net income by an estimated $312 for the year ended July 31, 2017.

Credit risk

Credit risk refers to the risk that 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 an established Canadian bank 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 at July 31, 2017 is $51,691 (July 31, 2016 - $105,674) 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. Management is confident that the Company will be successful in raising funds to meet commitments associated with financial instruments. As at July 31, 2017, the Company had a working capital deficiency in the amount of $161,026 (July 31, 2016 - $76,891 deficiency).

The contractual maturities of financial liabilities as at July 31, 2017 and July 31, 2016, based on the earliest date on which payment can be required were as follows:

	Total amount ($)	6 months or less ($)	More than 6 months ($)
As at July 31, 2017:			
Trade payables	140,396	140,396	-
Other payables	89,678	89,678	-
	230,074	230,074	-
As at July 31, 2016:			
Trade payables	116,202	116,202	-
Other payables	83,831	83,831	-
	200,033	200,033	-

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 has cash and cash equivalents of $35,456 subject to interest rate risk (July 31, 2016 - $87,845). A 1% change in the primary interest rate would affect the reported net income on an annualized basis by approximately $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 balance sheet, have been prioritised into three levels:

(i) Level 1 includes quoted prices (unadjusted) in active markets for identical assets or liabilities,
(ii) Level 2 includes inputs that are observable other than quoted prices included in level one, and
(iii) Level 3 includes inputs that are not based on observable market data.

The Company's financial instruments within the fair value hierarchy were as follows:

	Level 1 ($)	Level 2 ($)	Level 3 ($)
As at July 31, 2017:			
Cash and cash equivalents	35,456	-	-
As at July 31, 2016:			
Cash and cash equivalents	87,845	-	-

Collateral

The carrying value of financial assets the Company has pledged as collateral is $Nil (2016 - $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 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 July 31, 2017, the Company had managed capital, being total equity on the consolidated statement of financial position, a net deficit of $88,819 (July 31, 2016 – net equity of $94,938).

The Company presently has interests in 10 production wells and any future exploration and assessment on other properties in the future would be dependent on financing. As such the Company is dependent on external financing to fund its activities and or joint ventures. In order to carry out the planned exploration and pay for administrative costs, 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 year ended July 31, 2017. 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.

BIRD RIVER RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED JULY 31, 2016

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Bird River Resources Inc. ("BDR" or the "Company") is dated November 28, 2016 and provides an analysis of the Company's performance and financial condition for the for the year ended July 31, 2016 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, 2016 and 2015 together with the notes thereto. All amounts are in Canadian dollars unless otherwise specified. The financial statements, along with Certifications of Annual 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

The Company is a junior natural resource exploration company in Canada and is a reporting issuer in the provinces of Ontario and Manitoba with its common shares listed for trading on the Canadian Securities Exchange (CSE) under the trading symbol "BDR". The Company's Registered and Head offices are located at 1059 Selkirk Avenue, Winnipeg, Manitoba, R2X 0C2. The Company's constating documents do not differ from Canadian corporate legislation with respect to corporate governance principles.

The Company has been engaged in the acquisition, exploration and development of mineral properties since its incorporation in 1958. The Company formerly held an exploration property, known as the Ore Fault Property, located in the Bird River Sill area of Manitoba approximately 125 km northeast of Winnipeg. This property was prospective for base and platinum group metals. 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.

The Company held a Quarry Lease near Miami, Manitoba which is approximately 85 km southwest of Winnipeg. During the 2016 fiscal year management did not renew the quarry lease.

The Company is currently pursuing opportunities in oil and gas business in southwestern Manitoba, mainly through joint ventures with experienced oil and gas exploration operators. In March 2009, the Company entered into an agreement with Antler River Resources to participate in a five percent interest in the drilling of a three oil well drilling program in southwestern Manitoba. The Company has participated in the drilling of 15 oil well joint ventures (JV) with Antler River Resources near the towns of Sinclair, Pierson and Waskada. The company has a joint operation with Antler River Resources and other parties relating to twelve oil wells of which 10 wells are producing. The wells were drilled into the Bakken., Mission Canyon and Spearfish formations. These oil formations are part of the Williston Basin which includes areas in Saskatchewan, southwestern Manitoba, North Dakota and Montana. The latest wells were drilled into the Bakken formation and are producing light sweet crude.

BDR also holds interests in three oil leases in southwestern Manitoba ranging from 15% to 33.33%, on which the Company intends to participate in joint venture drilling on these three leases in the future.

The Company's environmental division distributes various industrial minerals which includes diatomaceous earth and bentonite. These industrial minerals are also used in the division's abandoned water well sealing operation. The well sealing service can generally be conducted from the early spring through to the early winter. Additionally, the Company also is a distributor of various other absorbent products that are sold to industry and agricultural businesses for animal bedding, odor control and animal waste management.

NARRATIVE DESCRIPTION OF THE BUSINESS

Oil and Gas Activities

In July 2007, the Company entered into an agreement with Antler River Resources Ltd. ("Antler") to earn a 2 ½ % interest in the drilling of two oil wells in southwestern Manitoba. Under the agreement the company was required to pay $30,000 representing the company's share of expenses incurred to date. An individual that is a director and shareholder of the Company advanced the Company $30,000. During September 2007, the Board determined that it was inappropriate to proceed with the transaction with Antler due to cash restraints and to remain focused on its core business of mineral exploration. Consequently, the Company entered into an agreement with the related party who had advanced the $30,000 to sell the Company's interest in the oil well project in exchange for the forgiveness of the amount advanced by him.

On March 6, 2009, the Company entered into a new joint venture agreement with 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, Manitoba. The well was on pump in January 2010 and all four wells are still in production.

On March 24, 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 (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.

On August 17, 2011, the Company reported that after inclement weather, its wells were now back on pump. The weather and water issues delayed the drilling program for nearly five months. The first well of the planned six well drilling program started one month later. This horizontal well is located on the north half of 15-8-28W1 and completed with a one mile leg. The operator for the well is Antler and the Company has a 5% participation. This well is still in production. 2014. The second well is also horizontal and was drilled on the north east quarter of 30-1-27 W1. This well was drilled into the Spearfish formation and initially pumped 200 barrels of fluid a day with an initial 20% oil cut which is expected to increase. The operator of these two wells is Atikwa with a 50% interest. Antler and the Company each have a 25% interest in the lease. Well 15-30-1-27 continues to be in production.

On September 29, 2011, the Company reported its participation in the drilling of a new horizontal oil well located at 12-15-8-28W1 east of Sinclair, Manitoba. 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.

On October 13, 2011, the Company announced that the drilling portion of a new well northeast of Sinclair, Manitoba 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, Manitoba. 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 not in production due to water problems.

On January 4, 2012, the Company announced the completion of a new Antler horizontal well at 12-15-8-28 northeast of Sinclair, Manitoba. 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. This works 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.

On February 16, 2012, the Company reported an update of the last five oil wells drilled and their current production:

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

On July 30, 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 Manitoba at 16-16-7-28 and 3-15-8-28 were each drilled with 600 meter legs and are fully cased. The wells are now producing 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 has an interest in 11 production wells.

On January 17, 2013, the Company paid an initial advance to Antler of $40,000 towards the drilling of a new horizontal well located at 3-22-7-28 in southwestern Manitoba. Bird River Resources Inc. has a 5% gross interest (4% net) in the well. The drilling of the new well commenced in early February and was competed by the end of the month. The drilling of the well was successful, and subsequently went on pump and is now production.

On August 29, 2014, the Company paid an initial advance to Antler of $47,500 towards the drilling of a new horizontal well located at 4-5-2-27 in southwestern Manitoba. Bird River Resources has a 5% gross interest (4% net) in the new well. The drilling of the new well commenced in September and was competed in early November. Due to drilling cost overruns, the Company was required to make a further payment to Antler on November 28, 2014 of $17,800. The drilling of the well was successful, and subsequently went on pump and is now in production.

On August 21, 2015: the Company paid an advance to Antler River Resources of $4,400 towards the work-over of well 11-26-1-28 HZ. The work over procedure uses an acid activation process that cleans out the bore hold in order to increase oil recovery.

On December 21, 2016: the Company participated in the successful work-over of well 12-15-8-28 HZ. As a result the well's production of oil doubled from approximately 10 bpd to 20 bpd.

Oil production in south west Manitoba typically shows a decline in production rates from year to year, however, many of the wells produce over 25 years.

Ore Fault Property

On January 12, 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. 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 was approved by the shareholders of Myriad on May 19, 2006, subsequently closed and the shares released from escrow on September 5, 2006.

On May 16, 2005, the Company expanded its Ore Fault Property by conditionally 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.

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 Property. The Property, which includes the Lotus claims, is located in the Bird River Sill area of south eastern Manitoba, 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.

On May 2, 2008, the Company was advised by Marathon that as per the option and joint venture agreement, it had spent $549,002 on or for the benefit of the Property. In addition, Marathon had made payments to the Company in the aggregate amount of $200,000 thereby fulfilling the terms and conditions of section 3.2 of the option and joint venture agreement. As a result, Marathon had exercised its option to acquire a 50% participation interest in the Property and indicated its intention to fulfill its right to earn a 70% interest in the 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 consisting of 19 claims which covers 446 hectares. The Company retains a 1% net smelter return royalty (the "NSR") on all minerals and metals extracted from the property.

Quarry Lease

The Company held an 8-hectare Quarry Lease that contained a narrow bed of bentonite near Miami, Manitoba. The lease was not renewed during the 2016 fiscal year.

Interests in joint arrangements

The Company participates in a joint operation with Antler and other parties relating to twelve oil wells of which ten of the oil wells are producing. All of the wells are located in southwestern Manitoba (LSD 6-13-7-29, LSD 14-15-8-28, HZ 13-15-8-28, HZ 11-26-1-28, HZ 12-15-8-28, HZ 7-34-1-28, HZ 13-23-1-28 HZ 15-30-1-27 HZ 3-15-8-28 HZ 16-16-7-28, HZ 3-22-7-28 and HZ 4-5-2-27). 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 the 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. As at July 31, 2016, these amounts are included in property and equipment and are being depleted accordingly.

Exploration and evaluation assets

In conjunction with the Company's activities in the natural resource industry, the Company has capitalized the following amounts:

	July 31, 2016 ($)	**July 31, 2015 ($)**
Petroleum and natural gas properties		
Lease holdings (i)	35,127	126,704
Mineral exploration properties (ii)	-	273
	35,127	126,977

(i) The Company currently holds interests in three lease holdings as follows:

1) Northwest quarter 17-1-27 - 33 1/3% owned with a renewable one-year lease term;
2) Northeast quarter 23-1-28 - 15% owned with a renewable one-year lease term; and
3) Northeast quarter 30-1-27 - 15% owned with a renewable one-year lease term.

During the year, 5 other leases expired resulting in the write down of exploration and evaluation assets in the amount of $(91,577) (2015 - $Nil) relating to leases Northwest quarter 23-1-28, Southwest quarter 23-1-28, Northeast quarter 14-4-22, Northeast quarter 2-3-26 and Southeast quarter 2-3-26.

(ii) The Company held one Quarry Lease, QL - 1530, located 85 kilometres southwest of Winnipeg near Miami, Manitoba. The 8 hectare lease hosts a narrow bed of bentonite and the Company allowed this lease to expire during fiscal 2016 resulting in a write-down in the amount of $273.

(iii) The Company retains a 1% net smelter return ("NSR") royalty on the Ore Fault Property. The previously held exploration property is located on the Bird River Greenstone Belt, 125 kilometers northeast of Winnipeg.

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, 2016 ($)	Year Ended July 31, 2015 ($)	Year Ended July 31, 2014 ($)
Total revenue	95,911	95,260	120,510
Net income (loss)	(244,043)	(307,796)	(128,963)
Income (loss) per share - basic and fully-diluted	(0.02)	(0.03)	(0.01)
Total assets	304,356	468,095	739,494
Long-term liabilities	9,385	9,115	8,669
Dividends declared	-	-	-

Results of Operations – Year Ended July 31, 2016

The net loss and comprehensive loss for the 12-months ended July 31, 2016 was $244,043 as compared to a net loss and comprehensive loss of $307,796 for the 12-months ended July 31, 2015. The decrease of $63,753 in the net loss for the period is primarily attributable to the decrease in depletion expense of $11,720 during the period 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 decline by $11,060 to $43,877 due to lower oil prices compared to petroleum revenue of $54,937 in 2015. Expenses for the period were $253,942 compared to $408,274 in 2015 which represents a decrease in expenses of $154,332 during 2016 fiscal year. During the year General and Administrative expenses increased by $41,421 to $156,991 (2015 - $115,570) this was due to increase in professional fees of $42,808.

The net loss and comprehensive loss for the 12-months ended July 31, 2015 was $307,796 as compared to a net loss and comprehensive loss of $128,963 for the 12-months ended July 31, 2014. The increase of $178,833 in the net loss for the period is primarily attributable to the decrease in revenue of $25,250 during the period 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 period were $408,274 compared to $260,369 in 2014 which represents an increase in expenses of $147,905 over last year. At the end of the 2015 fiscal year, management was advised that an impairment loss on the petroleum and natural gas properties should be recognized. The impairment loss of $201,141 was the largest single increase in expenses during 2015. During the period general and administrative expenses decreased $13,477 to $115,570 (2014 - $129,047).

The net loss and comprehensive loss for the 12-months ended July 31, 2014 was $128,963 as compared to a net loss and comprehensive loss of $81,477 for the 12-months ended July 31, 2013. The increase of $47,486 in the net loss for the period is primarily attributable to the decrease in revenue of $55,249 during the period and the increase in depletion expense and impairment loss. Revenue for the 12 months period ended July 31, 2014 was $120,510 compared $175,759 to in same period of the prior year. This decrease in revenue is largely attributable to the decline in revenue from the producing oil wells to $76,223 compared to $126,493 in 2013. Expenses for the period were $260,369 compared to $260,952 in 2013 which represents a decrease in expense of $583 over last year. At the end of the 2014 fiscal year, management concluded that, two wells should be written down, as they no longer produced and as a result, an impairment loss of $41,532 was recognized. This increase in impairment loss of $41,532 was the largest single increase in expense during 2014 ($Nil in 2013) resulting from the write down of the two wells during the 2014 fiscal year.

During the year management decided not to renew the bentonite quarry lease it held near Miami, Manitoba. However, the Company's environmental division engages in secondary activities, from time to time, involving the purchase or acquisition of certain industrial minerals, typically diatomaceous earth and bentonite, for distribution and re-sale. Additionally, the environmental division distributes various industrial and environmental products i.e, Dexpan and CanDry Absorbents. The environmental division also provides an abandoned water well sealing service, the primary client, being the Manitoba Government. The well sealing service operates from mid May through to the end of October. The management and board of directors regularly review the Company's business strategy as it relates to prevailing economic conditions. Management actively assesses potential resource properties and business opportunities on an ongoing basis.

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

SELECTED QUARTERLY INFORMATION

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

		Net Income (Loss)		Total
Quarter Ended	**Total Revenue ($)**	**Total ($)**	**Per Share ($)**	**Assets ($)**
July 31, 2016	21,119	(154,122)	(0.002)	304,629
April 30, 2016	29,715	(25,491)	(0.002)	397,451
January 31, 2016	24,983	(38,566)	(0.004)	407,135
October 31, 2015	29,715	(25,491)	(0.002)	455,494
July 31, 2015	26,276	(240,989)	(.02)	468,095
April 30, 2015	19,022	(24,355)	(0.002)	696,793
January 31, 2015	21,679	(30,104)	(0.003)	713,937
October 31, 2014	28,273	(12.348)	(0.01)	731,662

LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2016, the Company had working capital deficiency of ($76,891) compared to $46,236 positive working capital at the fiscal year ended July 31, 2015. The decrease in working capital of $123, 127 during the fiscal year was due to continued low crude oil prices and low oil production. This resulted in revenue being less than the operating expenses giving a Net (loss) for year of $244,043. The industrial products revenue increased by $11,711 during the year to $52, 034 and the inventory remained stable $17,468 compared to $18,334 in 2015. The Company incurs ongoing general operating expenses on a monthly basis relating to the management of a public reporting issuer, such as office rent, telephone, internet services, stock transfer & filing fees, stock exchange fees and professional fees totalling $253,942 during the 2016 fiscal year.

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. The Company also owns interests ranging from 15% to 33-1/3% in three oil and gas leases (properties) which are planned to be drilled in the future.

The Company reviews business propositions regularly seeking an M&A opportunity that will enable the Company to grow its revenue and thereby increase shareholder value.

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. The US financial markets have improved during the past 12 months; however, there continues to be ongoing concern about the Canadian economy. Demand by the world’s major consumers of raw materials, particularly in China and India has declined over the past two years; however, management remains optimistic that the recent election of a new government in the US may lead to improved economic growth in the North American economy in the coming year.

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, 2016 is approximately $19,000 (July 31, 2015 - $19,000), which has been discounted using a pretax rate of 2.96% reflecting the time value of money and the risks specific to the obligation.

These obligations are to be settled based on the economic lives of the underlying assets, which currently extend up to 25 years (2015–25 years) into the future and will be funded from general corporate resources at the time of abandonment.

The Company's decommissioning obligations for the year ended July 31, 2016 were as follows:

	Amount ($)
Balance, July 31, 2015	9,115
Provisions incurred	-
Accretion	270
Disposals	-
Balance, July 31, 2016	9,385

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company’s authorized share capital consists of an unlimited number of common voting shares, of which 10,570,225 were outstanding as at July 31, 2016 and November 28, 2016.

There were 100,000 stock options outstanding as of July 31, 2016. All of the options outstanding are exercisable into common shares at 10 cents per share to expire March 14, 2019.

As at July 31, 2016 and November 28, 2016, on a fully diluted basis there were 10,670,225 common shares issued and outstanding. There are no warrants presently outstanding.

TRANSACTIONS WITH RELATED PARTIES

The following is a summary of the related party transactions of the Company during the year ended July 31, 2016. The Company paid management fees of $30,000 (2015 - $30,000) to a director and officer of the Company and $18,000 (2015 - $18,000) to another director and officer. The Company also paid rent in the amount of $9,600 (2015 -$9,600) to a director and officer of the company and director’s fees in the amount of $6,000 (2015 - $6,000) during the year. These amounts are recorded at the exchange amount which is the amount agreed upon by both parties.

As at July 31, 2016 included in trade payable and other payables are amounts owing to directors and officers of the Company in the amount of $116,698 (2015 - $71,500). These amounts are unsecured and non-interest bearing with no specified terms of repayment.

CRITICAL ACCOUNTING ESTIMATES AND 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 and in valuation of warrants 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

Please refer to the Company's audited financial statements for a full discussion of its significant accounting policies.

RISKS AND UNCERTAINTIES

Oil and gas exploration and mineral exploration are speculative ventures. There is no certainty that expenditures on exploration and development will result in the discovery of an economic hydrocarbon reserve. At the present time, the Company holds interests in a small number of producing oil wells. The Company's viability and potential success lie in its ability to develop, exploit and generate revenue out of its resource properties. Revenues, profitability and cash flow from any future resource operations involving the Company will be influenced by oil, gas and /or metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Company's control.

The ability of the Company to sell, and profit from the sale of any eventual production from any of the Company's properties will be subject to the prevailing conditions in the marketplace at the time of sale. The global marketplace is unregulated and subject to changing attitudes of consumers and other end-users on the basis of economic conditions. Many of these factors are beyond the control of the Company therefore represent a market risk which could impact the long term viability of Company and its operations.

Capitalization and commercial viability

The Company will require additional funds to further explore and, if successful, develop its oil and gas interests and any additional properties or business venture that may be acquired. The Company may not have sufficient funds to carry out the completion of its exploration program, and may have to obtain other financing or raise additional funds. The Company has limited financial resources, and there is no assurance that additional funding will be available to the Company to carry out the completion of all the activities of its program, for additional exploration or for the substantial capital that is typically required in order to place a property into commercial production. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and evaluation of its properties.

The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company with the possible dilution or loss of such interests.

The Company is very dependent upon the personal efforts and commitment of its existing management who are not full-time employees of the Company. To the extent that management's services would be unavailable for any reason, the Company's operations could be disrupted. The Company is also reliant upon the services of outside consultants.

Title matters

While the Company has performed its own due diligence with respect to title of its property interests, this should not be construed as a guarantee of title. Properties and interests may be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects.

Competition

Significant and increasing competition exists for oil and gas opportunities internationally. There are a number of large established companies with substantial capabilities and far greater financial and technical resources than the Company. The Company may be unable to acquire additional attractive mining properties on terms it considers acceptable and there can be no assurance that the Company's exploration and acquisition programs will yield any new reserves or result in any commercial producing operations.

Limited history of earnings

The Company has a limited history of earnings, and there is no assurance that any other properties that it may acquire will generate earnings, operate profitably or provide a return on investment in the future. The Company has no plans to pay dividends for the foreseeable future. The future dividend policy of the Company will be determined by its directors.

Potential profitability depends upon factors beyond the control of the Company

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for oil and gas are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

Environmental risks and other regulatory requirements

The current or future operations of the Company require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mineral resources and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the construction of facilities and conduct of its operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which the Company might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in oil and gas operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of oil and gas companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new properties.

Operating hazards and uninsurable risks

In the course of exploration, development and production of properties, certain risks, including unexpected or unusual geological operating conditions including fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Company.

The Company is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Company periodically evaluates the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy. Should the Company be unable to fund fully the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Foreign countries and regulatory requirements

The Company may acquire properties located in other countries where exploration activities may be affected by varying degrees of political instability and haphazard changes in government regulations such as tax laws, business laws and laws pertaining to oil and gas and mining. Any changes in regulations or shifts in political conditions would be beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and safety.

Currency fluctuations

The Company maintains its accounts in Canadian currency. If the Company acquires properties in other countries, its operations may be subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company does not engage in currency hedging activities.

First Nations Issues

The Company's management regularly consults with and informs the local First Nations band regarding any issues that may have an impact on them, and has received continued support for the Company's current and proposed future activities. However, unforeseen circumstances in the future could potentially have an effect on the Company's operations.

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 and 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 $439 (2015 - $549).

Credit risk

Credit risk refers to the risk that 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 an established Canadian bank 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 financial statements at July 31, 2016 in the amount of $105,674 (2015 - $148,105) 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. Management is confident that the Company will be successful in raising funds to meet commitments associated with financial instruments. As at July 31, 2016 the Company had working capital deficiency in the amount of -$76,891 (2015 working capital +$46,236).

The contractual maturities of financial liabilities, at July 31, 2016 and 2015, based on the earliest date on which payment can be required, were as follows:

	Total amount ($)	**6 months or less ($)**	**More than 6 months ($)**
As at July 31, 2016:			
Trade payables	116,202	116,202	-
Other payables	83,831	83,831	-
	200,033	200,033	-
As at July 31, 2015:			
Trade payables	56,993	56,993	-
Other payables	63,210	63,210	-
	120,203	120,203	-

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 has cash and cash equivalents of $87,845 subject to interest rate risk (2015 - $101,550). A 1% change in the primary interest rate would affect the reported net income, on an annualized basis, by approximately $878 (2015 - $1,016).

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 balance sheet, have been prioritised into three levels:

(i) Level 1 includes quoted prices (unadjusted) in active markets for identical assets or liabilities,
(ii) Level 2 includes inputs that are observable other than quoted prices included in level one, and
(iii) Level 3 includes inputs that are not based on observable market data.

The Company's financial instruments within the fair value hierarchy were as follows:

	Level 1 ($)	Level 2 ($)	Level 3 ($)
As at July 31, 2016:			
Cash and cash equivalents	87,845	-	-
As at July 31, 2015:			
Cash and cash equivalents	101,550	-	-

Collateral

The carrying value of financial assets the Company has pledged as collateral is $Nil (2015 - $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 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 July 31, 2016, the Company had managed capital, being total shareholder's equity of $94,938 (2015 - $338,777).

The Company presently has interests in 10 production wells and ongoing exploration and assessment on 3 oil leases that it intends to drill with its joint venture partner Antler River Resources in the future. As such the Company is dependent on external financing to fund its activities and or joint ventures. In order to carry out the planned exploration and pay for administrative costs, 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 July 31, 2016. 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.

SCHEDULE "C"

CONSOLIDATED FINANCIAL STATEMENTS (AUDITED)
YEARS ENDED JULY 31 2017, 2016, 2015

CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
NINE MONTH PERIOD ENDED APRIL 30 2018

(BIRD RIVER RESOURCES INC. – PARENT COMPANY)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Bird River Resources Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bird River Resources Inc., which comprise the consolidated statements of financial position as at July 31, 2017 and July 31, 2016 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended July 31, 2017 and July 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Bird River Resources Inc. as at July 31, 2017 and July 31, 2016 and its financial performance and its cash flows for the years ended July 31, 2017 and July 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 2(b) to the consolidated financial statements which describes the uncertainty related to Bird River Resources Inc.'s ability to operate as a going concern. Our opinion is not qualified in respect of this matter.

Magnus

December 1, 2017
Winnipeg, Canada

Chartered Professional Accountants

BIRD RIVER RESOURCES INC.

Consolidated Statements of Financial Position

As at July 31, 2017 and July 31, 2016

(Expressed in Canadian dollars)

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	$ 35,456	$ 87,845
Trade receivables	16,235	14,283
Goods and services tax recoverable	-	3,546
Inventory	17,357	17,468
Total current assets	69,048	123,142
Non-current assets:		
Property and equipment (Note 5)	81,870	146,087
Exploration and evaluation assets (Note 7)	-	35,127
Total non-current assets	81,870	181,214
Total assets	$ 150,918	$ 304,356
Liabilities and Equity		
Liabilities:		
Current liabilities:		
Trade payables	$ 140,396	$ 116,202
Other payables (Note 8)	89,678	83,831
Total current liabilities	230,074	200,033
Non-current liabilities:		
Decommissioning obligations (Note 9)	9,663	9,385
Total liabilities	239,737	209,418
Equity:		
Share capital (Note 11)	1,012,247	1,012,247
Share-based payments reserve	1,840	1,840
(Deficit)	(1,102,906)	(919,149)
Total equity	(88,819)	94,938
Going concern of operations (Note 2(b))		
Subsequent events (Note 17)		
Total liabilities and equity	$ 150,918	$ 304,356

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board of Directors:

Director "Jon Bridgman"

Director "Donal Carroll"

BIRD RIVER RESOURCES INC.

Consolidated Statements of Loss and Comprehensive Loss

Years ended July 31, 2017 and 2016

(Expressed in Canadian dollars)

	2017	2016
Revenue:		
Petroleum and natural gas revenue	$ 31,215	$ 43,877
Industrial mineral sales	63,792	52,034
	95,007	95,911
Expenses:		
Depletion	12,511	15,889
Depreciation	418	541
General and administrative (Note 13)	115,294	156,991
Net impairment losses (Note 5)	51,288	12,162
Production and operating - petroleum and natural gas	17,213	27,530
Production and operating - industrial minerals	46,747	40,625
Share-based payments (Note 12(c))	-	204
	243,471	253,942
Net (loss) from operations	(148,464)	(158,031)
Other income (expenses):		
Accretion expense	(278)	(270)
Write-down of exploration and evaluation assets (Note 7)	(35,127)	(91,850)
Interest income	112	6,108
	(35,293)	(86,012)
Net (loss) and comprehensive (loss) for the year	$ (183,757)	$ (244,043)
Basic and diluted loss per share (Note 11(c))	$ (0.02)	$ (0.02)

See accompanying notes to consolidated financial statements.

BIRD RIVER RESOURCES INC.

Consolidated Statements of Changes in Equity

Years ended July 31, 2017 and July 31, 2016

(Expressed in Canadian dollars)

	2017	2016
Share capital		
Balance, beginning and end of year	$ 1,012,247	$ 1,012,247
Share-based payments reserve		
Balance, beginning of year	$ 1,840	$ 1,636
Share-based payments (Note 12(c))	-	204
Balance, end of year	$ 1,840	$ 1,840
(Deficit)		
Balance, beginning of year	$ (919,149)	$ (675,106)
Net (loss) and comprehensive (loss) for the year	(183,757)	(244,043)
Balance, end of year	$ (1,102,906)	$ (919,149)
Total (deficit) equity, end of year	$ (88,819)	$ 94,938

See accompanying notes to consolidated financial statements.

BIRD RIVER RESOURCES INC.

Consolidated Statements of Cash Flows

Years ended July 31, 2017 and July 31, 2016

(Expressed in Canadian dollars)

	2017	2016
Operating activities:		
Net (loss) and comprehensive (loss) for the year	$ (183,757)	$ (244,043)
Adjustments for:		
Depletion and depreciation	12,929	16,431
Net impairment losses	51,288	12,162
Share-based payments	-	204
Write-down of exploration and evaluation assets	35,127	91,850
Accretion expense	278	270
	(84,135)	(123,126)
Changes in the following:		
Trade receivables	(1,952)	(5,469)
Goods and services tax recoverable	3,546	(1,546)
Inventory	111	866
Trade payables	24,194	59,208
Other payables	5,847	20,621
	(52,389)	(49,446)
Investing activity:		
Proceeds on note receivable	-	35,741
Change in cash and cash equivalents	(52,389)	(13,705)
Cash and cash equivalents, beginning of year	87,845	101,550
Cash and cash equivalents, end of year	$ 35,456	$ 87,845

Supplementary information:

During the year ended July 31, 2017 the company did not pay any interest (2016 - $Nil) or income taxes (2016 - $Nil).

See accompanying notes to consolidated financial statements.

Nature of operations

Bird River Resources Inc. (the "company") is a publicly listed company incorporated under the laws of Manitoba on March 7, 1958. The mailing and office address of its executive office is: 1059 Selkirk Avenue; Winnipeg, MB; R2X 0C2.

The company's principal business activities include the acquisition and exploration of resource properties with the primary focus on petroleum and natural gas properties. The company also engages in secondary activities, from time to time, involving the purchase or acquisition of certain industrial minerals, typically diatomaceous earth and bentonite, for distribution and re-sale or for use in an abandoned water well sealing operation. The company's shares are listed on the Canadian National Stock Exchange.

1. Statement of compliance

These consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements for the year ended July 31, 2017 were reviewed by the Audit Committee and approved and authorized for issue by the company's Board of Directors on December 1, 2017.

2. Significant accounting policies

(a) Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value.

(b) Going concern of operations

These financial statements have been prepared on a going concern basis, which assumes that the company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. There is doubt about the appropriateness of the use of the going concern assumption because the company has experienced significant losses and has experienced negative cash flows from operations over a number of years. The company has not yet determined whether all of its exploration and evaluation assets contain reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. If the company's exploration and development programs are successful, additional funds may be required, and the company may not have sufficient funds to conduct the exploration required. The primary source of future funds available to the company is through the sale of additional equity capital, which may dilute the interests of existing shareholders.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate, then adjustments may be necessary to the carrying value of the assets and liabilities and the reported amounts of revenue and expenses.

(c) Basis of consolidation

These consolidated financial statements include the accounts of the company and its wholly-owned subsidiary 2411181 Manitoba Ltd. All significant inter-company transactions have been eliminated on consolidation.

2. Significant accounting policies (continued)

(d) Inventory

Inventory is comprised of finished goods and is valued at the lower of cost and net realizable value, with cost being determined using the first-in, first-out costing basis. Net realizable value is the estimated selling price in the normal course of operations less estimated costs of selling. During the year, the company recognized $46,747 (2016 - $40,006) of inventory as an expense which is included in production and operating - industrial minerals expense on the consolidated statements of loss and comprehensive loss. No inventory has been valued at net realizable value during the current or prior year.

(e) Property and equipment

Recognition and measurement

Exploration and evaluation equipment and vehicles are recorded at historical cost less accumulated depreciation and any impairment losses. Residual values, depreciation methods and useful economic lives are reviewed and adjusted as necessary at the end of each reporting period. Cost includes expenditures that are directly attributable to the acquisition of the asset. When components of exploration and evaluation equipment and vehicles have different useful lives, they are accounted for as a separate item of property and equipment.

Petroleum and natural gas properties represent the cost of developing the commercial reserves and bringing them into production. These assets include the exploration and evaluation costs that are reclassified to property and equipment in accordance with the accounting policy for exploration and evaluation assets as disclosed in Note 2(f) to these consolidated financial statements.

Subsequent costs

The cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the company and its costs can be reliably measured. The carrying amount of the replaced component is derecognized. The costs of servicing property and equipment are recognized in profit or loss as incurred.

Depletion and depreciation

Exploration and evaluation equipment and vehicles are depreciated based on the cost of the asset less its residual value. Depreciation methods and rates are applied consistently within each asset class except where significant individual assets have been identified which have different depreciation patterns.

Petroleum and natural gas properties are depleted using the unit of production method based on the ratio of production in the year to the related proven and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production.

Depreciation and depletion are recognized in profit or loss. The following rates and methods are used:

	Rate	Method
Exploration and evaluation equipment	20%	Declining balance
Vehicles	30%	Declining balance
Petroleum and natural gas properties	-	Unit of production

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of the asset, determined as the difference between the net proceeds and the carrying amount of the asset as at the date of disposition, is recognized in profit or loss.

2. Significant accounting policies (continued)

(f) Exploration and evaluation expenditures

Costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are expensed as incurred.

Capitalized costs

Exploration and evaluation expenditures, which include petroleum and natural gas properties and mineral exploration properties, are defined as costs incurred after having obtained the legal right to explore the property and before the technical and commercial viability of extracting resources are demonstrated.

The company follows the full cost method whereby all costs associated with the acquisition, exploration and development of reserves are capitalized in cost centers from the time the company obtains the legal right to undertake exploration and evaluation activities on a project. Such costs include land and lease acquisitions, geological and geophysical expenditures, drilling of productive and non-productive wells, production and gathering equipment and facilities, carrying costs directly related to unproven properties, and corporate costs directly related to the acquisition. Amounts capitalized to these cost centers represent costs to date and are not intended to represent present or future values. The recoverability of the costs is dependent upon the discovery of economically recoverable reserves, confirmation of the company's interests in the underlying claims, the ability to obtain necessary financing to complete development and the development of future profitable production from the properties or realization of sufficient proceeds from the disposition of the properties.

If technical feasibility and commercial viability have been established, the carrying amount of the related exploration and evaluation asset is tested for impairment as discussed below. The carrying value, net of any impairment loss, is then reclassified to property and equipment as mineral exploration properties or petroleum and natural gas properties.

If the company decides not to continue the exploration and evaluation activity, the accumulated costs are expensed in the period in which the event occurs.

Impairment test

Exploration and evaluation assets are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount or when technical feasibility and commercial viability have been established. The recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, excluding impairment losses for exploration and evaluation assets reclassified to property and equipment, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit.

(g) Borrowing costs

The company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset when it is probable that these costs will result in future economic benefits and when they can be reliably measured. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed as incurred.

2. Significant accounting policies (continued)

(h) Provisions

General

Provisions are recorded when a present legal or constructive obligation exists as a result of past events when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense relating to any provision is included in profit or loss net of any reimbursement.

Decommissioning obligations

The company recognizes the fair value of a liability for decommissioning obligations in the period in which the company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the decommissioning obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The decommissioning obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The decommissioning obligation is depleted on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of any decommissioning obligation cash flows.

(i) Joint arrangements

A portion of the company's exploration activities is conducted jointly with others whereby the company enters into agreements that provide for specified percentage interests in petroleum and natural gas properties and exploration and evaluation assets. These joint arrangements are classified as either a joint operation or a joint venture depending on the rights and obligations of the parties to the arrangement. Joint operations are accounted for by recognizing the company's share of any assets, liabilities, revenue and expenses of the joint operation and joint ventures are accounted for using the equity method. Currently, all of the company's joint arrangements represent interests in joint operations (see Note 6).

(j) Loss per share

Diluted loss per share is calculated using the treasury stock method which assumes all common share equivalents, such as options and warrants had been exercised at the beginning of the reporting period of issue and that the funds obtained therefrom were used to purchase common shares of the company at the estimated average trading price of the common shares during the year.

(k) Revenue recognition

Revenue from sales of petroleum and natural gas is recognized when the significant risks and rewards of ownership are transferred to the buyer, which is when legal title passes to the buyer and when collection is reasonably assured. This is generally at the time product enters the pipeline or is delivered to the refinery.

Revenue from the sale of industrial minerals is recognized when the goods are shipped and when collection is reasonably assured.

Interest income is recognized on the accrual basis.

2. Significant accounting policies (continued)

(l) Income taxes

Income tax expense comprises current and deferred income tax. Current tax and deferred tax are recognized in profit or loss except to the extent that the tax relates to items recognized directly in equity or in other comprehensive income or loss.

(i) Current income tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to income taxes payable in respect of previous years.

(ii) Deferred income tax

Deferred tax is recognized in respect of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax is measured at the enacted or substantially enacted tax rates expected to be recovered or settled in the future. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the date of enactment or substantive enactment.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Share-based payments

The company has implemented a stock option plan to allow the company to grant options to directors, officers, employees and service providers. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors and officers of the company. The maximum number of common shares which may be issued pursuant to those granted under the company's stock option plan are limited to 1,892,000 common shares at a price determined by the Board of Directors. In addition, the number of options issued to any one individual may not exceed 5% of the issued common shares on a yearly basis. For any person providing ongoing services or employed in investor relations activities, the number of options granted may not exceed 2% of the issued common shares on a yearly basis.

The company uses the fair value-based approach to account for share-based payments under its stock option plan. Compensation expense is recognized for these stock options over their vesting period based on their estimated fair values on the date of grant as determined by the Black-Scholes option-pricing model. The fair value of the options is adjusted by the estimate of the number of options that are expected to vest as a result of non-market conditions. At each reporting date, the company revises its estimate of the number of options that are expected to vest.

The fair values of the options issued, if any, are credited to share-based payments reserve in the period they vest. Upon exercise of the share purchase options, consideration paid together with the amount previously recognized in share-based payments reserve is recorded as an increase in share capital. Charges to share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to retained earnings or deficit.

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the share-based payment.

2. Significant accounting policies (continued)

(n) Financial instruments

(i) Non-derivative financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), held-to-maturity, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets are recognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as FVTPL which are initially measured at fair value.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is considered to be held-for-trading or is designated as such upon initial recognition. Financial assets are designated at FVTPL if the company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial assets at FVTPL are measured at fair value and changes therein are recognized in profit or loss.

Held-to-maturity

A financial asset is classified as held-to-maturity if the asset has fixed or determinable payments and fixed maturities that the company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. Any changes to the carrying amount of the asset, including any impairment losses, are recognized in other comprehensive income or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified as loans and receivables, held-to-maturity or financial assets at fair value through profit or loss. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income or loss and presented within equity in the fair value reserve. Equity instruments that do not have an active market are recorded at cost. When an investment is derecognized, the cumulative gain or loss in other comprehensive income or loss is transferred to profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Derecognition of financial assets

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

2. Significant accounting policies (continued)

(n) Financial instruments (continued)

(ii) Non-derivative financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

A financial liability is classified at fair value through profit or loss if it is considered to be held-for-trading or is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.

Other financial liabilities

Other financial liabilities, including any borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

Derecognition of financial liabilities

The company derecognizes financial liabilities when the company's obligations are discharged, cancelled or they expire.

(iii) The company's financial instruments consist of the following:

Financial instrument	Classification	Measurement
Cash and cash equivalents	FVTPL	Fair value
Trade receivables	Loans and receivables	Amortized cost
Trade payables	Other financial liabilities	Amortized cost
Other payables	Other financial liabilities	Amortized cost
Goods and services tax recoverable	Other financial liabilities	Amortized cost

(o) Impairment of long-lived assets

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on estimated future cash flows.

Financial assets measured at amortized cost

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial assets carried at cost

An impairment loss of a financial asset carried at cost, where its fair value cannot be reliably measured, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of similar financial assets. Such impairment losses are not reversed.

2. Significant accounting policies (continued)

(o) Impairment of long-lived assets (continued)

(i) Financial assets (continued)

Available-for-sale financial assets

An impairment loss of an available-for-sale financial asset is recognized by transferring the cumulative loss that has been recognized in other comprehensive income or loss, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income or loss and recognized in profit or loss is the difference between acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases, the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. If, however, the fair value of an impaired available-for-sale equity security increases, the amount of reversal is recognized in other comprehensive income or loss.

(ii) Non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets, other than exploration and evaluation assets, to determine whether there is an indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Exploration and evaluation assets are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

The recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

(p) Use of estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make accounting estimates and assumptions requiring judgment in applying the company's accounting policies. These estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates are as follows:

Depletion and valuation of property and equipment

The amounts recorded for depletion of petroleum and natural gas properties and the valuation of petroleum and natural gas properties are based on estimates. These estimates include proven and probable reserves, future production rates, future petroleum and natural gas prices, remaining lives and period of future benefits of the related assets and other relevant assumptions.

2. Significant accounting policies (continued)

(p) Use of estimates and judgments (continued)

The company's reserve estimates are evaluated annually. Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs, future development costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated. Changes in reserve estimates impact the financial results of the company as reserves and estimated future development costs are used to calculate depletion and are also used in impairment calculations.

The determination of cash-generating units, used in assessing impairment, requires judgment in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Cash-generating units are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks and materiality.

The discount rate used to calculate the net present value of cash flows for impairment testing is based on estimates of market conditions, recent asset sales and an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to these estimates.

Valuation of exploration and evaluation assets

The valuation of exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves which in turn is dependent on future petroleum and natural gas prices, future capital expenditures and environmental and regulatory restrictions.

The decision to transfer assets from exploration and evaluation assets to property and equipment is based on estimated proven and probable reserves which are in part used to determine a project’s technical feasibility and commercial viability.

Deferred income taxes

The amounts recorded for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on estimates of the probability of the company utilizing certain tax pools and assets which, in turn, is dependent on estimates of proven and probable reserves, production rates, future petroleum and natural gas prices and changes in legislation, tax rates and interpretations by taxation authorities. The availability of tax pools is subject to audit and further interpretations by taxation authorities. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Decommissioning obligations

The company's decommissioning obligations are estimated based on assumptions relating to the company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon any wells and facilities and the estimated timing of the costs to be incurred in future years using estimated discount rates. Changes to environmental laws and regulations may also impact the amount of the company's decommissioning obligations.

Share-based payments

The amounts recorded relating to the fair value of stock options and warrants issued are based on estimates of the future volatility of the company’s share price, market price of the company's shares at grant date, expected lives of the options, expected forfeiture rate, expected dividends and other relevant assumptions.

2. Significant accounting policies (continued)

(q) Recent accounting announcements

Standards issued but not yet effective up to the date of issuance of these consolidated financial statements are listed below. This listing is of the standards and interpretations issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective. The company does not expect the impact of these new standards on its consolidated financial statements to be significant.

IFRS 9 *Financial Instruments*

IFRS 9, as issued, addresses the classification and measurement of financial assets and liabilities and requires any financial assets or liabilities to be classified into one of three measurement categories. The measurement categories are: (1) fair value through profit and loss; (2) fair value through other comprehensive income or loss; and (3) amortized cost. Investments in equity instruments must be measured at fair value through profit or loss; however, there is an irrevocable option to present the changes in fair value in other comprehensive income or loss. For financial liabilities, the majority of the requirements from IAS 39 have been retained. The main difference is where the fair value option is chosen for financial liabilities, the portion of the fair value change relating to an entity's own credit risk is recorded in other comprehensive income or loss as opposed to profit or loss. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires entities to follow a five-step model for the recognition of revenue upon the transfer of control of a good or service to the customer. The five steps are: (1) contract is identified with the customer; (2) performance obligations are identified; (3) transaction price is determined; (4) transaction price is allocated; and (5) revenue is recognized when the performance obligation is satisfied. In addition, there are enhanced revenue disclosures to provide investors with a more comprehensive understanding of the nature, amount, timing and uncertainty of revenue and cash flows from contracts. This standard replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations on revenue recognition. This standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 specifies how to recognize, measure, present and disclose information relating to leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has an insignificant value. Consistent with its predecessor, IAS 17, the new lease standard continues to require lessors to classify leases as operating or finance. This standard is effective for annual periods beginning on or after January 1, 2019.

3. Exploration and evaluation expenses

During the year ended July 31, 2017, the company has directly expensed exploration and evaluation costs in the amount of $Nil (2016- $Nil).

(Expressed in Canadian dollars)

4. Cash and cash equivalents

	2017	2016
Cash	$ 35,456	$ 30,092
Treasury bills - Money market fund	-	57,753
Total cash and cash equivalents	$ 35,456	$ 87,845

Cash is deposited at an established Canadian financial institution.

5. Property and equipment

	Exploration and evaluation equipment	Vehicles	Petroleum and natural gas properties	Total
Cost				
Balance, July 31, 2015	$ 52,333	$ 11,342	$ 267,631	$ 331,306
Impairment losses, net of reversals	-	-	(12,162)	(12,162)
Balance, July 31, 2016	$ 52,333	$ 11,342	$ 255,469	$ 319,144
Impairment losses	-	-	(51,288)	(51,288)
Balance, July 31, 2017	$ 52,333	$ 11,342	$ 204,181	$ 267,856
Accumulated depletion and depreciation				
Balance, July 31, 2015	$ 50,430	$ 10,806	$ 95,391	$ 156,627
Depletion and depreciation for the year	380	161	15,889	16,430
Balance, July 31, 2016	$ 50,810	$ 10,967	$ 111,280	$ 173,057
Depletion and depreciation for the year	305	113	12,511	12,929
Balance, July 31, 2017	$ 51,115	$ 11,080	$ 123,791	$ 185,986
Carrying value				
At July 31, 2016	$ 1,523	$ 375	$ 144,189	$ 146,087
At July 31, 2017	$ 1,218	$ 262	$ 80,390	$ 81,870

(Expressed in Canadian dollars)

5. Property and equipment (continued)

Impairment analysis

At July 31, 2017, the company assessed the recoverability of its investment in petroleum and natural gas properties by performing an impairment test at the cash-generating unit level. The recoverable amount of each cash-generating unit was estimated based on the higher of the value in use and the fair value less costs to sell. The estimated fair value less costs to sell was used and was determined using estimated future cash flows based on estimated reserves, discounted at 10%, with prices as noted below. Based on the impairment test, the carrying amount of the investment in petroleum and natural gas properties was determined to be impaired in the amount of $51,288 (2016 - $40,103) relating to wells HZ 11-26-1-28, HZ 12-15-8-28, HZ 7-34-1-28, HZ 13-15-8-28, HZ 16-16-7-28, HZ 3-22-7-28 and HZ 4-5-2-27 (2016 - wells HZ 13-15-8-28, HZ 7-34-1-28, HZ 16-16-7-28, HZ 3-22-7-28 and HZ 4-5-2-27). In addition, based on the impairment test, it was determined that previously recognized impairment losses of $Nil (2016 - $27,941) should be reversed due to changes in expected future production. These net impairment losses in the amount of $51,288 (2016 - $12,162) are recognized in profit or loss.

The benchmark and company's forecast prices used in the impairment test calculations for the year ended July 31, 2017 were primarily based on the following future commodity prices:

	Light oil (Cdn$/bbl)
2018	$55.37
2019	$52.36
2020	$50.89
Thereafter, 2% increase for inflation	

The benchmark and company's forecast prices used in the impairment test calculations for the year ended July 31, 2016 were primarily based on the following future commodity prices:

	Light oil (Cdn$/bbl)
2017	$50.16
2018	$52.07
2019	$53.26
Thereafter, 2% increase for inflation	

6. Interests in joint arrangements

The company participates in a joint operation with Antler River Resources Ltd. and other parties relating to twelve oil wells in southwestern Manitoba. 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 these 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% interest in the joint operation. As at July 31, 2017 and 2016, technical and commercial viability of extracting resources has been demonstrated on ten oil wells and as a result the amounts previously capitalized to exploration and evaluation assets have been transferred to petroleum and natural gas properties in property and equipment and are being depleted accordingly (see Note 5).

(Expressed in Canadian dollars)

7. Exploration and evaluation assets

(a) The company has capitalized the following amounts:

	2017	2016
Petroleum and natural gas properties:		
Lease holdings (i)	$ -	$ 35,127

(i) During the year ended July 31, 2017 various leases expired resulting in write-downs of exploration and evaluation assets totaling $35,127 (2016 - $91,850) relating to leases Northeast quarter 17-1-27, Northeast quarter 23-1-28 and Northeast quarter 30-1-27 (2016 - relating to leases Northwest quarter 23-1-28, Southwest quarter 23-1-28, Northeast quarter 14-4-22, Northeast quarter 2-3-26 and Southeast quarter 2-3-26).

(ii) The company previously held an exploration property known as the Ore Fault property located on the Bird River Greenstone Belt, 125 kilometers northeast of Winnipeg, Manitoba. On August 19, 2008 Marathon PGM acquired the balance of the Ore Fault property consisting of 19 claims which covers 446 hectares. Under the joint arrangement, Marathon had an option to earn 100% of the Ore Fault property once their interest reached 70%. Marathon exercised its option to require the company to sell the remaining 30% interest in the property for a purchase price of $1,450,000. The company retains a 1% net smelter return ("NSR") royalty on the Ore Fault Property.

8. Other payables

The company's other payables at July 31 are comprised of the following:

	2017	2016
Accrued liabilities	$ 89,095	$ 83,715
Provincial sales taxes payable	513	116
Goods and services tax payable	70	-
Total other payables	$ 89,678	$ 83,831

9. Decommissioning obligations

The company's decommissioning obligations result from its ownership interest in petroleum and natural gas properties. The total provision for decommissioning obligations 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 value, as at July 31, 2017 is approximately $19,000 (2016 - $19,000), which has been discounted using a pre-tax rate of 2.96% (2016 - 2.96%) reflecting the time value of money and the risks specific to the obligation. These obligations are to be settled based on the economic lives of the underlying assets, which currently extend up to 25 years (2016 - 25 years) into the future and will be funded from general corporate resources at the time of abandonment.

The company's decommissioning obligations for the year ended July 31, 2017 and July 31, 2016 are as follows:

	2017	2016
Balance, beginning of year	$ 9,385	$ 9,115
Plus: Accretion	278	270
Balance, end of year	$ 9,663	$ 9,385

(Expressed in Canadian dollars)

10. Income taxes

(a) Canadian development and exploration expenditures

As at July 31, 2017, the company has $123,670 (2016 - $123,670) of unused Canadian exploration and development expenses and $462,649 (2016 - $462,649) of unused Canadian oil and gas property expenses available to offset future taxable income of the company. The tax benefit of these expenses carries forward indefinitely and have not been recognized due to the uncertainty that the benefits will be realized.

(b) Losses

As at July 31, 2017 the company has non-capital tax losses available for carryforward to reduce future years' taxable income totaling $391,521 which expire as follows:

2032	$ 1,128
2033	50,797
2034	58,062
2035	73,724
2036	123,397
2037	84,413
Total loss carryforwards	$ 391,521

The company has not recorded in its accounts the potential deferred income tax benefit that may be derived from these tax losses due to the uncertainty that the benefits will be realized.

(Expressed in Canadian dollars)

10. Income taxes (continued)

(c) Income tax (expense) recovery differs from the amount that would be computed by applying the combined federal and provincial statutory income tax rate of 27% (2016 - 27%). The reasons for the differences are as follows:

	2017	2016
Income tax recovery computed at statutory rates	$ 49,600	$ 65,800
Permanent differences	-	(100)
Change in unrecognized deferred tax assets	(23,300)	(28,000)
	26,300	37,700
Valuation allowance	(26,300)	(37,700)
	$ -	$ -

The components of the company's net deferred income tax asset (liability) at July 31, 2017 and July 31, 2016 are as follows:

	2017	2016
Deferred income tax assets:		
Exploration and evaluation assets	$ 158,300	$ 148,700
Deferred income tax liability:		
Property and equipment	(20,700)	(38,000)
Net deferred income tax asset	137,600	110,700
Valuation allowance	(137,600)	(110,700)
Net deferred income tax liability	$ -	$ -

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

(Expressed in Canadian dollars)

11. Share capital

(a) Authorized

Authorized share capital consists of an unlimited number of common voting shares.

(b) Changes in issued common shares are summarized below:

Year ended July 31, 2017	Number of common shares	Amount
Balance, July 31, 2016 and 2017	10,570,225	$ 1,012,247

Year ended July 31, 2016	Number of common shares	Amount
Balance, July 31, 2015 and 2016	10,570,225	$ 1,012,247

(c) Loss per share

The calculation of basic and diluted loss per share for the years ended July 31, 2017 and July 31, 2016 is based on the following losses and number of shares:

	2017	2016
(Loss) for the year	$ (183,757)	$ (244,043)
Weighted average number of shares	10,570,225	10,570,225

All of the outstanding stock options were anti-dilutive for the relevant period.

12. Share-based payments

(a) Outstanding options

The following table summarizes the 200,000 outstanding options as at July 31, 2017 and July 31, 2016:

	Number outstanding	Exercise price	Expiry date
Directors' options (i)	100,000	$0.10	March 14, 2019
Directors' options (ii)	100,000	$0.10	March 14, 2019

(i) On March 14, 2014 the company issued 100,000 incentive stock options to a director of the company. The exercise price is $0.10 per common share and the options expire on March 14, 2019. These options have a vesting period of 18 months with 1/6 vesting every three months beginning April 1, 2014. These options were fully vested as at July 31, 2016.

The estimated fair value of stock options granted was estimated using the Black-Scholes option pricing model on the date of grant with the following assumptions:

Expected stock price volatility	18.64%
Expected option life	5 years
Risk free interest rate	0.89%
Expected dividend yield	-
Stock price at grant	$0.10
Exercise price	$0.10

(Expressed in Canadian dollars)

12. Share-based payments (continued)

(a) Outstanding options (continued)

(ii) On July 7, 2017 the company issued 100,000 incentive stock options to a director of the company. The exercise price is $0.10 per common share and the options expire on March 14, 2019. These options have a vesting period of 18 months with 1/6 vesting every three months beginning August 1, 2017.

The estimated fair value of stock options granted was estimated using the Black-Scholes option pricing model on the date of grant with the following assumptions:

Expected stock price volatility	33.71%
Expected option life	1.67 years
Risk free interest rate	0.68%
Expected dividend yield	-
Stock price at grant	$0.09
Exercise price	$0.10

(b) Changes in stock options

A summary of the changes in stock option activity for the years ended July 31, 2017 and July 31, 2016 is as follows:

	2017		2016	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding, beginning of year	$ 0.10	100,000	$ 0.10	100,000
Granted	0.10	100,000	-	-
Outstanding and exercisable, end of year	$ 0.10	200,000	$ 0.10	100,000

The options outstanding at the end of the year have an exercise price of $0.10 per share (2016 - $0.10 per share) and a weighted average remaining contractual life of 1.62 years (2016 - 2.62 years).

(c) Effects on profit or loss

The total estimated fair value of the options vested and recognized as an expense for the year ending July 31, 2017 is $Nil (2016 - $204).

(Expressed in Canadian dollars)

13. General and administrative expenses

The general and administrative expenses incurred by the company for the years ended July 31, 2017 and July 31, 2016 are as follows:

	2017	2016
Automotive	$ 2,925	$ 303
Director's fees (Note 14(b))	3,000	6,000
Management fees (Note 14(b))	44,000	48,000
Office	8,669	8,985
Professional fees	24,046	57,644
Rent (Note 14(b))	8,800	9,600
Repairs and maintenance	884	1,462
Share transfer and filing fees	19,918	16,004
Telephone	2,589	3,762
Travel	463	5,231
	$ 115,294	$ 156,991

14. Related party transactions

(a) Key management personnel compensation

The company did not pay employment based remuneration to directors, officers and other members of key management for the years ended July 31, 2017 and July 31, 2016. However, the company did pay contract based remuneration to directors, officers and other members of key management as disclosed in Note 14 (b).

(b) Other related party transactions

During the year ended July 31, 2017, the company paid management fees in the amount of $27,500 (2016 - $30,000) to a director and officer of the company and $16,500 (2016 - $18,000) to another director and officer. The company also paid rent in the amount of $8,800 (2016 - $9,600) to a director and officer of the company and director's fees in the amount of $3,000 (2016 - $6,000) during the year. These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties.

As at July 31, 2017, included in trade payables and other payables are amounts owing to directors and officers of the company in the amount of $162,923 (2016 - $116,698).

(Expressed in Canadian dollars)

15. Financial instruments

(a) 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:

(i) Currency risk

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

(ii) 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 its exposure to these risks. An annual average change of 1% in crude oil prices would affect the company's reported net income by $312 (2016 - $439).

(iii) 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 which are cash which is held with an established Canadian financial institution and the company's trade receivables, from which management believes the risk of loss to be remote. The company does not use any derivatives or similar instruments to mitigate its maximum exposure to credit risk.

The carrying amount of financial assets recorded in the consolidated financial statements of $51,691 (2016 - $105,674) represents the maximum exposure to credit risk at the reporting date.

(iv) 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 its financial instruments. As at July 31, 2017, the company has working capital deficiency in the amount of $161,026 (2016 - $76,891).

The contractual maturities of financial liabilities, at July 31, 2017 and July 31, 2016, based on the earliest date on which payment can be required, are as follows:

As at July 31, 2017	Total amount	Six month or less	More than six months
Trade payables	$ 140,396	$ 140,396	$ -
Other payables	89,678	89,678	-
	$ 230,074	$ 230,074	$ -

As at July 31, 2016	Total amount	Six month or less	More than six months
Trade payables	$ 116,202	$ 116,202	$ -
Other payables	83,831	83,831	-
	$ 200,033	$ 200,033	$ -

(Expressed in Canadian dollars)

15. Financial instruments (continued)

(a) Risk management and hedging activities (continued)

(v) 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.

(b) Sensitivity analysis

The company has cash and cash equivalents subject to interest rate risk of $35,456 (2016 - $87,845). A 1% change in the primary interest rate would affect the reported net income, on an annualized basis, by $355 (2016 - $878).

(c) Fair values, carrying amounts and changes in fair value

The fair values of the company's financial instruments approximate their carrying values 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 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.
Level three includes inputs that are not based on observable market data.

The company's financial instruments within the fair value hierarchy as at July 31, 2017 are as follows:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 35,456	$ -	$ -

The company's financial instruments within the fair value hierarchy as at July 31, 2016 are as follows:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 87,845	$ -	$ -

(d) Collateral

The carrying value of financial assets the company has pledged as collateral is $Nil (2016 - $Nil).

16. 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 the company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for its other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of industrial minerals 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 July 31, 2017, the company had managed capital, being total equity on the consolidated statement of financial position, net deficit of $88,819 (2016 - equity of $94,938).

A number of the properties in which the company currently has an interest are in the exploration stage. As such, the company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay administrative expenses, the company will use 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 if it 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 current or prior year. The company is not subject to externally imposed capital requirements.

17. Subsequent events

(a) On October 2, 2017 the company issued 2,308,709 common shares at a value of $0.06 per share for the extinguishment of debt in the amount of $138,523.

(b) On November 29, 2017 the company granted 1,300,000 incentive stock options to officers and directors of the company. These stock options are exercisable into common shares at $0.10 per share expiring on March 14, 2019.

(c) Subsequent to year end the company entered into a settlement agreement with a non-related third party relating to indebtedness in the amount of $42,374 for cash consideration of $13,984 with the remainder of the debt being conditionally forgiven by the debtor subject to certain future conditions being met.

Consolidated Financial Statements of

BIRD RIVER RESOURCES INC.
(An Exploration Company)

Years ended July 31, 2016 and 2015

Expressed in Canadian dollars

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Bird River Resources Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bird River Resources Inc., which comprise the consolidated statements of financial position as at July 31, 2016 and July 31, 2015 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended July 31, 2016 and July 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Bird River Resources Inc. as at July 31, 2016 and July 31, 2015 and its financial performance and its cash flows for the years ended July 31, 2016 and July 31, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 2(b) to the consolidated financial statements which describes the uncertainty related to Bird River Resources Inc.'s ability to operate as a going concern. Our opinion is not qualified in respect of this matter.

Magnus

November 29, 2016
Winnipeg, Canada

Magnus Chartered Accountants LLP

BIRD RIVER RESOURCES INC.

Consolidated Statements of Financial Position

As at July 31, 2016 and July 31, 2015

(Expressed in Canadian dollars)

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	$ 87,845	$ 101,550
Trade receivables	14,283	8,814
Goods and services tax recoverable	3,546	2,000
Inventory	17,468	18,334
Note receivable	-	35,741
Total current assets	123,142	166,439
Non-current assets:		
Property and equipment (Note 5)	146,087	174,679
Exploration and evaluation assets (Note 7)	35,127	126,977
Total non-current assets	181,214	301,656
Total assets	$ 304,356	$ 468,095
Liabilities and Equity		
Liabilities:		
Current liabilities:		
Trade payables	$ 116,202	$ 56,993
Other payables (Note 8)	83,831	63,210
Total current liabilities	200,033	120,203
Non-current liabilities:		
Decommissioning obligations (Note 9)	9,385	9,115
Total liabilities	209,418	129,318
Equity:		
Share capital (Note 11)	1,012,247	1,012,247
Share-based payments reserve	1,840	1,636
(Deficit)	(919,149)	(675,106)
Total equity	94,938	338,777
Going concern of operations (Note 2(b))		
Total liabilities and equity	$ 304,356	$ 468,095

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board of Directors on November 29, 2016:

Director (signed) "Nelson Shodine"

Director (signed) "Jon Bridgman"

BIRD RIVER RESOURCES INC.

Consolidated Statements of Loss and Comprehensive Loss

Years ended July 31, 2016 and 2015

(Expressed in Canadian dollars)

	2016	2015
Revenue:		
Petroleum and natural gas revenue	$ 43,877	$ 54,937
Industrial mineral sales	52,034	40,323
	95,911	95,260
Expenses:		
Depletion	15,889	27,609
Depreciation	541	706
General and administrative (Note 13)	156,991	115,570
Net impairment losses (Note 5)	12,162	201,141
Loss on disposal of property and equipment	-	3,389
Production and operating - petroleum and natural gas	27,530	27,551
Production and operating - industrial minerals	40,625	31,081
Share-based payments (Note 12(c))	204	1,227
	253,942	408,274
Net (loss) from operations	(158,031)	(313,014)
Other income (expenses):		
Accretion expense	(270)	(262)
Write-down of exploration and evaluation assets (Note 7)	(91,850)	-
Interest income	6,108	5,480
	(86,012)	5,218
Net (loss) and comprehensive (loss) for the year	$ (244,043)	$ (307,796)
Basic and diluted loss per share (Note 11(c))	$ (0.02)	$ (0.03)

See accompanying notes to consolidated financial statements.

BIRD RIVER RESOURCES INC.

Consolidated Statements of Changes in Equity

Years ended July 31, 2016 and July 31, 2015

(Expressed in Canadian dollars)

	2016	2015
Share capital		
Balance, beginning and end of year	$ 1,012,247	$ 1,012,247
Share-based payments reserve		
Balance, beginning of year	$ 1,636	$ 40,349
Share-based payments (Note 12(c))	204	1,227
Transfer of expired and forfeited amounts to retained earnings	-	(39,940)
Balance, end of year	$ 1,840	$ 1,636
(Deficit)		
Balance, beginning of year	$ (675,106)	$ (407,250)
Net (loss) and comprehensive (loss) for the year	(244,043)	(307,796)
Transfer of expired and forfeited amounts from share-based payments reserve	-	39,940
Balance, end of year	$ (919,149)	$ (675,106)
Total equity, end of year	$ 94,938	$ 338,777

See accompanying notes to consolidated financial statements.

BIRD RIVER RESOURCES INC.

Consolidated Statements of Cash Flows

Years ended July 31, 2016 and July 31, 2015

(Expressed in Canadian dollars)

	2016	2015
Operating activities:		
Net (loss) and comprehensive (loss) for the year	$ (244,043)	$ (307,796)
Adjustments for:		
Depletion and depreciation	16,431	28,315
Interest accrued to principal on note receivable	-	(108)
Net impairment losses	12,162	201,141
Share-based payments	204	1,227
Write-down of exploration and evaluation assets	91,850	-
Accretion expense	270	262
Loss on disposal of property and equipment	-	3,389
	(123,126)	(73,570)
Changes in the following:		
Trade receivables	(5,469)	(27)
Goods and services tax recoverable	(1,546)	(934)
Inventory	866	895
Trade payables	59,208	30,868
Other payables	20,621	3,857
	(49,446)	(38,911)
Investing activities:		
Proceeds on note receivable	35,741	35,000
Investment in note receivable	-	(35,000)
Proceeds on disposal of property and equipment	-	2,000
Investment in petroleum and natural gas properties	-	(67,434)
	35,741	(65,434)
Change in cash and cash equivalents	(13,705)	(104,345)
Cash and cash equivalents, beginning of year	101,550	205,895
Cash and cash equivalents, end of year	$ 87,845	$ 101,550

Supplementary information:

During the year ended July 31, 2016 the company did not pay any interest (2015 - $Nil) or income taxes (2015 - $Nil).

See accompanying notes to consolidated financial statements.

Nature of operations

Bird River Resources Inc. (the "company") is a publicly listed company incorporated under the laws of Manitoba on March 7, 1958. The mailing and office address of its executive office is: 1059 Selkirk Avenue; Winnipeg, MB; R2X 0C2.

The principal business activities include the acquisition and exploration of resource properties with the company's primary focus on petroleum and natural gas properties. The company also engages in secondary activities, from time to time, involving the purchase or acquisition of certain industrial minerals, typically diatomaceous earth and bentonite, for distribution and re-sale or for use in an abandoned water well sealing operation. The company's shares are listed on the Canadian National Stock Exchange.

1. Statement of compliance

These consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements for the year ended July 31, 2016 were reviewed by the Audit Committee and approved and authorized for issue by the company's Board of Directors on November 29, 2016.

2. Significant accounting policies

(a) Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value.

(b) Going concern of operations

The going concern assumption implies that the company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. However, there is doubt about the appropriateness of the use of the going concern assumption because the company has experienced losses and negative cash flows from operations over a number of years.

The company has not yet determined whether all of its exploration and evaluation assets contain reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. If the company's exploration and development programs are successful, additional funds may be required, and the company may not have sufficient funds to conduct the exploration required. The primary source of future funds available to the company is through the sale of additional equity capital, which may dilute the interests of existing shareholders.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate, then adjustments may be necessary to the carrying value of the assets and liabilities and the reported amounts of revenue and expenses.

(c) Basis of consolidation

These consolidated financial statements include the accounts of the company and its wholly-owned subsidiary 2411181 Manitoba Ltd. All significant inter-company transactions have been eliminated on consolidation.

2. Significant accounting policies (continued)

(d) Inventory

Inventory is comprised of finished goods and is valued at the lower of cost and net realizable value, with cost being determined using the first-in, first-out costing basis. Net realizable value is the estimated selling price in the normal course of operations less estimated costs of selling. During the year, the company recognized $40,006 (2015 - $31,081) of inventory as an expense which is included in production and operating - industrial minerals expense on the consolidated statements of loss and comprehensive loss. No inventory has been valued at net realizable value during the current or prior year.

(e) Property and equipment

Recognition and measurement

Exploration and evaluation equipment and vehicles are recorded at historical cost less accumulated depreciation and any impairment losses. Residual values, depreciation methods and useful economic lives are reviewed and adjusted as necessary at the end of each reporting period. Cost includes expenditures that are directly attributable to the acquisition of the asset. When components of exploration and evaluation equipment and vehicles have different useful lives, they are accounted for as a separate item of property and equipment.

Petroleum and natural gas properties represent the cost of developing the commercial reserves and bringing them into production. These assets include the exploration and evaluation costs that are reclassified to property and equipment in accordance with the accounting policy for exploration and evaluation assets as disclosed in Note 2(f) to these consolidated financial statements.

Subsequent costs

The cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the company and its costs can be reliably measured. The carrying amount of the replaced component is derecognized. The costs of servicing property and equipment are recognized in profit or loss as incurred.

Depletion and depreciation

Exploration and evaluation equipment and vehicles are depreciated based on the cost of the asset less its residual value. Depreciation methods and rates are applied consistently within each asset class except where significant individual assets have been identified which have different depreciation patterns.

Petroleum and natural gas properties are depleted using the unit of production method based on the ratio of production in the year to the related proven and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production.

Depreciation and depletion are recognized in profit or loss. The following rates and methods are used:

	Rate	Method
Exploration and evaluation equipment	20%	Declining balance
Vehicles	30%	Declining balance
Petroleum and natural gas properties	-	Unit of production

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net proceeds and the carrying amount of the asset, is recognized in profit or loss.

2. Significant accounting policies (continued)

(f) Exploration and evaluation expenditures

Costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are expensed as incurred.

Capitalized costs

Exploration and evaluation expenditures, which include petroleum and natural gas properties and mineral exploration properties, are defined as costs incurred after having obtained the legal right to explore the property and before the technical and commercial viability of extracting resources are demonstrated.

The company follows the full cost method whereby all costs associated with the acquisition, exploration and development of reserves are capitalized in cost centers from the time the company obtains the legal right to undertake exploration and evaluation activities on a project. Such costs include land and lease acquisitions, geological and geophysical expenditures, drilling of productive and non-productive wells, production and gathering equipment and facilities, carrying costs directly related to unproven properties, and corporate costs directly related to the acquisition. Amounts capitalized to these cost centers represent costs to date and are not intended to represent present or future values. The recoverability of the costs is dependent upon the discovery of economically recoverable reserves, confirmation of the company's interests in the underlying claims, the ability to obtain necessary financing to complete development and the development of future profitable production from the properties or realization of sufficient proceeds from the disposition of the properties.

If technical feasibility and commercial viability have been established, the carrying amount of the related exploration and evaluation asset is tested for impairment as discussed below. The carrying value, net of any impairment loss, is then reclassified to property and equipment as mineral exploration properties or petroleum and natural gas properties.

If the company decides not to continue the exploration and evaluation activity, the accumulated costs are expensed in the period in which the event occurs.

Impairment test

Exploration and evaluation assets are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount or when technical feasibility and commercial viability have been established. The recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, excluding impairment losses for exploration and evaluation assets reclassified to property and equipment, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

(g) Borrowing costs

The company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset when it is probable that these costs will result in future economic benefits and when they can be reliably measured. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed as incurred.

2. Significant accounting policies (continued)

(h) Provisions

General

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense relating to any provision is included in profit or loss net of any reimbursement.

Decommissioning obligations

The company recognizes the fair value of a liability for decommissioning obligations in the period in which the company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the decommissioning obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The decommissioning obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The decommissioning obligation is depleted on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of any decommissioning obligation cash flows.

(i) Joint arrangements

A portion of the company's exploration activities is conducted jointly with others whereby the company enters into agreements that provide for specified percentage interests in petroleum and natural gas properties and exploration and evaluation assets. These joint arrangements are classified as either a joint operation or a joint venture depending on the rights and obligations of the parties to the arrangement. Joint operations are accounted for by recognizing the company's share of any assets, liabilities, revenue and expenses of the joint operation and joint ventures are accounted for using the equity method. Currently, all of the company's joint arrangements represent interests in joint operations (see Note 6).

(j) Loss per share

Diluted loss per share is calculated using the treasury stock method which assumes all common share equivalents, such as options and warrants had been exercised at the beginning of the reporting period of issue and that the funds obtained therefrom were used to purchase common shares of the company at the estimated average trading price of the common shares during the year.

(k) Revenue recognition

Revenue from sales of petroleum and natural gas is recognized when the significant risks and rewards of ownership are transferred to the buyer, which is when legal title passes to the buyer and when collection is reasonably assured. This is generally at the time product enters the pipeline or is delivered to the refinery.

Revenue from the sale of industrial minerals is recognized when the goods are shipped and when collection is reasonably assured.

Interest income is recognized on the accrual basis.

2. Significant accounting policies (continued)

(l) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred income tax are recognized in profit or loss except to the extent that the tax relates to items recognized directly in equity or in other comprehensive income or loss.

(i) Current income tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to income taxes payable in respect of previous years.

(ii) Deferred income tax

Deferred tax is recognized in respect of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax is measured at the enacted or substantially enacted tax rates expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the date of enactment or substantive enactment.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Share-based payments

The company has implemented a stock option plan to allow the company to grant options to directors, officers, employees and service providers. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors and officers of the company. The maximum number of common shares which may be issued pursuant to those granted under the company's stock option plan are limited to 1,892,000 common shares at a price determined by the Board of Directors. In addition, the number of options issued to any one individual may not exceed 5% of the issued common shares on a yearly basis. For any person providing ongoing services or employed in investor relations activities, the number of options granted may not exceed 2% of the issued common shares on a yearly basis.

The company uses the fair value-based approach to account for share-based payments under its stock option plan. Compensation expense is recognized for these stock options over their vesting period based on their estimated fair values on the date of grant as determined by the Black-Scholes option-pricing model. The fair value of the options is adjusted by the estimate of the number of options that are expected to vest as a result of non-market conditions. At each reporting date, the company revises its estimate of the number of options that are expected to vest.

The fair values of the options issued, if any, are credited to share-based payments reserve in the period they vest. Upon exercise of the share purchase options, consideration paid together with the amount previously recognized in share-based payments reserve is recorded as an increase in share capital. Charges to share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to retained earnings or deficit.

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the share-based payment.

2. Significant accounting policies (continued)

(n) Financial instruments

(i) Non-derivative financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), held-to-maturity, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets are recognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as FVTPL which are initially measured at fair value.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is considered to be held-for-trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.

Held-to-maturity

A financial asset is classified as held-to-maturity if the asset has fixed or determinable payments and fixed maturities that the company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. Any changes to the carrying amount of the asset, including any impairment losses, are recognized in other comprehensive income or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified as loans and receivables, held-to-maturity or financial assets at fair value through profit or loss. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income or loss and presented within equity in the fair value reserve. Equity instruments that do not have an active market are recorded at cost. When an investment is derecognized, the cumulative gain or loss in other comprehensive income or loss is transferred to profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Derecognition of financial assets

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

2. Significant accounting policies (continued)

(n) Financial instruments (continued)

(ii) Non-derivative financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

A financial liability is classified at fair value through profit or loss if it is considered to be held-for-trading or is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.

Other financial liabilities

Other financial liabilities, including any borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

Derecognition of financial liabilities

The company derecognizes financial liabilities when the company's obligations are discharged, cancelled or they expire.

(iii) The company's financial instruments consist of the following:

Financial instrument	Classification	Measurement
Cash and cash equivalents	FVTPL	Fair value
Trade receivables	Loans and receivables	Amortized cost
Goods and services tax recoverable	Loans and receivables	Amortized cost
Trade payables	Other financial liabilities	Amortized cost
Other payables	Other financial liabilities	Amortized cost

(o) Impairment of long-lived assets

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on estimated future cash flows.

Financial assets measured at amortized cost

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial assets carried at cost

An impairment loss of a financial asset carried at cost, where its fair value cannot be reliably measured, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of similar financial assets. Such impairment losses are not reversed.

2. Significant accounting policies (continued)

(o) Impairment of long-lived assets (continued)

(i) Financial assets (continued)

Available-for-sale financial assets

An impairment loss of an available-for-sale financial asset is recognized by transferring the cumulative loss that has been recognized in other comprehensive income or loss, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income or loss and recognized in profit or loss is the difference between acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases, the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. If, however, the fair value of an impaired available-for-sale equity security increases, the amount of reversal is recognized in other comprehensive income or loss.

(ii) Non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets, other than exploration and evaluation assets, to determine whether there is an indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Exploration and evaluation assets are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

The recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

(p) Use of estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make accounting estimates and assumptions requiring judgment in applying the company's accounting policies. These estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates are as follows:

Depletion and valuation of property and equipment

The amounts recorded for depletion of petroleum and natural gas properties and the valuation of petroleum and natural gas properties are based on estimates. These estimates include proven and probable reserves, future production rates, future petroleum and natural gas prices, remaining lives and period of future benefits of the related assets and other relevant assumptions.

2. Significant accounting policies (continued)

(p) Use of estimates and judgments (continued)

The company's reserve estimates are evaluated annually. Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs, future development costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated. Changes in reserve estimates impact the financial results of the company as reserves and estimated future development costs are used to calculate depletion and are also used in impairment calculations.

The determination of cash-generating units, used in assessing impairment, requires judgment in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Cash-generating units are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks and materiality.

The discount rate used to calculate the net present value of cash flows for impairment testing is based on estimates of market conditions, recent asset sales and an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to these estimates.

Valuation of exploration and evaluation assets

The valuation of exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves which in turn is dependent on future petroleum and natural gas prices, future capital expenditures and environmental and regulatory restrictions.

The decision to transfer assets from exploration and evaluation assets to property and equipment is based on estimated proven and probable reserves which are in part used to determine a project’s technical feasibility and commercial viability.

Deferred income taxes

The amounts recorded for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on estimates of the probability of the company utilizing certain tax pools and assets which, in turn, is dependent on estimates of proven and probable reserves, production rates, future petroleum and natural gas prices and changes in legislation, tax rates and interpretations by taxation authorities. The availability of tax pools is subject to audit and further interpretations by taxation authorities. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Decommissioning obligations

The company's decommissioning obligations are estimated based on assumptions relating to the company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon any wells and facilities and the estimated timing of the costs to be incurred in future years using estimated discount rates. Changes to environmental laws and regulations may also impact the amount of the company's decommissioning obligations.

Share-based payments

The amounts recorded relating to the fair value of stock options and warrants issued are based on estimates of the future volatility of the company’s share price, market price of the company's shares at grant date, expected lives of the options, expected forfeiture rate, expected dividends and other relevant assumptions.

2. Significant accounting policies (continued)

(q) Recent accounting announcements

Standards issued but not yet effective up to the date of issuance of these consolidated financial statements are listed below. This listing is of the standards and interpretations issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective. The company does not expect the impact of these new standards on its consolidated financial statements to be significant.

IFRS 9 *Financial Instruments: Classification and Measurement*

IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 was issued in July 2014 and replaces IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the underlying financial instrument. For financial liabilities, the standard retains most of the requirements from IAS 39. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income or loss rather than in profit or loss, unless this creates an accounting mismatch. The required adoption date for IFRS 9 is annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires entities to follow a five-step model for the recognition of revenue upon the transfer of control of a good or service to the customer. The five steps are: (1) contract is identified with the customer; (2) performance obligations are identified; (3) transaction price is determined; (4) transaction price is allocated; and (5) revenue is recognized when the performance obligation is satisfied. In addition, there are enhanced revenue disclosures to provide investors with a more comprehensive understanding of the nature, amount, timing and uncertainty of revenue and cash flows from contracts. This standard replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations on revenue recognition. This standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles of IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing an asset. The standard is effective for annual periods beginning on or after January 1, 2019.

3. Exploration and evaluation expenses

During the year ended July 31, 2016, the company has directly expensed exploration and evaluation costs in the amount of $Nil (2015- $Nil).

(Expressed in Canadian dollars)

4. Cash and cash equivalents

	2016	2015
Cash	$ 30,092	$ 8,900
Treasury bills - Money market fund	57,753	92,650
Total cash and cash equivalents	$ 87,845	$ 101,550

Cash is deposited at an established Canadian financial institution.

5. Property and equipment

	Exploration and evaluation equipment	Vehicles	Petroleum and natural gas properties	Total
Cost				
Balance, July 31, 2014	$ 52,333	$ 11,342	408,226	$ 471,901
Additions	-	-	67,434	67,434
Decommissioning obligations	-	-	1,206	1,206
Impairment losses	-	-	(201,141)	(201,141)
Disposals	-	-	(8,094)	(8,094)
Balance, July 31, 2015	$ 52,333	$ 11,342	$ 267,631	$ 331,306
Impairment losses, net of reversals	-	-	(12,162)	(12,162)
Balance, July 31, 2016	$ 52,333	$ 11,342	$ 255,469	$ 319,144
Accumulated depletion and depreciation				
Balance, July 31, 2014	$ 49,954	$ 10,576	$ 69,464	$ 129,994
Depletion and depreciation for the year	476	230	27,609	28,315
Disposals	-	-	(1,682)	(1,682)
Balance, July 31, 2015	$ 50,430	$ 10,806	$ 95,391	$ 156,627
Depletion and depreciation for the year	380	161	15,889	16,430
Balance, July 31, 2016	$ 50,810	$ 10,967	$ 111,280	$ 173,057
Carrying value				
At July 31, 2015	$ 1,903	$ 536	$ 172,240	$ 174,679
At July 31, 2016	$ 1,523	$ 375	$ 144,189	$ 146,087

(Expressed in Canadian dollars)

5. Property and equipment (continued)

Impairment analysis

At July 31, 2016, the company assessed the recoverability of its investment in petroleum and natural gas properties by performing an impairment test at the cash-generating unit level. The recoverable amount of each cash-generating unit was estimated based on the higher of the value in use and the fair value less costs to sell. The estimated fair value less costs to sell was used and was determined using estimated future cash flows based on estimated reserves, discounted at 10%, with prices as noted below. Based on the impairment test, the carrying amount of the investment in petroleum and natural gas properties was determined to be impaired in the amount of $40,103 (2015 - $201,141) relating to wells HZ 13-15-8-28, HZ 7-34-1-28, HZ 16-16-7-28, HZ 3-22-7-28 and HZ 4-5-2-27 (2015 - wells LSD 6-13-7-29, LSD 14-15-8-28, HZ 13-15-8-28, HZ 11-26-1-28, HZ 12-15-8-28, HZ 3-15-8-28, HZ 16-16-7-28 and HZ 3-22-7-28). In addition, based on the impairment test, it was determined that previously recognized impairment losses on well HZ 4-5-2-27 of $27,941 (2015 - $Nil) should be reversed due to changes in expected future production. These net impairment losses in the amount of $12,162 (2015 - $201,141) are recognized in profit or loss.

The benchmark and company's forecast prices used in the impairment test calculations for the year ended July 31, 2016 were primarily based on the following future commodity prices:

	Light oil (Cdn$/bbl)
2017	$50.16
2018	$52.07
2019	$53.26
Thereafter, 2% increase for inflation	

The benchmark and company's forecast prices used in the impairment test calculations for the year ended July 31, 2015 were primarily based on the following future commodity prices:

	Light oil (Cdn$/bbl)
2016	$50.10
2017	$53.44
2018	$55.93
Thereafter, 2% increase for inflation	

6. Interests in joint arrangements

The company has entered into a joint operation with Antler River Resources Ltd. and other parties relating to twelve oil wells in southwestern Manitoba (LSD 6-13-7-29, LSD 14-15-8-28, HZ 13-15-8-28, HZ 11-26-1-28, HZ 12-15-8-28, HZ 7-34-1-28, HZ 13-23-1-28, HZ 15-30-1-27, HZ 3-15-8-28, HZ 16-16-7-28, HZ 3-22-7-28 and HZ 4-5-2-27). 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 these 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% interest in the joint operation. As at July 31, 2016, these amounts are included in petroleum and natural gas properties in property and equipment and are being depleted accordingly (see Note 5).

(Expressed in Canadian dollars)

7. Exploration and evaluation assets

(a) The company has capitalized the following amounts:

	2016	2015
Petroleum and natural gas properties:		
Lease holdings (i)	$ 35,127	$ 126,704
Mineral exploration properties (ii)	-	273
	$ 35,127	$ 126,977

(i) As at July 31, 2016 the company has invested in three lease holdings as follows:

1) Northeast quarter 17-1-27, 33 1/3% owned with a renewable one-year lease term;
2) Northeast quarter 23-1-28, 15% owned with a renewable one-year lease term;
3) Northeast quarter 30-1-27, 15% owned with a renewable one-year lease term.

During the year ended July 31, 2016 various leases expired resulting in write-downs of exploration and evaluation assets totaling $91,850 (2015 - $Nil) relating to leases Northwest quarter 23-1-28, Southwest quarter 23-1-28, Northeast quarter 14-4-22, Northeast quarter 2-3-26 and Southeast quarter 2-3-26.

(ii) The company held one Quarry Lease, QL - 1530, located 85 kilometers southwest of Winnipeg near Miami, Manitoba. The 8 hectare lease hosts a narrow bed of bentonite. This lease expired and was not renewed during the year resulting in a write down in the amount of $273 (2015 - $Nil).

(iii) The company previously held an exploration property known as the Ore Fault property located on the Bird River Greenstone Belt, 125 kilometers northeast of Winnipeg, Manitoba. On August 19, 2008 Marathon PGM acquired the balance of the Ore Fault property consisting of 19 claims which covers 446 hectares. Under the joint arrangement, Marathon had an option to earn 100% of the Ore Fault property once their interest reached 70%. Marathon exercised its option to require the company to sell the remaining 30% interest in the property for a purchase price of $1,450,000. The company retains a 1% net smelter return ("NSR") royalty on the Ore Fault Property.

8. Other payables

The company's other payables at July 31 are comprised of the following:

	2016	2015
Provincial sales taxes payable	$ 116	$ 164
Accrued liabilities	83,715	63,046
Total other payables	$ 83,831	$ 63,210

(Expressed in Canadian dollars)

9. Decommissioning obligations

The company's decommissioning obligations result from its ownership interest in petroleum and natural gas properties. The total provision for decommissioning obligations 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 value, as at July 31, 2016 is approximately $19,000 (2015 - $19,000), which has been discounted using a pre-tax rate of 2.96% (2015 - 2.96%) reflecting the time value of money and the risks specific to the obligation. These obligations are to be settled based on the economic lives of the underlying assets, which currently extend up to 25 years (2015 - 25 years) into the future and will be funded from general corporate resources at the time of abandonment.

The company's decommissioning obligations for the year ended July 31, 2016 and July 31, 2015 are as follows:

	2016	2015
Balance, beginning of year	$ 9,115	$ 8,669
Provisions incurred	-	1,206
Accretion	270	262
Disposals	-	(1,022)
Balance, end of year	$ 9,385	$ 9,115

10. Income taxes

(a) Canadian development and exploration expenditures

As at July 31, 2016, the company has $123,670 (2015 - $123,670) of unused Canadian exploration and development expenses and $462,649 (2015 - $462,649) of unused Canadian oil and gas property expenses available to offset future taxable income of the company. The tax benefit of these expenses carries forward indefinitely and have not been recognized due to the uncertainty that the benefits will be realized.

(b) Losses

The company has non-capital tax losses available for carryforward to reduce future years' taxable income totaling $307,108 which expire as follows:

2032	$ 1,128
2033	50,797
2034	58,062
2035	73,724
2036	123,397
Total loss carryforwards	$ 307,108

The company has not recorded in its accounts the potential deferred income tax benefit that may be derived from these tax losses due to the uncertainty that the benefits will be realized.

(Expressed in Canadian dollars)

10. Income taxes (continued)

(c) Income tax (expense) recovery differs from the amount that would be computed by applying the combined federal and provincial statutory income tax rate of 27% (2015 - 27%). The reasons for the differences are as follows:

	2016	2015
Income tax recovery computed at statutory rates	$ 65,800	$ 83,000
Permanent differences	(100)	(300)
Change in unrecognized deferred tax assets	(28,000)	(63,400)
	37,700	19,300
Valuation allowance	(37,700)	(19,300)
	$ -	$ -

The components of the company's net deferred income tax asset (liability) at July 31, 2016 and July 31, 2015 are as follows:

	2016	2015
Deferred income tax assets:		
Exploration and evaluation assets	$ 148,700	$ 124,600
Deferred income tax liability:		
Property and equipment	(38,000)	(45,700)
Net deferred income tax asset	110,700	78,900
Valuation allowance	(110,700)	(78,900)
Net deferred income tax liability	$ -	$ -

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

11. Share capital

(a) Authorized

Authorized share capital consists of an unlimited number of common voting shares.

(b) Changes in issued common shares are summarized below:

Year ended July 31, 2016	Number of common shares	Amount
Balance, July 31, 2015 and 2016	10,570,225	$ 1,012,247

Year ended July 31, 2015	Number of common shares	Amount
Balance, July 31, 2014 and 2015	10,570,225	$ 1,012,247

(Expressed in Canadian dollars)

11. Share capital (continued)

(c) Loss per share

The calculation of basic and diluted loss per share for the years ended July 31, 2016 and July 31, 2015 is based on the following losses and number of shares:

	2016	2015
(Loss) for the year	$ (244,043)	$ (307,796)
Weighted average number of shares	10,570,225	10,570,225

All of the outstanding stock options were anti-dilutive for the relevant period.

12. Share-based payments

(a) Outstanding options

The following table summarizes the 100,000 outstanding options as at July 31, 2016 and July 31, 2015:

	Number outstanding	Exercise price	Expiry date
Directors' options	100,000	$0.10	March 14, 2019

On March 14, 2014 the company issued 100,000 incentive stock options to a director of the company. The exercise price is $0.10 per common share and the options expire on March 14, 2019. These options have a vesting period of 18 months with 1/6 vesting every three months beginning April 1, 2014.

The estimated fair value of the stock options vested during the year in the amount of $204 has been recorded as an expense.

The estimated fair value of stock options granted was estimated using the Black-Scholes option pricing model on the date of grant with the following assumptions:

Expected stock price volatility	18.64%
Expected option life	5 years
Risk free interest rate	0.89%
Expected dividend yield	-
Stock price at grant	$0.10
Exercise price	$0.10

(b) Changes in stock options

A summary of the changes in stock option activity for the years ended July 31, 2016 and July 31, 2015 is as follows:

	2016		2015	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding, beginning of year	$ 0.10	100,000	$ 0.10	800,000
Expired	-	-	0.10	(700,000)
Outstanding and exercisable, end of year	$ 0.10	100,000	$ 0.10	100,000

The options outstanding at the end of the year have an exercise price of $0.10 per share (2015 - $0.10 per share) and a weighted average remaining contractual life of 2.62 years (2015 - 3.62 years).

(Expressed in Canadian dollars)

12. Share-based payments (continued)

(c) Effects on profit or loss

The total estimated fair value of the options vested and recognized as an expense for the year ending July 31, 2016 is $204 (2015 - $1,227).

13. General and administrative expenses

The general and administrative expenses incurred by the company for the years ended July 31, 2016 and July 31, 2015 are as follows:

	2016	2015
Advertising and promotion	$ -	$ 1,040
Automotive	303	3,479
Bad debt expense	-	507
Director's fees	6,000	6,000
Management fees	48,000	48,000
Office	8,985	13,224
Professional fees	57,644	14,836
Rent	9,600	9,600
Repairs and maintenance	1,462	731
Share transfer and filing fees	16,004	13,413
Telephone	3,762	3,035
Travel	5,231	1,705
	$ 156,991	$ 115,570

14. Related party transactions

(a) Key management personnel compensation

The company did not pay employment based remuneration to directors, officers and other members of key management for the years ended July 31, 2016 and July 31, 2015. However, the company did pay contract based remuneration to directors, officers and other members of key management as disclosed in Note 14 (b).

(b) Other related party transactions

During the year ended July 31, 2016, the company paid management fees in the amount of $30,000 (2015 - $30,000) to a director and officer of the company and $18,000 (2015 - $18,000) to another director and officer. The company also paid rent in the amount of $9,600 (2015 - $9,600) to a director and officer of the company and director's fees in the amount of $6,000 (2015 - $6,000) during the year. These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties.

As at July 31, 2016, included in trade payables and other payables are amounts owing to directors and officers of the company in the amount of $116,698 (2015 - $71,500).

(Expressed in Canadian dollars)

15. Financial instruments

(a) 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:

(i) Currency risk

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

(ii) 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 its exposure to these risks. An annual average change of 1% in crude oil prices would affect the company's reported net income by $439 (2015 - $549).

(iii) 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 an established Canadian financial institution and the company's other receivables are from Canadian government agencies, from which management believes the risk of loss to be remote. The company does not use any derivatives or similar instruments to mitigate its maximum exposure to credit risk.

The carrying amount of financial assets recorded in the consolidated financial statements of $105,674 (2015 - $148,105) represents the maximum exposure to credit risk at the reporting date.

(iv) 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 its financial instruments. As at July 31, 2016, the company has working capital deficiency in the amount of $76,891 (2015 - working capital of $46,236).

The contractual maturities of financial liabilities, at July 31, 2016 and July 31, 2015, based on the earliest date on which payment can be required, are as follows:

As at July 31, 2016	Total amount	Six month or less	More than six months
Trade payables	$ 116,202	$ 116,202	$ -
Other payables	83,831	83,831	-
	$ 200,033	$ 200,033	$ -

As at July 31, 2015	Total amount	Six month or less	More than six months
Trade payables	$ 56,993	$ 56,993	$ -
Other payables	63,210	63,210	-
	$ 120,203	$ 120,203	$ -

(Expressed in Canadian dollars)

15. Financial instruments (continued)

(a) Risk management and hedging activities (continued)

(v) 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.

(b) Sensitivity analysis

The company has cash and cash equivalents subject to interest rate risk of $87,845 (2015 - $101,550). A 1% change in the primary interest rate would affect the reported net income, on an annualized basis, by $878 (2015 - $1,016).

(c) Fair values, carrying amounts and changes in fair value

The fair values of the company's financial instruments approximate their carrying values 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 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.
Level three includes inputs that are not based on observable market data.

The company's financial instruments within the fair value hierarchy as at July 31, 2016 are as follows:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 87,845	$ -	$ -

The company's financial instruments within the fair value hierarchy as at July 31, 2015 are as follows:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 101,550	$ -	$ -

(d) Collateral

The carrying value of financial assets the company has pledged as collateral is $Nil (2015 - $Nil).

16. 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 the company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for its other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of industrial minerals 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 July 31, 2016, the company had managed capital, being total equity on the consolidated statement of financial position, of $94,938 (2015 - $338,777).

A number of the properties in which the company currently has an interest are in the exploration stage. As such, the company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay administrative expenses, the company will use 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 if it 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 current or prior year. The company is not subject to externally imposed capital requirements.

Consolidated Financial Statements of

BIRD RIVER RESOURCES INC.
(An Exploration Company)

Years ended July 31, 2015 and 2014

Expressed in Canadian dollars

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Bird River Resources Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bird River Resources Inc., which comprise the consolidated statements of financial position as at July 31, 2015 and July 31, 2014 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended July 31, 2015 and July 31, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Bird River Resources Inc. as at July 31, 2015 and July 31, 2014 and its financial performance and its cash flows for the years ended July 31, 2015 and July 31, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 2(b) to the consolidated financial statements which describes the uncertainty related to Bird River Resources Inc.'s ability to operate as a going concern. Our opinion is not qualified in respect of this matter.

Magnus

November 26, 2015
Winnipeg, Canada

Magnus Chartered Accountants LLP

BIRD RIVER RESOURCES INC.

Consolidated Statements of Financial Position

As at July 31, 2015 and July 31, 2014

(Expressed in Canadian dollars)

	2015	2014
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	$ 101,550	$ 205,895
Trade receivables	8,814	8,787
Goods and services tax recoverable	2,000	1,066
Inventory	18,334	19,229
Note receivable (Note 5)	35,741	35,633
Total current assets	166,439	270,610
Non-current assets:		
Property and equipment (Note 6)	174,679	341,907
Exploration and evaluation assets (Note 8)	126,977	126,977
Total non-current assets	301,656	468,884
Total assets	$ 468,095	$ 739,494
Liabilities and Equity		
Liabilities:		
Current liabilities:		
Trade payables	$ 56,993	$ 26,126
Other payables (Note 9)	63,210	59,353
Total current liabilities	120,203	85,479
Non-current liabilities:		
Decommissioning obligations (Note 10)	9,115	8,669
Total liabilities	129,318	94,148
Equity:		
Share capital (Note 12)	1,012,247	1,012,247
Share-based payments reserve	1,636	40,349
(Deficit)	(675,106)	(407,250)
Total equity	338,777	645,346
Going concern of operations (Note 2(b))		
Total liabilities and equity	$ 468,095	$ 739,494

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board of Directors on November 26, 2015:

Director (signed) "Nelson Shodine"

Director (signed) "Jon Bridgman"

BIRD RIVER RESOURCES INC.

Consolidated Statements of Loss and Comprehensive Loss

Years ended July 31, 2015 and 2014

(Expressed in Canadian dollars)

	2015	2014
Revenue:		
Petroleum and natural gas revenue	$ 54,937	$ 76,223
Industrial mineral sales	40,323	44,287
	95,260	120,510
Expenses:		
Depletion	27,609	31,368
Depreciation	706	923
Loss on disposal of property and equipment	3,389	-
General and administrative (Note 14)	115,570	129,047
Impairment loss (Note 6)	201,141	41,532
Production and operating - petroleum and natural gas	27,551	22,940
Production and operating - industrial minerals	31,081	33,081
Share-based payments (Note 13(c))	1,227	1,478
	408,274	260,369
(Loss) from operations	(313,014)	(139,859)
Other income (expenses):		
Accretion expense	(262)	(249)
Interest income	5,480	6,745
	5,218	6,496
(Loss) before income taxes	(307,796)	(133,363)
Income tax (expense) recovery:		
Deferred income tax recovery	-	4,400
Net (loss) and comprehensive (loss) for the year	$ (307,796)	$ (128,963)
Basic and diluted loss per share (Note 12(c))	$ (0.03)	$ (0.01)

See accompanying notes to consolidated financial statements.

BIRD RIVER RESOURCES INC.

Consolidated Statements of Changes in Equity

Years ended July 31, 2015 and July 31, 2014

(Expressed in Canadian dollars)

	2015	2014
Share capital		
Balance, beginning and end of year	$ 1,012,247	$ 1,012,247
Share-based payments reserve		
Balance, beginning of year	$ 40,349	$ 91,131
Share-based payments (Note 13(c))	1,227	1,478
Transfer of expired and forfeited amounts to retained earnings	(39,940)	(52,260)
Balance, end of year	$ 1,636	$ 40,349
(Deficit)		
Balance, beginning of year	$ (407,250)	$ (330,547)
Net (loss) and comprehensive (loss) for the year	(307,796)	(128,963)
Transfer of expired and forfeited amounts from share-based payments reserve	39,940	52,260
Balance, end of year	$ (675,106)	$ (407,250)
Total equity, end of year	$ 338,777	$ 645,346

See accompanying notes to consolidated financial statements.

BIRD RIVER RESOURCES INC.

Consolidated Statements of Cash Flows

Years ended July 31, 2015 and July 31, 2014

(Expressed in Canadian dollars)

	2015	2014
Operating activities:		
Net (loss) and comprehensive (loss) for the year	$ (307,796)	$ (128,963)
Adjustments for:		
Depletion and depreciation	28,315	32,291
Interest accrued to principal on note receivable	(108)	(247)
Impairment loss	201,141	41,532
Share-based payments	1,227	1,478
Accretion expense	262	249
Deferred income tax expense (recovery)	-	(4,400)
Loss on disposal of property and equipment	3,389	-
	(73,570)	(58,060)
Changes in the following:		
Trade receivables	(27)	15,152
Goods and services tax recoverable	(934)	369
Inventory	895	4,005
Trade payables	30,868	11,354
Other payables	3,857	15,728
	(38,911)	(11,452)
Investing activities:		
Proceeds on note receivable	35,000	35,000
Investment in note receivable	(35,000)	(35,000)
Proceeds on disposal of property and equipment	2,000	-
Investment in petroleum and natural gas properties	(67,434)	-
	(65,434)	-
Change in cash and cash equivalents	(104,345)	(11,452)
Cash and cash equivalents, beginning of year	205,895	217,347
Cash and cash equivalents, end of year	$ 101,550	$ 205,895

Supplementary information:

During the year ended July 31, 2015 the company did not pay any interest (2014 - $Nil) or income taxes (2014 - $Nil).

See accompanying notes to consolidated financial statements.

Nature of operations

Bird River Resources Inc. (the "company") is a publicly listed company incorporated under the laws of Manitoba on March 7, 1958. The mailing and office address of its executive office is: 1059 Selkirk Avenue; Winnipeg, MB; R2X 0C2.

The principal business activities include the acquisition and exploration of resource properties with the company's primary focus on petroleum and natural gas properties. The company also engages in secondary activities, from time to time, involving the purchase or acquisition of certain industrial minerals, typically diatomaceous earth and bentonite, for distribution and re-sale or for use in an abandoned water well sealing operation. The company's shares are listed on the Canadian National Stock Exchange.

1. Statement of compliance

These consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements for the year ended July 31, 2015 were reviewed by the Audit Committee and approved and authorized for issue by the company's Board of Directors on November 26, 2015.

2. Significant accounting policies

(a) Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value.

(b) Going concern of operations

The going concern assumption implies that the company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. However, there is doubt about the appropriateness of the use of the going concern assumption because the company has experienced losses and negative cash flows from operations over a number of years.

The company has not yet determined whether all of its exploration and evaluation assets contain reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. If the company's exploration and development programs are successful, additional funds may be required, and the company may not have sufficient funds to conduct the exploration required. The primary source of future funds available to the company is through the sale of additional equity capital, which may dilute the interests of existing shareholders.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate, then adjustments may be necessary to the carrying value of assets and liabilities and the reported amounts of revenue and expenses.

(c) Basis of consolidation

These consolidated financial statements include the accounts of the company and its wholly-owned subsidiary 2411181 Manitoba Ltd. All significant inter-company transactions have been eliminated on consolidation.

2. Significant accounting policies (continued)

(d) Inventory

Inventory is comprised of finished goods and is valued at the lower of cost and net realizable value, with cost being determined using the first-in, first-out costing basis. Net realizable value is the estimated selling price in the normal course of operations less estimated costs of selling. During the current year, the company recognized $31,081 of inventory as an expense (2014 - $32,720) and no inventory has been valued at net realizable value during the current or prior year.

(e) Property and equipment

Recognition and measurement

Exploration and evaluation equipment and vehicles are recorded at historical cost less accumulated depreciation and any impairment losses. Residual values, depreciation methods and useful economic lives are reviewed and adjusted as necessary at the end of each reporting period. Cost includes expenditures that are directly attributable to the acquisition of the asset. When components of exploration and evaluation equipment and vehicles have different useful lives, they are accounted for as a separate item of property and equipment.

Petroleum and natural gas properties represent the cost of developing the commercial reserves and bringing them into production. These assets include the exploration and evaluation costs that are reclassified to property and equipment in accordance with the accounting policy for exploration and evaluation assets as disclosed in Note 2(f) to these consolidated financial statements.

Subsequent costs

The cost of replacing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the company and its costs can be reliably measured. The carrying amount of the replaced component is derecognized. The costs of servicing property and equipment are recognized in profit or loss as incurred.

Depletion and depreciation

Exploration and evaluation equipment and vehicles are depreciated based on the cost of the asset less its residual value. Depreciation methods and rates are applied consistently within each asset class except where significant individual assets have been identified which have different depreciation patterns.

Petroleum and natural gas properties are depleted using the unit of production method based on the ratio of production in the year to the related proven and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production.

Depreciation and depletion are recognized in profit or loss. The following rates and methods are used:

	Rate	Method
Exploration and evaluation equipment	20%	Declining balance
Vehicles	30%	Declining balance
Petroleum and natural gas properties	-	Unit of production

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net proceeds and the carrying amount of the asset, is recognized in profit or loss.

2. Significant accounting policies (continued)

(f) Exploration and evaluation expenditures

Costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are expensed as incurred.

Capitalized costs

Exploration and evaluation expenditures, which include petroleum and natural gas properties and mineral exploration properties, are defined as costs incurred after having obtained the legal right to explore the property and before the technical and commercial viability of extracting resources are demonstrated.

The company follows the full cost method whereby all costs associated with the acquisition, exploration and development of reserves are capitalized in cost centers from the time the company obtains the legal right to undertake exploration and evaluation activities on a project. Such costs include land and lease acquisitions, geological and geophysical expenditures, drilling of productive and non-productive wells, production and gathering equipment and facilities, carrying costs directly related to unproven properties, and corporate costs directly related to the acquisition. Amounts capitalized to these cost centers represent costs to date and are not intended to represent present or future values. The recoverability of the costs is dependent upon the discovery of economically recoverable reserves, confirmation of the company's interests in the underlying claims, the ability to obtain necessary financing to complete development and the development of future profitable production from the properties or realization of sufficient proceeds from the disposition of the properties.

If technical feasibility and commercial viability have been established, the carrying amount of the related exploration and evaluation asset is tested for impairment as discussed below. The carrying value, net of any impairment loss, is then reclassified to property and equipment as mineral exploration properties or petroleum and natural gas properties. If the company decides not to continue the exploration and evaluation activity, the accumulated costs are expensed as impairment in the period in which the event occurs.

Impairment test

Exploration and evaluation assets are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount or when technical feasibility and commercial viability have been established. The recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, excluding impairment losses for exploration and evaluation assets reclassified to property and equipment, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

(g) Borrowing costs

The company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset when it is probable that these costs will result in future economic benefits and when they can be reliably measured. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed as incurred.

2. Significant accounting policies (continued)

(h) Provisions

General

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Decommissioning obligations

The company recognizes the fair value of a liability for decommissioning obligations in the period in which the company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the decommissioning obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The decommissioning obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. The decommissioning obligation is depleted on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of decommissioning obligation cash flows.

(i) Joint arrangements

A portion of the company's exploration activities is conducted jointly with others whereby the company enters into agreements that provide for specified percentage interests in petroleum and natural gas properties and exploration and evaluation assets. These joint arrangements are classified as either a joint operation or a joint venture depending on the rights and obligations of the parties to the arrangement. Joint operations are accounted for by recognizing the company's share of any assets, liabilities, revenue and expenses of the joint operation and joint ventures are accounted for using the equity method.

(j) Loss per share

Diluted loss per share is calculated using the treasury stock method which assumes all common share equivalents, such as options and warrants had been exercised at the beginning of the reporting period of issue and that the funds obtained therefrom were used to purchase common shares of the company at the estimated average trading price of the common shares during the year.

(k) Revenue recognition

Revenue from sales of petroleum and natural gas is recognized when the significant risks and rewards of ownership are transferred to the buyer, which is when legal title passes to the buyer and when collection is reasonably assured. This is generally at the time product enters the pipeline or is delivered to the refinery.

Revenue from the sale of industrial minerals is recognized when the goods are shipped and when collection is reasonably assured.

Interest income is recognized on the accrual basis.

2. Significant accounting policies (continued)

(l) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred income tax are recognized in profit or loss except to the extent that the tax relates to items recognized directly in equity or in other comprehensive income or loss.

(i) Current income tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to income taxes payable in respect of previous years.

(ii) Deferred income tax

Deferred tax is recognized in respect of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax is measured at the enacted or substantially enacted tax rates expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the date of enactment or substantive enactment.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Share-based payments

The company has implemented a stock option plan to allow the company to grant options to directors, officers, employees and service providers. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors and officers of the company. The maximum number of common shares which may be issued pursuant to those granted under the company's stock option plan are limited to 1,892,000 common shares at a price determined by the Board of Directors. In addition, the number of options issued to any one individual may not exceed 5% of the issued common shares on a yearly basis. For any person providing ongoing services or employed in investor relations activities, the number of options granted may not exceed 2% of the issued common shares on a yearly basis.

The company uses the fair value-based approach to account for share-based payments under its stock option plan. Compensation expense is recognized for these stock options over their vesting period based on their estimated fair values on the date of grant as determined by the Black-Scholes option-pricing model. The fair value of the options is adjusted by the estimate of the number of options that are expected to vest as a result of non-market conditions. At each reporting date, the company revises its estimate of the number of options that are expected to vest.

The fair values of the options issued, if any, are credited to share-based payments reserve in the period they vest. Upon exercise of the share purchase options, consideration paid together with the amount previously recognized in share-based payments reserve is recorded as an increase in share capital. Charges to share purchase options that are forfeited before vesting are reversed from share-based payments reserve. For those share purchase options that expire or are forfeited after vesting, the amount previously recorded in share-based payments reserve is transferred to retained earnings or deficit.

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the share-based payment.

2. Significant accounting policies (continued)

(n) Financial instruments

(i) Non-derivative financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), held-to-maturity, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets are recognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as FVTPL which are initially measured at fair value.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is considered to be held-for-trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.

Held-to-maturity

A financial asset is classified as held-to-maturity if the asset has fixed or determinable payments and fixed maturities that the company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. Any changes to the carrying amount of the asset, including any impairment losses, are recognized in other comprehensive income or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified as loans and receivables, held-to-maturity or financial assets at fair value through profit or loss. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income or loss and presented within equity in the fair value reserve. Equity instruments that do not have an active market are recorded at cost. When an investment is derecognized, the cumulative gain or loss in other comprehensive income or loss is transferred to profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Derecognition of financial assets

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

2. Significant accounting policies (continued)

(n) Financial instruments (continued)

(ii) Non-derivative financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

A financial liability is classified at fair value through profit or loss if it is considered to be held-for-trading or is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

Derecognition of financial liabilities

The company derecognizes financial liabilities when the company's obligations are discharged, cancelled or they expire.

(iii) The company's financial instruments consist of the following:

Financial instrument	Classification	Measurement
Cash and cash equivalents	FVTPL	Fair value
Trade receivables	Loans and receivables	Amortized cost
Goods and services tax recoverable	Loans and receivables	Amortized cost
Note receivable	Loans and receivables	Amortized cost
Trade payables	Other financial liabilities	Amortized cost
Other payables	Other financial liabilities	Amortized cost

(o) Impairment of long-lived assets

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on estimated future cash flows.

Financial assets measured at amortized cost

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial assets carried at cost

An impairment loss of a financial asset carried at cost, where its fair value cannot be reliably measured, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of similar financial assets. Such impairment losses are not reversed.

2. Significant accounting policies (continued)

(o) Impairment of long-lived assets (continued)

(i) Financial assets (continued)

Available-for-sale financial assets

An impairment loss of an available-for-sale financial asset is recognized by transferring the cumulative loss that has been recognized in other comprehensive income or loss, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income or loss and recognized in profit or loss is the difference between acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases, the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. If, however, the fair value of an impaired available-for-sale equity security increases, the amount of reversal is recognized in other comprehensive income or loss.

(ii) Non-financial assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets, other than exploration and evaluation assets, to determine whether there is an indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Exploration and evaluation assets are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

The recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

(p) Use of estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make accounting estimates and assumptions requiring judgment in applying the company's accounting policies. These estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates are as follows:

Depletion and valuation of property and equipment

The amounts recorded for depletion of petroleum and natural gas properties and the valuation of petroleum and natural gas properties are based on estimates. These estimates include proven and probable reserves, future production rates, future petroleum and natural gas prices, remaining lives and period of future benefits of the related assets and other relevant assumptions.

2. Significant accounting policies (continued)

(p) Use of estimates and judgments (continued)

The company's reserve estimates are evaluated annually. Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs, future development costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated. Changes in reserve estimates impact the financial results of the company as reserves and estimated future development costs are used to calculate depletion and are also used in impairment calculations.

The determination of cash-generating units, used in assessing impairment, requires judgment in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Cash-generating units are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risks and materiality.

The discount rate used to calculate the net present value of cash flows for impairment testing is based on estimates of market conditions, recent asset sales and an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to these estimates.

Valuation of exploration and evaluation assets

The value of exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves which in turn is dependent on future petroleum and natural gas prices, future capital expenditures and environmental and regulatory restrictions.

The decision to transfer assets from exploration and evaluation assets to property and equipment is based on estimated proven and probable reserves which are in part used to determine a project's technical feasibility and commercial viability.

Deferred income taxes

The amounts recorded for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on estimates of the probability of the company utilizing certain tax pools and assets which, in turn, is dependent on estimates of proven and probable reserves, production rates, future petroleum and natural gas prices and changes in legislation, tax rates and interpretations by taxation authorities. The availability of tax pools is subject to audit and further interpretations by taxation authorities. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Decommissioning obligations

The company's decommissioning obligations are estimated based on assumptions relating to the company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon any wells and facilities and the estimated timing of the costs to be incurred in future years using estimated discount rates. Changes to environmental laws and regulations may also impact the amount of the company's decommissioning obligations.

Share-based payments

The amounts recorded relating to the fair value of stock options and warrants issued are based on estimates of the future volatility of the company's share price, market price of the company's shares at grant date, expected lives of the options, expected forfeiture rate, expected dividends and other relevant assumptions.

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(q) Recent accounting announcements

Standards issued but not yet effective up to the date of issuance of these consolidated financial statements are listed below. This listing is of the standards and interpretations issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective. The company does not expect the impact of these new standards on its consolidated financial statements to be significant.

IFRS 9 *Financial Instruments: Classification and Measurement*

IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 was issued in July 2014 and replaces IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the underlying financial instrument. For financial liabilities, the standard retains most of the requirements from IAS 39. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income or loss rather than in profit or loss, unless this creates an accounting mismatch. The required adoption date for IFRS 9 is annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires entities to follow a five-step model for the recognition of revenue upon the transfer of control of a good or service to the customer. The five steps are: (1) contract is identified with the customer; (2) performance obligations are identified; (3) transaction price is determined; (4) transaction price is allocated; and (5) revenue is recognized when the performance obligation is satisfied. In addition, there are enhanced revenue disclosures to provide investors with a more comprehensive understanding of the nature, amount, timing and uncertainty of revenue and cash flows from contracts. This standard replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations on revenue recognition. This standard is effective for annual periods beginning on or after January 1, 2017.

3. Exploration and evaluation expenses

During the year ended July 31, 2015, the company has directly expensed exploration and evaluation costs in the amount of $Nil (2014- $Nil).

4. Cash and cash equivalents

	2015	2014
Cash	$ 8,900	$ 18,705
Treasury bills - Money market fund	92,650	187,190
Total cash and cash equivalents	$ 101,550	$ 205,895

Cash is deposited at an established Canadian financial institution.

(Expressed in Canadian dollars)

5. Note receivable

The note receivable bears interest at 13%, is due August 31, 2015 (2014 - due August 31, 2014) and is secured by a general security agreement.

6. Property and equipment

	Exploration and evaluation equipment	Vehicles	Petroleum and natural gas properties	Total
Cost				
Balance, July 31, 2013	$ 52,333	$ 11,342	449,758	$ 513,433
Impairment loss	-	-	(41,532)	(41,532)
Balance, July 31, 2014	$ 52,333	$ 11,342	$ 408,226	$ 471,901
Additions	-	-	67,434	` 67,434
Decommissioning obligations	-	-	1,206	1,206
Impairment loss	-	-	(201,141)	(201,141)
Disposals	-	-	(8,094)	(8,094)
Balance, July 31, 2015	$ 52,333	$ 11,342	$ 267,631	$ 331,306
Accumulated depletion and depreciation				
Balance, July 31, 2013	$ 49,360	$ 10,247	$ 38,096	$ 97,703
Depletion and depreciation for the year	594	329	31,368	32,291
Balance, July 31, 2014	$ 49,954	$ 10,576	$ 69,464	$ 129,994
Depletion and depreciation for the year	476	230	27,609	28,315
Disposals	-	-	(1,682)	-
Balance, July 31, 2015	$ 50,430	$ 10,806	$ 95,391	$ 158,309
Carrying value				
At July 31, 2014	$ 2,379	$ 766	$ 338,762	$ 341,907
At July 31, 2015	$ 1,903	$ 536	$ 172,240	$ 174,679

(Expressed in Canadian dollars)

6. Property and equipment (continued)

Impairment analysis

At July 31, 2015, the company assessed the recoverability of its investment in petroleum and natural gas properties by performing an impairment test at the cash-generating unit level. The recoverable amount of each cash-generating unit was estimated based on the higher of the value in use and the fair value less costs to sell. The estimated fair value less costs to sell was used and was determined using estimated future cash flows based on estimated reserves, discounted at 10%, with prices as noted below. Based on the impairment test, the carrying amount of the investment in petroleum and natural gas properties was determined to be impaired in the amount of $201,141 (2014 - $41,532) relating to wells LSD 6-13-7-29, LSD 14-15-8-28, HZ 13-15-8-28, HZ 11-26-1-28, HZ 12-15-8-28, HZ 3-15-8-28, HZ 16-16-7-28 and HZ 3-22-7-28 (2014 - wells HZ 11-26-1-28 and HZ 7-34-1-28). These impairment losses are recognized in profit or loss.

The benchmark and company's forecast prices used in the impairment test calculations for the year ended July 31, 2015 were primarily based on the following future commodity prices:

	Light oil (Cdn$/bbl)
2016	$50.10
2017	$53.44
2018	$55.93
Thereafter, 2% increase for inflation	

The benchmark and company's forecast prices used in the impairment test calculations for the year ended July 31, 2014 were primarily based on the following future commodity prices:

	Light oil (Cdn$/bbl)
2015	$89.80
2016	$88.29
2017	$86.94
Thereafter, 2% increase for inflation	

7. Interests in joint arrangements

The company has entered into a joint operation with Antler River Resources Ltd. and other parties relating to twelve oil wells in southwestern Manitoba (LSD 6-13-7-29, LSD 14-15-8-28, HZ 13-15-8-28, HZ 11-26-1-28, HZ 12-15-8-28, HZ 7-34-1-28, HZ 13-23-1-28, HZ 15-30-1-27, HZ 3-15-8-28, HZ 16-16-7-28, HZ 3-22-7-28 and HZ 4-5-2-27). 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 these 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% interest in the joint operation. As at July 31, 2015, these amounts are included in petroleum and natural gas properties in property and equipment and are being depleted accordingly (see Note 6).

During the year the company sold its interest in well LSD 2-29-2-28 for a loss of $3,389 (2014 - $Nil).

(Expressed in Canadian dollars)

8. Exploration and evaluation assets

(a) The company has capitalized the following amounts:

	2015	2014
Petroleum and natural gas properties:		
Lease holdings (i)	$ 126,704	$ 126,704
Mineral exploration properties (ii)	273	273
	$ 126,977	$ 126,977

(i) The company has invested in eight lease holdings as follows:

1) Northwest quarter 23-1-28, 25% owned with a three-year lease term;
2) Southwest quarter 23-1-28, 25% owned with a three-year lease term;
3) Northeast quarter 14-4-22, 100% owned with a five-year lease term;
4) Northeast quarter 17-1-27, 25% owned with a three-year lease term;
5) Northeast quarter 23-1-28, 25% owned with a three-year lease term;
6) Northeast quarter 30-1-27, 25% owned with a three-year lease term;
7) Northeast quarter 2-3-26, 100% owned with a two-year lease term; and
8) Southeast quarter 2-3-26, 100% owned with a two-year lease term.

(ii) The company holds one Quarry Lease, QL - 1530, located 85 kilometers southwest of Winnipeg near Miami, Manitoba. The 8 hectare lease hosts a narrow bed of bentonite.

The company previously held an exploration property known as the Ore Fault property located on the Bird River Greenstone Belt, 125 kilometers northeast of Winnipeg, Manitoba. On August 19, 2008 Marathon PGM acquired the balance of the Ore Fault property consisting of 19 claims which covers 446 hectares. Under the joint arrangement, Marathon had an option to earn 100% of the Ore Fault property once their interest reached 70%. Marathon exercised its option to require the company to sell the remaining 30% interest in the property for a purchase price of $1,450,000. The company retains a 1% net smelter return ("NSR") royalty on the Ore Fault Property.

9. Other payables

The company's other payables at July 31 are comprised of the following:

	2015	2014
Provincial sales taxes payable	$ 164	$ 173
Accrued liabilities	63,046	59,180
Total other payables	$ 63,210	$ 59,353

(Expressed in Canadian dollars)

10. Decommissioning obligations

The company's decommissioning obligations result from its ownership interest in petroleum and natural gas properties. The total provision for decommissioning obligations 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 value, as at July 31, 2015 is approximately $17,500 (2014 - $19,000), which has been discounted using a pre-tax rate of 2.96% (2014 - 2.96%) reflecting the time value of money and the risks specific to the obligation. These obligations are to be settled based on the economic lives of the underlying assets, which currently extend up to 25 years (2014 - 25 years) into the future and will be funded from general corporate resources at the time of abandonment.

The company's decommissioning obligations for the year ended July 31, 2015 and July 31, 2014 are as follows:

	2015	2014
Balance, beginning of year	$ 8,669	$ 8,420
Provisions incurred	1,206	-
Accretion	262	249
Disposals	(1,022)	-
Balance, end of year	$ 9,115	$ 8,669

11. Income taxes

(a) Canadian development and exploration expenditures

As at July 31, 2015, the company has $123,670 (2014 - $123,670) of unused Canadian exploration and development expenses and $462,649 (2014 - $397,215) of unused Canadian oil and gas property expenses available to offset future taxable income of the company. The tax benefit of these expenses carries forward indefinitely.

(b) Losses

The company has non-capital tax losses available for carryforward to reduce future years' taxable income totaling $183,711 which expire as follows:

2032	$ 1,128
2033	50,797
2034	58,062
2035	73,724
Total loss carryforwards	$ 183,711

The company has not recorded in its accounts the potential deferred income tax benefit that may be derived from these tax losses due to the uncertainty that the benefits will be realized.

(Expressed in Canadian dollars)

11. Income taxes (continued)

(c) Income tax (expense) recovery differs from the amount that would be computed by applying the federal and provincial statutory income tax rates of 27% (2014 - 27%). The reasons for the differences are as follows:

	2015	2014
Income tax recovery computed at statutory rates	$ 83,000	$ 36,000
Permanent differences	(300)	(400)
Change in unrecognized deferred tax assets	(63,400)	(31,200)
Valuation allowance	(19,300)	-
	$ -	$ 4,400

The components of the company's net deferred income tax asset (liability) at July 31, 2015 and July 31, 2014 are as follows:

	2015	2014
Deferred income tax assets:		
Exploration and evaluation assets	$ 124,600	$ 106,400
Deferred income tax liability:		
Property and equipment	(45,700)	(90,900)
Net deferred income tax asset	78,900	15,500
Valuation allowance	(78,900)	(15,500)
Net deferred income tax liability	$ -	$ -

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

12. Share capital

(a) Authorized

Authorized share capital consists of an unlimited number of common voting shares.

(b) Changes in issued common shares are summarized below:

Year ended July 31, 2015	Number of common shares	Amount
Balance, July 31, 2014 and 2015	10,570,225	$ 1,012,247

Year ended July 31, 2014	Number of common shares	Amount
Balance, July 31, 2013 and 2014	10,570,225	$ 1,012,247

(Expressed in Canadian dollars)

12. Share capital (continued)

(c) Loss per share

The calculation of basic and diluted loss per share for the years ended July 31, 2015 and July 31, 2014 is based on the following losses and number of shares:

	2015	2014
(Loss) for the year	$ (307,796)	$ (128,963)
Weighted average number of shares	10,570,225	10,570,225

All of the outstanding stock options were anti-dilutive for the relevant period.

13. Share-based payments

(a) Outstanding options

The following table summarizes the 100,000 outstanding options as at July 31, 2015:

	Number outstanding	Exercise price	Expiry date
Directors' options	100,000	$0.10	March 14, 2019

(b) Changes in stock options

A summary of the changes in stock option activity for the years ended July 31, 2015 and July 31, 2014 is as follows:

	2015		2014	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding, beginning of year	$ 0.10	800,000	$ 0.10	800,000
Granted	-	-	0.10	100,000
Expired	0.10	(700,000)	-	-
Forfeited	-	-	0.10	(100,000)
Outstanding and exercisable, end of year	$ 0.10	100,000	$ 0.10	800,000

The options outstanding at the end of the year have an exercise price of $0.10 per share (2014 - $0.10 per share) and a weighted average remaining contractual life of 3.62 years (2014 - 1.33 years).

(c) Effects on profit or loss

The total estimated fair value of the options vested and recognized as an expense for the year ending July 31, 2015 is $1,227 (2014 - $1,478).

(Expressed in Canadian dollars)

14. General and administrative expenses

The general and administrative expenses incurred by the company for the years ended July 31, 2015 and July 31, 2014 are as follows:

	2015	2014
Advertising and promotion	$ 1,040	$ -
Automotive	3,479	9,129
Bad debt expense	507	-
Director's fees	6,000	10,000
Management fee	48,000	48,000
Office	13,224	5,503
Professional fees	14,836	26,110
Rent	9,600	9,600
Repairs and maintenance	731	335
Share transfer and filing fees	13,413	16,498
Telephone	3,035	2,697
Travel	1,705	1,175
	$ 115,570	$ 129,047

15. Related party transactions

(a) Key management personnel compensation

The company did not pay employment based remuneration to directors, officers and other members of key management for the years ended July 31, 2015 and July 31, 2014. However, the company did pay contract based remuneration to directors, officers and other members of key management as disclosed in Note 15 (b).

(b) Other related party transactions

During the year ended July 31, 2015, the company paid management fees in the amount of $30,000 (2014 - $30,000) to a director and officer of the company and $18,000 (2014 - $18,000) to another director and officer. The company also paid rent in the amount of $9,600 (2014 - $9,600) to a director and officer of the company and director's fees in the amount of $6,000 (2014 - $10,000) during the year. These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties.

As at July 31, 2015, included in trade payables and other payables are amounts owing to directors and officers of the company in the amount of $71,500 (2014 - $39,000).

16. Financial instruments

(a) 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:

(i) Currency risk

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

(Expressed in Canadian dollars)

16. Financial instruments (continued)

(ii) 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 its exposure to these risks. An annual average change of 1% in crude oil prices would affect the company's reported net income by $549 (2014 - $762).

(iii) 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 an established Canadian financial institution 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 use any derivatives or similar instruments to mitigate its maximum exposure to credit risk.

The carrying amount of financial assets recorded in the consolidated financial statements of $148,105 (2014 - $251,381) represents the maximum exposure to credit risk at the reporting date.

(iv) 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 its financial instruments. As at July 31, 2015, the company has working capital in the amount of $46,236 (2014 - $185,131).

The contractual maturities of financial liabilities, at July 31, 2015 and July 31, 2014, based on the earliest date on which payment can be required, are as follows:

As at July 31, 2015	Total amount	Six month or less	More than six months
Trade payables	$ 56,993	$ 56,993	$ -
Other payables	63,210	63,210	-
	$ 120,203	$ 120,203	$ -

As at July 31, 2014	Total amount	Six month or less	More than six months
Trade payables	$ 26,126	$ 26,126	$ -
Other payables	59,353	59,353	-
	$ 85,479	$ 85,479	$ -

(v) 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.

(b) Sensitivity analysis

The company has cash and cash equivalents subject to interest rate risk of $101,550 (2014 - $205,895). A 1% change in the primary interest rate would affect the reported net income, on an annualized basis, by $1,016 (2014 - $2,059).

(Expressed in Canadian dollars)

16. Financial instruments (continued)

(c) Fair values, carrying amounts and changes in fair value

The fair values of the company’s financial instruments approximate their carrying values 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 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.
Level three includes inputs that are not based on observable market data.

The company's financial instruments within the fair value hierarchy as at July 31, 2015 are as follows:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 101,550	$ -	$ -

The company's financial instruments within the fair value hierarchy as at July 31, 2014 are as follows:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 205,895	$ -	$ -

(d) Collateral

The carrying value of financial assets the company has pledged as collateral is $Nil (2014 - $Nil).

17. 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 the company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for its other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of industrial minerals 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 July 31, 2015, the company had managed capital, being total equity on the consolidated statement of financial position, of $338,777 (2014 - $645,346).

A number of the properties in which the company currently has an interest are in the exploration stage. As such, the company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay administrative expenses, the company will use 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 if it 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 current or prior year. The company is not subject to externally imposed capital requirements.

BIRD RIVER RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED APRIL 30, 2018

(UNAUDITED – PREPARED BY MANAGEMENT)

Notice to Reader

Under National Instrument 51-102, Part 4, paragraph 4.3(3)(a), if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at April 30 2018	As at July 31 2017
ASSETS		
Current		
Cash and cash equivalents (note 5)	$ 3,510,236	$ 35,456
Trade receivables	19,095	16,235
Goods and service tax recoverable	37,308	-
Prepaids	33,864	-
Current assets of discontinued operations (note 6)	-	17,357
Total current assets	3,600,503	69,048
Non-current		
Investments in joint ventures (note 7)	208,729	-
Exploration and evaluation assets (note 8)	5,602,158	-
Petroleum and natural gas interests (note 9)	68,332	81,870
Total non-current assets	5,879,219	81,870
Total assets	**$ 9,479,722**	**$ 150,918**
LIABILITIES		
Current		
Trade payables	$ 353,321	$ 140,396
Other payables (note 10)	31,620	89,678
Total current liabilities	384,941	230,074
Non-current liabilities		
Flow through premium (note 11)	66,755	-
Decommissioning obligations (note 12)	9,663	9,663
Total liabilities	461,359	239,737
SHAREHOLDERS' EQUITY		
Share capital (note 13)	10,374,191	1,012,247
Warrants (note 13)	869,722	-
Share-based payments reserve (note 14)	7,823	1,840
Deficit	(2,233,373)	(1,102,906)
Total shareholders' equity	9,018,363	(88,819)
Total liabilities and shareholders' equity	**$ 9,479,722**	**$ 150,918**

Basis of preparation and going concern assumption (note 2)

Approved by the Board:

"Jon Bridgman" Director

"Donal Carroll" Director

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements

BIRD RIVER RESOURCES INC.
Condensed Interim Consolidated Statements of Comprehensive Loss (unaudited)
(Expressed in Canadian Dollars)

	3 months ended April 30 2018	3 months ended April 30 2017	9 months ended April 30 2018	9 months ended April 30 2017
Revenue				
Petroleum and natural gas revenue	$ 9,382	$ 7,644	$ 18,871	$ 20,827
Expenses				
Depletion	4,019	7,209	12,058	21,628
(Gain) on settlement of debt (note 13)	-	-	(60,960)	-
General and administrative (note 15)	1,099,258	3,376	1,182,271	72,283
Production and operating - petroleum and natural gas	3,009	4,524	8,244	12,247
Share based payments (note 14)	2,890	-	5,983	-
	1,109,176	15,109	1,147,596	106,158
Income (loss) from operations	(1,099,794)	(7,465)	(1,128,725)	(85,331)
Interest and other income	3,855	112	3,855	-
Income (loss) from discontinued operations (note 6)	(8,871)	7,877	(5,597)	18,977
Net loss and comprehensive loss for the period	**$ (1,104,810)**	**$ 524**	**$ (1,130,467)**	**$ (66,354)**
Income (loss) per common share (note 10(e)):				
Basic	$ (0.010)	$ 0.000	$ (0.023)	$ (0.006)
Fully diluted	(0.008)	0.000	(0.015)	(0.006)
Weighted average number of common shares outstanding				
Basic	110,146,687	10,570,225	49,547,921	10,570,225
Fully diluted	138,541,122	10,570,225	77,942,356	10,570,225

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	9 months ended April 30 2018	9 months ended April 30 2017
Cash provided by (used in) operating activities		
Net loss for the period	$ (1,130,467)	$ (66,354)
Adjustments for:		
Depletion	12,058	21,628
Share based payments	5,983	-
Changes in non-cash working capital items:		
Trade receivables	(2,860)	4,757
Goods and services tax recoverable	(37,308)	3,546
Prepaids	(33,864)	-
Trade payables	212,925	22,852
Other payables	(58,058)	(18,979)
	(1,031,591)	(32,550)
Cash provided by (used in) investing activities		
Discontinued operations	18,837	(6,517)
Investments in joint ventures	(208,729)	-
	(189,892)	(6,517)
Cash provided by (used in) financing activities		
Flow through share premium	66,755	-
Share capital	4,629,508	-
	4,696,263	-
Increase (decrease) in cash and cash equivalents	3,474,780	(39,067)
Cash and cash equivalents, beginning of the period	35,456	87,845
Cash and cash equivalents, end of the period	**$ 3,510,236**	**$ 48,778**

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Equity (unaudited)

(Expressed in Canadian Dollars)

	Common shares		Warrants		Share-based payments		
	Shares	Amounts	Number	Amounts	reserve	Deficit	Total
Balances, July 31, 2016	**10,570,225**	**$ 1,012,247**	**$ -**	**$ -**	**$ 1,840**	**$ (919,149)**	**$ 94,938**
Net loss for the year	-	-	-	-	-	(183,757)	(183,757)
Balances, July 31, 2017	**10,570,225**	**1,012,247**	**-**	**-**	**1,840**	**(1,102,906)**	**(88,819)**
Issued for cash	47,530,709	4,712,733	-	-	-	-	4,712,733
Acquisition of High Point Oil Inc.	55,172,124	5,467,965	2,958,480	49,247	-	-	5,517,212
Acquisition costs	2,728,866	272,878	-	-	-	-	272,878
Costs of issue - cash	-	(271,157)	-	-	-	-	(271,157)
Costs of issue - broker options	-	(147,970)	5,458,455	147,970	-	-	-
Warrant valuation on private placements	-	(672,505)	18,477,500	672,505	-	-	-
Share based payments	-	-	-	-	5,983	-	5,983
Net loss for the period	-	-	-	-	-	(1,130,467)	(1,130,467)
Balances, April 30, 2018	**116,001,924**	**$ 10,374,191**	**26,894,435**	**$ 869,722**	**$ 7,823**	**$ (2,233,373)**	**$ 9,018,363**

1. Nature of operations

Bird River Resources Inc. (the "Company") is a publicly listed company incorporated under the laws of Manitoba on March 7, 1958. The mailing and office address of its executive office is 1059 Selkirk Avenue, Winnipeg, Manitoba, R2X 0C2.

The principal business activities include the acquisition and exploration of resource properties with the Company's primary focus on petroleum and natural gas properties. The Company until recently also engaged in secondary activities, from time to time, involving the purchase or acquisition of certain industrial minerals, typically diatomaceous earth and bentonite, for distribution and resale or for use in an abandoned water well sealing operation. The Company's shares are listed on the Canadian Stock Exchange under the symbol BDR.

The Company is in the exploration stage and has not yet determined whether many of its oil and gas properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for exploration and evaluation assets is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its properties, and if they are proven successful, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain.

2. Basis of preparation and summary of significant accounting policies

These condensed interim consolidated financial statements of the Company for the nine month period ended April 30, 2018 (the "consolidated interim financial statements") have been prepared in accordance with IAS 34 Interim Financial Reporting.

These consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended July 31, 2017 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and using accounting policies consistent with those used in the Company's July 31, 2017 annual consolidated financial statements.

The consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The consolidated interim financial statements were authorized for issue by the Board of Directors on June 29, 2018.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements are highlighted below.

Basis of measurement

These consolidated interim financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified as at fair value through profit or loss, which are measured at fair value. In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Going concern of operations

The going concern assumption implies that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. However, there is doubt about the appropriateness of the use of the going concern assumption because the Company has experienced losses and negative cash flows from operations over a number of years.

The Company has not yet determined whether all of its exploration and evaluation assets contain reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. If the Company's exploration and development programs are successful, additional funds may be required, and the Company may not have sufficient funds to conduct the exploration required. The primary source of future funds available to the Company is through the sale of additional equity capital, which may dilute the interests of existing shareholders.

These consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate, then adjustments may be necessary to the carrying value of assets and liabilities and the reported amounts of revenue and expenses.

Significant accounting judgments and estimates

The preparation of these consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated interim financial statements include estimates that, by their nature are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that 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 sundry receivables 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 the resource 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;
(vi) management's position that there are no income tax considerations required within these consolidated interim financial statements; and
(vii) management's judgment in determining the functional currency of the Company as Canadian Dollars.

Basis of consolidation

These consolidated interim financial statements include the accounts of the company and its wholly-owned subsidiaries, High Point Oil Inc. (see Note 3) and 2411181 Manitoba Ltd. All significant inter-company transactions have been eliminated on consolidation

Future accounting changes

Recent accounting announcements

Standards issued but not yet effective up to the date of issuance of these consolidated interim financial statements are listed below. This listing is of the standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of these new standards on its consolidated financial statements to be significant.

IFRS 9 Financial Instruments

IFRS 9, as issued, addresses the classification and measurement of financial assets and liabilities and requires any financial assets or liabilities to be classified into one of three measurement categories. The measurement categories are: (1) fair value through profit and loss; (2) fair value through other comprehensive income or loss; and (3) amortized cost. Investments in equity instruments must be measured at fair value through profit or loss; however, there is an irrevocable option to present the changes in fair value in other comprehensive income or loss. For financial liabilities, the majority of the requirements from IAS 39 have been retained. The main difference is where the fair value option is chosen for financial liabilities, the portion of the fair value change relating to an entity's own credit risk is recorded in other comprehensive income or loss as opposed to profit or loss. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires entities to follow a five-step model for the recognition of revenue upon the transfer of control of a good or service to the customer. The five steps are: (1) contract is identified with the customer; (2) performance obligations are identified; (3) transaction price is determined; (4) transaction price is allocated; and (5) revenue is recognized when the performance obligation is satisfied. In addition, there are enhanced revenue disclosures to provide investors with a more comprehensive understanding of the nature, amount, timing and uncertainty of revenue and cash flows from contracts. This standard replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations on revenue recognition. This standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 specifies how to recognize, measure, present and disclose information relating to leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has an insignificant value. Consistent with its predecessor, IAS 17, the new lease standard continues to require lessors to classify leases as operating or finance. This standard is effective
for annual periods beginning on or after January 1, 2019.

3. Acquisition of High Point Oil Inc.

On February 12, 2018 Bird River Resources Inc. announced that it had entered into a definitive agreement with the owners of High Point Oil Inc. ("High Point") of Calgary, Alberta to acquire all of the issued capital of High Point by way of a share exchange of common shares (the "Acquisition"). Pursuant to the share exchange agreement dated February 9, 2018 (the “Share Exchange Agreement”) among the Company, High Point, and the shareholders of High Point (the "High Point Shareholders"), the Company acquired all of the issued and outstanding shares of High Point (the “Purchased Shares”). As a result of obtaining 100% of the shares of High Point, Bird River has accounted for this transaction by including High Point in its consolidated results. In consideration for the Purchased Shares, Bird River issued to the High Point Shareholders an aggregate of 55,172,124 common shares at a deemed value of $0.10 per common share. The Acquisition is an arm’s length transaction and High Point has become a wholly-owned subsidiary of Bird River. The purpose of the transaction was to add additional assets and opportunity to Bird River’s oil and gas operations.

At acquisition date, the transaction was recorded as follows:

	Amount ($)	**Note**
Acquisition Price		
55,172,124 Bird River shares issued at $0.10	5,517,212	1
Allocation of Acquisition Price:		
Cash and Cash Equivalents	137,708	2
Accounts receivable	12,514	3
Prepaid expenditures	28,322	4
Exploration and Evaluation assets	5,775,558	5
Less:		
Trade payables	(370,135)	6
Flow-through share premium	(66,755)	7
	5,517,212	

1. 55,172,124 Bird River shares issued at $0.10
2. Cash and cash equivalents were all in Canadian dollars deposited at respected Canadian institutions and were deemed to have a fair market value equivalent to their face value.
3. Accounts receivable were all current and were collected subsequent to the transaction and accordingly were deemed to have a fair market value equivalent to their face value.
4. Prepaid expenditures were prepaid insurances having ongoing value to Bird River and accordingly were deemed to have a fair market value equivalent to their face value.
5. Exploration and Evaluation assets are the reason that Bird River acquired High Point. As High Point was unrelated to Bird River it was deemed that the fair value of these assets was the acquisition price adjusted for the value of other assets obtained net of liabilities. The Exploration and Evaluation assets of High Point consist of seismic data and the interpretations thereof, and mineral leases. Since incorporation, High Point acquired and interpreted over 170 sq. miles of 3D seismic, identified 20 drilling targets and acquired additional mineral rights on the open market. 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. High Point was previously a private company and had not yet drilled any wells. Accordingly, High Point had never 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., which provided persuasive evidence that the above value and valuation method is reasonable. These documents have been attached to Bird River's listing statement currently in preparation and which will be available shortly in filings made with the CSE and will also be posted on SEDAR. 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. Subsequent to the acquisition date, High Point has commenced drilling operations which will determine the technical feasibility and commercial viability of these assets.
6. Trade payables include an M&A fee payable by High Point as a result of this transaction equal to 5% of the transaction value. Trade payables are expected to be settled in Canadian dollars within the next year and are therefore valued at their face amount.
7. A flow through share premium liability is recognized on the issuance of flow through shares. The premium liability is derecognized through tax expense when qualifying expenditures are renounced to the investor and incurred by the Corporation. At the time of this transaction High Point had not yet incurred the qualifying expenditures and this liability was recognized at the amount High Point had accrued. Subsequent to the date of these consolidated financial statements, High Point has commenced drilling operations which will meet this requirement.

High Point has not yet become a revenue generating entity. Accordingly, since the acquisition date, High Point has incurred net losses of $171,294 which are included in the consolidated financial statements. Had High Point been a part of the consolidated entity since the beginning of the current fiscal year, consolidated losses would have been higher by $1.3 million.

(Expressed in Canadian dollars)

4. Exploration and evaluation expenses

During the period ended April 30, 2018, the Company has directly expensed exploration and evaluation costs in the amount of $ nil (2016- $ nil).

5. Cash and cash equivalents

	April 30, 2018 ($)	July 31, 2017 ($)
Cash	3,328,418	35,456
Cash held In Trust	161,818	-
Cash pledged as a security deposit	20,000	-
	3,510,236	35,456

Cash and cash equivalents are deposited at established Canadian financial institutions and with the Company's solicitors.

6. Discontinued operations

Effective April 30, 2018, the Company sold the inventory and related equipment of its environmental division for proceeds of $7,247.

7. Interests in joint ventures

The Company currently holds interest in joint ventures as follows:

	Interest (%)	Amount ($)
Cogeneration		120,000
Technology and Cryptocurrency Mining		88,729
		208,729

Carrying amounts represent amounts advanced by the Company towards the joint venture operators. Financial results of these ventures will be reported in future periods using the equity method of accounting.

8. Exploration and evaluation assets

High Point

High Point currently holds Exploration and Evaluation assets ("E&E assets") in Alberta consisting of geological and geophysical data, seismic data, lease rentals, tangible equipment, intangible drilling and completion costs and land acquisitions with a carrying value of $5,602,158 as at April 30, 2018.

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. Subsequent to the date of these financial statements, High Point has commenced drilling, completion and equipping operations which will (when complete) allow it to determine the technical feasibility and commercial viability of the majority of these assets.

For the period ended April 30, 2018, $nil were transferred to property, plant and equipment – development and production assets.

(Expressed in Canadian dollars)

Bird River

The Company previously held an exploration property known as the Ore Fault property located on the Bird River Greenstone Belt, 125 kilometers northeast of Winnipeg, Manitoba. On August 19, 2008 Marathon PGM acquired the balance of the Ore Fault property consisting of 19 claims which covers 446 hectares. Under the joint arrangement, Marathon had an option to earn 100% of the Ore Fault property once their interest reached 70%. Marathon exercised its option to require the company to sell the remaining 30% interest in the property for a purchase price of $1,450,000. The company retains a 1% net smelter return ("NSR") royalty on the Ore Fault Property.

During the year ended July 31, 2017, various petroleum leases expired resulting in write downs of exploration and evaluation assets totaling $35,127 (2016 - $91,850) relating to leases Northeast quarter 17-1-27, Northeast quarter 23-1-28 and Northeast quarter 30-1-27 (2016 - relating to leases Northwest quarter 23-1-28, Southwest quarter 23-1-28, Northeast quarter 14-4-22, Northeast quarter 2-3-26 and Southeast quarter 2-3-26).

9. Petroleum and Natural Gas Interests - Manitoba

The Company participates in a joint operation with Antler River Resources Ltd. and other parties relating to twelve oil wells in southwestern Manitoba. 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 these 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% interest in the joint operation. As at July 31, 2017 and 2016, technical and commercial viability of extracting resources has been demonstrated on ten oil wells and as a result the amounts previously capitalized to exploration and evaluation assets have been transferred to petroleum and natural gas properties in property and equipment and are being depleted accordingly.

The carrying amount of $68,332 (July 31, 2017 - $80,390) reflects the Company's share of its interest in producing oil and gas assets in Manitoba which are currently being depleted at the rate of 20% per annum on a declining balance basis.

10. Other payables

The Company's other payables are comprised of the following:

	April 30, 2018 ($)	July 31, 2017 ($)
Sales taxes payable	-	583
Accrued liabilities	31,620	89,095
	31,620	89,678

11. Flow-through share premium

A flow through share premium liability is recognized on the issuance of flow through shares. The premium liability is derecognized through tax expense when qualifying expenditures are renounced to the investor and incurred by the Company (Note 16).

12. Decommissioning obligations

The Company's decommissioning obligations result from its ownership interest in petroleum and natural gas properties in Manitoba (see Note 8). The total provision for decommissioning obligations 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 is approximately $19,000 (2016 - $19,000), which has been discounted using a pre-tax rate of 2.96% (2016 - 2.96%) reflecting the time value of money and the risks specific to the obligation. These obligations are to be settled based on the economic lives of the underlying assets, which currently extend up to 25 years (2016 - 25 years) into the future and will be funded from general corporate resources at the time of abandonment. This is reviewed on an annual basis. The company does not yet have any wells in Alberta and accordingly does not yet have any decommissioning liability related to Alberta.

(Expressed in Canadian dollars)

The Company's decommissioning obligations as at April 30, 2018 and July 31, 2017 were as follows:

	April 30, 2018 ($)	July 31, 2017 ($)
Balance, beginning of period/year	9,663	9,385
Accretion	-	278
Balance, end of period/year	9,663	9,663

13. Share capital

Authorized

Authorized share capital consists of an unlimited number of common voting shares.

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)		(271,157)
	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		(49,247)
February 12 2018	Commission paid (6)	2,728,776	272,878
April 30 2018	Balances	116,001,834	10,374,191

(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

(Expressed in Canadian dollars)

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 summary:

The Company issued warrants and broker warrants in connection with private placements and is disclosed as a separate component of shareholders' equity. The fair values of the associated warrants were estimated on their dates of issue using the Black-Scholes option pricing model as follows:

Issue Date	Expiry Date	Number of Warrants	Remaining Warrants	Exercise Price	Market Price	Risk Free Interest Rate	Expected Volatility	Average Expected Life	Expected Dividend Yield	Fair Values
Dec 22 2017	Dec 22 2019	13,565,000	13,565,000	$0.20	$0.10	1.64%	100%	2 years	0%	$491,053
Dec 28 2017	Dec 28 2019	5,012,500	5,012,500	$0.20	$0.10	1.66%	100%	2 years	0%	$181,452
Balances, January 31, 2018		18,477,500	18,477,500							$672,505

Broker warrants summary:

Issue Date	Expiry Date	Broker Warrants Issued	Remaining Broker Warrants	Exercise Price	Market Price	Risk Free Interest Rate	Expected Volatility	Average Expected Life	Expected Dividend Yield	Fair Values
Dec 22 2017	Dec 22 2019	3,154,950	3,154,950	$0.20	$0.10	1.64%	100%	2 years	0%	$114,209
Dec 29 2017	Dec 29 2019	726,030	726,030	$0.20	$0.10	1.66%	100%	2 years	0%	$33,761
		3,880,980	3,880,980							$147,970

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	Expiry Date	Number pf Warrants	Remaining Warrants	Exercise Price	Market Price	Risk Free Interest Rate	Expected Volatility	Average Expected Life	Expected Dividend Yield	Fair Values
Feb 12 2018	June 5 2019	1,930,880	1,930,880	$0.00357	$0.10	0.56%	70%	2 years	0%	
Feb 12 2018	Nov 10 2019	467,600	467,600	$0.0714	$0.10	0.84%	70%	2 years	0%	
Feb 12 2018	Dec 15 2019	560,000	560,000	$0.0714	$0.10	0.99%	70%	2 years	0%	
		2,958,480	2,958,480							$49,247

Income (loss) per share

The calculation of basic and diluted income (loss) per share is calculated by dividing the net income (loss) by the weighted average number of common shares outstanding during the periods.

The calculation of fully-diluted income (loss) per share assumes all outstanding stock options, warrants and broker warrants were exercised and the underlying shares were issued and outstanding during the entire periods.

(Expressed in Canadian dollars)

14. Share-based payments

(a) Outstanding options

The following table summarizes stock options outstanding as at April 30, 2018 and July 31, 2017:

	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

(i) On March 14, 2014, the Company issued 100,000 incentive stock options to a director of the Company. The exercise price is $0.10 per common share and the options expire on March 14, 2019. These options have a vesting period of 18 months with 1/6 vesting every three months beginning April 1, 2014. These options were fully vested as at July 31, 2016.

The estimated fair value of stock options granted was estimated using the Black-Scholes option pricing model on the date of grant with the following assumptions:

Expected stock price volatility	18.64%
Expected option life	5 years
Risk free interest rate	0.89%
Expected dividend yield	-
Stock price at grant	$0.10
Exercise price	$0.10

(ii) On July 7, 2017, the Company issued 100,000 incentive stock options to a director of the Company. The exercise price is $0.10 per common share and the options expire on March 14, 2019. These options have a vesting period of 18 months with 1/6 vesting every three months beginning August 1, 2017. 33,332 of these options were vested as at January 31, 2018.

The estimated fair value of stock options granted was estimated using the Black-Scholes option pricing model on the date of grant with the following assumptions:

Expected stock price volatility	33.71%
Expected option life	1.67 years
Risk free interest rate	0.68%
Expected dividend yield	-
Stock price at grant	$0.09
Exercise price	$0.10

(iii) On November 27, 2017, the Company issued 1,300,000 incentive stock options to directors and officers of the Company. The exercise price is $0.10 per common share and the options expire on March 14, 2019. These options have a vesting period of 18 months with 1/6 vesting every three months beginning November 27, 2017. 216,666 of these options were vested as at January 31, 2018.

The estimated fair value of stock options granted was estimated using the Black-Scholes option pricing model on the date of grant with the following assumptions:

(Expressed in Canadian dollars)

Expected stock price volatility	50%
Expected option life	1.33 years
Risk free interest rate	1.41%
Expected dividend yield	-
Stock price at grant	$0.08
Exercise price	$0.10

(b) Changes in stock options

A summary of the changes in stock option activity for the period ended January 31, 2018 and the year ended July 31, 2017 is as follows:

	April 30, 2018		**July 31, 2017**	
	Weighted average exercise price ($)	**Number of options (#)**	**Weighted average exercise price ($)**	**Number of options (#)**
Outstanding, beginning of period/year	0.10	200,000	0.10	100,000
Granted	0.10	1,300,000	0.10	100,000
Expired	-	-	-	-
Outstanding and exercisable, end of period/year	0.10	1,500,000	0.10	200,000

The options outstanding at the end of the period have an exercise price of $0.10 per share (year ended July 31, 2017 - $0.10 per share) and had a weighted average remaining contractual life of 0.87 years as at April 30, 2018 (1.62 years as at July 31, 2017).

(c) Effects on profit or loss

The total estimated fair value of options vested and recognized as an expense for the period ended April 30, 2018 was $5,983 (year ended July 31, 2017 = $ nil).

(Expressed in Canadian dollars)

15. General and administrative expenses

The general and administrative expenses incurred by the Company for the periods ended April 30, 2018 and 2017 were as follows:

	9 months ended April 30, 2018 ($)	**9 months ended April 30, 2017 ($)**
Automotive	242	2,520
Consulting fees	287,302	-
Directors fees	9,000	-
Management fees, salaries and benefits	130,311	36,000
Merger and acquisition fees	551,722	-
Office and general	57,614	5,985
Professional fees	96,090	9,848
Rent	23,147	7,200
Repairs and maintenance	-	883
Shareholder and public company costs	16,170	7,557
Telephone	3,633	1,827
Travel	7,040	463
	1,182,171	72,283

16. Related party transactions

Other than as discussed below or disclosed elsewhere in these consolidated interim financial statements, 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 nine month periods ended April 30 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 nine month period ended April 30 2018, the Company paid management fees in the amount of $43,000 (2017 - $22,500) to officers and directors of the Company. The Company also paid rent in the amount of $3,200 (2017 - $7,200) 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 April 30, 2018, included in trade and other payables are amounts owing to directors and officers of the Company in the amount of $9,500 (2017 - $143,762). 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.

(Expressed in Canadian dollars)

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

17. Contingencies and commitments:

In November and December 2017, the Company completed private placements, issuing common shares on a flow-through basis for total gross proceeds of $1,112,500. The Company is committed to spend this amount on eligible expenditures by December 31, 2018. To date, none of this amount has been spent.

High Point leases its office under a three year lease. Minimum lease commitments under this lease inclusive of an estimate of operating costs and property taxes are as follows:

2018	$ 78,615
2019	104,820
2020	52,410
Total	$ 235,845

18. 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 $188 for the period ended April 30, 2018 (2017 - $132).

(Expressed in Canadian dollars)

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 $33,566,639 (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 $33,215,562 (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	31,690	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 $33,510,236 (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:

(Expressed in Canadian dollars)

- 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 April 30, 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).

19. 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 $99,018,363 (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.

APPENDIX "A"

RESERVES INFORMATION FOR 4-5-35-24W4 PROPERTY
EFFECTIVE MARCH 31 2017

(HIGH POINT OIL INC. – SUBSIDIARY COMPANY)

High Point Oil Inc. ("the Corporation" or "Company")

Form 51-101F1 STATEMENT OF RESERVE DATA AND OTHER OIL AND GAS INFORMATION

Limited to the 4-5-35-24w4m target location

PART 1 DATE OF STATEMENT

RELEVANT DATES

1. This statement is dated April 7, 2017

2. The effective date of the financial and reserves information provided is March 31, 2017

DEFINITIONS, NOTES AND OTHER CAUTIONARY STATEMENTS

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INTRODUCTION

1. AUTHORIZATION

This evaluation has been authorized by Mr. Ty Pfeifer, on behalf of High Point Oil Inc. The engineering analysis has been performed during the month of April 2017.

2. PURPOSE OF THE REPORT

The purpose of this report was to prepare a third party independent appraisal of the oil reserves owned or being acquired by High Point Oil Inc. for the Company's financial planning.

The values in this report do not include the value of the Company's undeveloped land holdings nor the tangible value of their interest in associated plant and well site facilities they may own.

3. USE OF THE REPORT

The report is intended to support the Company's corporate requirements and financial planning.

4. SCOPE OF THE REPORT

4.1 Methodology

The evaluation of the reserves and resources of these properties included in the report has been conducted under a discounted cash flow analysis of estimated future net revenue, which is the principal tool for estimating oil and gas property values and supporting capital investment decisions.

4.2 Land Survey System

The Dominion Land Survey (DLS) is the method used to divide most of Western Canada into one-square-mile sections for agricultural and other purposes. It is based on the layout of the Public Land Survey System used in the United States, but has several differences. The DLS is the dominant survey method in the Prairie provinces, and it is also used in the Peace River Block in British Columbia.

The most important north–south lines of the survey are the meridians:

- The First (also Principal or Prime) Meridian at 97°27′28.41″ west, just west of Winnipeg, Manitoba.
- The Second Meridian at 102° west, which forms the northern part of the Manitoba–Saskatchewan boundary.
- The Third Meridian at 106° west, near Moose Jaw and Prince Albert, Saskatchewan.
- The Fourth Meridian at 110° west, which forms the Saskatchewan–Alberta boundary and bisects Lloydminster.
- The Fifth Meridian at 114° west, which runs through Calgary (Barlow Trail is built mostly on the meridian) and Stony Plain, Alberta (48th Street).
- The Sixth Meridian at 118° west, near Grande Prairie, Alberta and Revelstoke, British Columbia.

The main east–west lines are the baselines. The First Baseline is at 49° north, which forms much of the Canada–United States border in the West. Each subsequent baseline is about 24 miles (39 km) to the north of the previous one,[9] terminating at 60° north, which forms the boundary with Yukon, the Northwest Territories, and Nunavut.

Starting at each intersection of a meridian and a baseline and working west (also working east of the First Meridian), nearly square townships are surveyed, which are about 6 miles (9.7 km) in both north–south and east–west extent. There are two tiers of townships to the north and two tiers to the south of each baseline.

Townships are designated by their "township number" and "range number". Township 1 is the first north of the First Baseline, and the numbers increase to the north. Range numbers recommence with Range 1 at each meridian and increase to the west (also east of First Meridian). Individual townships are designated such as "Township 52, Range 25 west of the Fourth Meridian," abbreviated "52-25-W4".

Every township is divided into 36 sections, each about 1 mile (1.6 km) square. Sections are numbered within townships, beginning with the southeast section, as follows (north at top):

31	32	33	34	35	36
30	29	28	27	26	25
19	20	21	22	23	24
18	17	16	15	14	13
7	8	9	10	11	12
6	5	4	3	2	1

In turn, each section is divided into four quarter sections (square land parcels roughly 1/2 mile on a side): southeast, southwest, northwest and northeast. The full legal description of a particular quarter section is "the Northeast Quarter of Section 20, Township 52, Range 25 west of the Fourth Meridian", abbreviated "NE-20-52-25-W4."

A section may also be split into as many as 16 legal subdivisions (LSDs). LSDs are commonly used by the oil and gas industry as a precise way of locating wells, pipelines, and facilities. LSDs can be "quarter-quarter sections" (square land parcels roughly 1/4 mile (400 m) on a side, comprising roughly 40 acres (160,000 m2) in area). LSDs are numbered as follows (north at top):

13	14	15	16
12	11	10	9
5	6	7	8
4	3	2	1

Occasionally, resource companies assign further divisions within LSDs such as "A, B, C, D etc." for example, to distinguish between multiple sites within an LSD. These in no way constitute an official change to the Dominion Land Survey system, but nonetheless often appear as part of the legal description.

4.3 Economics

The results of the before tax economic analysis, which are presented for each entity and property summary, are in a condensed form presented on one page for simplicity in analyzing the cash flows, however, if for any reason more extensive breakdown of the cash flow is required, a separate schedule can be provided showing the full derivation and breakdown of any or all of the columns on the summary page.

The economic presentation shows the gross property and company gross and net (before and after royalty) production of oil, gas and each NGL product along with the product prices adjusted for oil quality and heating value of gas. Oil prices also include the deduction for trucking costs where applicable for royalty deductions.

The second level includes the revenues, royalties, operating costs, processing income, abandonment costs, capital and cash flow of the property. Royalty values shown here are after the reimbursement to the Company of the Gas Cost Allowance (GCA). Operating costs are presented for the gross property and the company share, split between variable and fixed costs, and the effective cost per BOE.

Net revenues are presented annually and as a net back in $/BOE @ 6 Mscf/STB. Revenue from custom processing of oil or gas is presented separately.

The third level of data presents the cumulative cash flow values (present worth) for various discount rates. Also, the net cash flow breakdown is presented. The project profitability criteria are summarized on the bottom right of the page. These data are not relevant in the case of corporate evaluations but are useful in assessing individual capital projects.

For corporate consolidations a second page is included, which repeats the before tax cash flow and presents the Taxable Income, Income Tax Payable, After Income Tax Cash Flows and net present values After Income Tax.

4.4 Barrels of Oil Equivalent

If at any time in this report reference is made to "Barrels of Oil Equivalent" (BOE), the conversion used is 6 Mscf : 1 STB (6 Mcf : 1 bbl).

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

4.5 Environmental Liabilities

We have been advised by the Company that they are in material compliance with all Environmental Laws and do not have any Environmental Claims pending, as demonstrated in the Representation Letter attached.

5. BASIS OF REPORT

5.1 Sources of Information

Sources of the data used in the preparation of this report are as follows:

i) Ownership and Burdens have been provided by the Company;

ii) Production data is acquired from public data sources, except for very recent data or certain wells which are provided directly by the Company;

iii) Well data is accessed from public data sources;

iv) Operating Costs are based on discussions with the Company and our experience in the area for new or non-producing properties;

v) Price differentials are based on our experience in the area for new or non-producing properties;

vi) Timing of Development Plans and Capital estimates are normally determined by discussions with the Company together with our experience and judgment.

5.2 Product Prices

Chapman Petroleum Engineering Ltd. conducts continual surveillance and monitoring on a number of Benchmark product prices both locally and internationally. Based on historical data, current conditions and our view of the relevant political and economic trends, we independently prepare oil, gas and by-product price forecasts including predictions for the near term (first few years) with escalation thereafter for a maximum of 15 years, after which prices are held constant.

In establishing our forecasts we also consider input from operating companies, consulting firms, oil & gas marketing companies and financial institutions. Our forecasts are updated quarterly and the latest one prior to the effective date would generally be used. The forecast used for this report is presented in Table 5 in the Executive.

The Benchmark Oil Par Price shown is the equivalent price of light sweet crude landed in Edmonton to that of the West Texas Intermediate crude (WTI) in Cushing, Oklahoma after adjustments for transportation and the prevailing dollar exchange rate ($US/$Can).

Any prices quoted in the property discussions reflect fully adjusted prices for crude quality, transportation, gas heating value and specific contractual arrangements. In the case of delayed production the equivalent 2017 price for that production has been quoted.

5.3 Product Sales Arrangement

The Company does not have any "hedge" contracts in place at this time.

5.4 Royalties

The properties evaluated in this report are subject to Freehold royalties and Alberta mineral tax.

5.5 Capital Expenditures and Operating Costs

Operating costs and capital expenditures have been based on historical experience and analogy where necessary and are expressed in current year dollars and escalated as follows:

2017	- No Escalation
2018-2032	- 2.0% per year
Thereafter	- No Escalation

5.6 Income Tax Parameters

Net cash flows after consideration of corporate income tax have been included in this report.

As this is a new company, there are no previous tax pools.

Future capital expenditures anticipated for this report are predominantly development costs, and have been included as tangible or intangible costs.

The Federal tax rates utilized in this report were 15.00% in 2017 and thereafter. The Alberta Provincial tax rate utilized was 10% in all years.

5.7 Abandonment and Restoration

Abandonment and restoration costs, net of salvage, have been included in the cash flows for the final event of any particular well. The abandonment cost does not impact the economic limit and is included in the final year of production. For marginal wells nearing the end of their economic life, these costs may result in a negative net present value.

For Alberta wells we have utilized Directive 011 from the AER which has been made available to the public to estimate liability for well abandonment and site restoration, unless the Company has provided the information from their experience

This directive accounts for the general areas, number of zones to be abandoned, well depth and presence of tubing and rods, etc. Separate amounts are determined for abandonment and lease restoration.

In this report, we have accounted for these costs for only the wells which are being evaluated and have not included other shut-in or suspended wells in the Company's inventory or their facilities and pipelines.

6. EVALUATION STANDARD USED

6.1 General

This evaluation and report preparation have been carried out in accordance with standards set out in the APEGA professional practice standard "The Canadian Oil and Gas Evaluation Handbook" ("COGEH"), in conjunction with COGEH definitions are presented below and are generally compliant with PRMS standards.

6.2 Reserve Definitions

The following definitions, extracted from Section 5.4 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1) published by the Petroleum Society of CIM and the Calgary Chapter of the Society of Petroleum Evaluation Engineers (SPEE) as specified by NI 51-101 have been used in preparing this report. These definitions are compliant with the PRMS.

DEFINITIONS OF RESERVES

The following definitions and guidelines are designed to assist evaluators in making reserves estimates on a reasonably consistent basis, and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

The guidelines outline

- General criteria for classifying reserves,
- Procedures and methods for estimating reserves,
- Confidence levels of individual entity and aggregate reserves estimates,
- Verification and testing of reserves estimates.

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable, and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions. The concepts are presented and discussed in greater detail within the guidelines of Section 5.5 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1).

The following definitions apply to both estimates of individual Reserves Entities and the aggregate of reserves for multiple entities.

RESERVES CATEGORIES

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on

- Analysis of drilling, geological, geophysical, and engineering data;
- The use of established technology;

- Specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

a. Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

b. Probable Reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved + probable reserves.

c. Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved + probable + possible reserves.

Other criteria that must also be met for the categorization of reserves are provided in Section 5.5.4 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1).

DEVELOPMENT AND PRODUCTION STATUS

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories.

a. Developed Reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed Producing Reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed Non-Producing Reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in and the date of resumption of production is unknown.

b. Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

LEVELS OF CERTAINTY FOR REPORTED RESERVES

The qualitative certainty levels contained in the definitions in Section 5.4.1 are applicable to "individual reserves entities," which refers to the lowest level at which reserves calculations are performed, and to "reported reserves," which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- At least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves,
- At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable reserves,
- At least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable + possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in Section 5.5.3 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1).

7. SITE VISIT

A personal field examination of these properties was not considered to be necessary because the data available from the Company's records and public sources were satisfactory for our purposes.

GLOSSARY OF TERMS
(Abbreviations & Definitions)

General

BIT	-	Before Income Tax
AIT	-	After Income Tax
M$	-	Thousands of Dollars
Effective Date	-	The date for which the Present Value of the future cash flows and reserve categories are established
$US	-	United States Dollars
WTI	-	West Texas intermediate – the common reference for crude oil used for oil price comparisons
ARTC	-	Alberta Royalty Tax Credit
GRP	-	Gas Reference Price

Interests and Royalties

BPO	-	Before Payout
APO	-	After Payout
APPO	-	After Project Payout
Payout	-	The point at which a participant's original capital investment is recovered from its net revenue
GORR	-	Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden)
NC	-	New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974
SS 1/150 (5%-15%) Oil	-	Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150th of monthly production with a minimum percentage of 5% and a maximum of 15%
FH	-	Freehold Royalty
P&NG	-	Petroleum and Natural Gas
Twp	-	Township
Rge	-	Range
Sec	-	Section

Technical Data

psia	- Pounds per square inch absolute
MSTB	- Thousands of Stock Tank Barrels of oil (oil volume at 60 F and 14.65 psia)
MMscf	- Millions of standard cubic feet of gas (gas volume at 60 F and 14.65 psia)
Bbls	- Barrels
Mbbls	- Thousands of barrels
MMBTU	- Millions of British Thermal Units – heating value of natural gas
STB/d	- Stock Tank Barrels of oil per day – oil production rate
Mscf/d	- Thousands of standard cubic feet of gas per day – gas production rate
GOR (scf/STB)	- Gas-Oil Ratio (standard cubic feet of solution gas per stock tank barrel of oil)
mKB	- Metres Kelly Bushing – depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations.
EOR	- Enhanced Oil Recovery
GJ	- Gigajoules
Marketable or Sales Natural Gas	- Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities.
NGLs	- Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
Raw Gas	- Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use.
EUR	- Estimated Ultimate Recovery

PART 2 DISCLOSURE OF RESERVES DATA

The reserves data set forth below is based upon a report prepared by Chapman Petroleum Engineering Ltd., independent petroleum consultants, Calgary, Alberta ("Chapman"), evaluating the Oil and Gas reserves of High Points 4-5-35-24w4m target location as at March 31, 2017, with a report date of April 7, 2017. The following tables provide information regarding the estimated Canadian reserves and net present value of future net revenue based on forecast prices and cost information with respect to the interests held by High Point for each of the product types that High Point has interests in for proved developed producing, proved developed non-producing, proved undeveloped, all proved in total, probable, all proved plus probable, possible and total proved plus probable plus possible. Due to rounding certain columns may not add exactly.

Reserves Data (Forecast Prices and Costs)

The following tables provide information regarding the estimated Canadian reserves and net present value of future net revenue based on forecast prices and cost information with respect to the interests held by the Corporation for each of the product types that High Point has interests in for proved developed producing, proved developed non-producing, proved undeveloped, all proved in total, probable, all proved plus probable, possible and total proved plus probable plus possible. As required by NI 51-101 the estimates of reserves and future net revenue are estimated assuming that the development of each property in respect of which the estimate is made will occur, without regard to the likely availability to High Point of funding required for that development.

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Table 1

High Point Oil Inc.

Summary of Oil and Gas Reserves

April 1, 2017
(as of March 31, 2017)

Forecast Prices and Costs

	Company Reserves							
	Light and Medium Oil		Heavy Oil		Natural Gas [1]		Natural Gas Liquids	
Reserves Category	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl
PROVED								
Developed Producing	0	0	0	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0	0	0	0
Undeveloped	0	0	0	0	0	0	0	0
TOTAL PROVED	0	0	0	0	0	0	0	0
PROBABLE	198	163	0	0	0	0	0	0
TOTAL PROVED PLUS PROBABLE	198	163	0	0	0	0	0	0
POSSIBLE	309	255	0	0	0	0	0	0
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	507	418	0	0	0	0	0	0

Reference: Item 2.1 (1) Form 51-101F1

Columns may not add precisely due to accumulative rounding of values throughout the report.

Note: [1] Includes associated, non-associated and solution gas where applicable.

Table 2

High Point Oil Inc.

Summary of Net Present Values
April 1, 2017
(as of March 31, 2017)

Forecast Prices and Costs

Before Income Tax

Reserves Category	Net Present Values of Future Net Revenue Discounted at 0 %/yr. M$	5 %/yr. M$	10 %/yr. M$	15 %/yr. M$	20 %/yr. M$
PROVED					
Developed Producing	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0
Undeveloped	0	0	0	0	0
TOTAL PROVED	**0**	**0**	**0**	**0**	**0**
PROBABLE	9,900	8,107	6,778	5,768	4,983
TOTAL PROVED PLUS PROBABLE	**9,900**	**8,107**	**6,778**	**5,768**	**4,983**
POSSIBLE	16,874	11,559	8,583	6,758	5,548
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	**26,774**	**19,666**	**15,361**	**12,526**	**10,531**

After Income Tax

Reserves Category	Net Present Values of Future Net Revenue Discounted at 0 %/yr. M$	5 %/yr. M$	10 %/yr. M$	15 %/yr. M$	20 %/yr. M$
PROVED					
Developed Producing	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0
Undeveloped	0	0	0	0	0
TOTAL PROVED	**0**	**0**	**0**	**0**	**0**
PROBABLE	7,221	5,888	4,900	4,149	3,565
TOTAL PROVED PLUS PROBABLE	**7,221**	**5,888**	**4,900**	**4,149**	**3,565**
POSSIBLE	12,289	8,407	6,226	4,887	3,998
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	**19,510**	**14,295**	**11,126**	**9,036**	**7,564**

Reference: Item 2.1 (2) Form 51-101F1

M$ means thousands of dollars

Columns may not add precisely due to accumulative rounding of values throughout the report.

Table 3

High Point Oil Inc.

Total Future Net Revenue (Undiscounted)

April 1, 2017

(as of March 31, 2017)

Forecast Prices and Costs

Reserve Category	Revenue M$	Royalties M$	Operating Costs M$	Development Costs M$	Well Abandonment Costs M$	Future Net Revenues BIT M$	Income Taxes M$	Future Net Revenues AIT M$
Total Proved	0	0	0	0	0	0	0	0
Proved Plus Probable	16,377	3,467	2,017	900	93	9,900	(2,679)	7,221
Proved Plus Probable Plus Possible	45,183	9,661	6,962	1,563	202	26,774	(7,264)	19,510

Reference: Item 2.1 (3)(b) NI 51-101F1

M$ means thousands of dollars

Table 4

High Point Oil Inc.

Future Net Revenue
By Production Group
April 1, 2017
(as of March 31, 2017)

Forecast Prices and Costs

Reserve Category	Product Type	Future Net Revenue Before Income Taxes Discounted at 10%/yr. M$
Total Proved	Light and Medium Oil (including solution gas and other by-products)	0
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0
Proved Plus Probable	Light and Medium Oil (including solution gas and other by-products)	6,778
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0
Proved Plus Probable Plus Possible	Light and Medium Oil (including solution gas and other by-products)	15,361
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0

Reference: Item 2.1 (3)(c) NI 51-101F1

M$ means thousands of dollars

Table 4A

High Point Oil Inc.

Oil and Gas Reserves and Net Present Values
by Production Group
April 1, 2017
(as of March 31, 2017)

Forecast Prices and Costs

Product Type by Reserve Category	Reserves						Net Present Value (BIT)	Unit Values @ 10%/yr.
	Oil		Gas		NGL		10%	
	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl	M$	$/STB
Light and Medium Oil [1]								
Proved								
Developed Producing	0	0	0	0	0	0	0	N/A
Developed Non-Producing	0	0	0	0	0	0	0	N/A
Undeveloped	0	0	0	0	0	0	0	N/A
Total Proved	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**N/A**
Probable	198	163	0	0	0	0	6,778	41.49
Proved Plus Probable	**198**	**163**	**0**	**0**	**0**	**0**	**6,778**	**41.49**
Possible	309	255	0	0	0	0	8,583	33.67
Proved Plus Probable Plus Possible	**507**	**418**	**0**	**0**	**0**	**0**	**15,361**	**36.72**

Reference: Item 2.1 (3)(c) NI 51-101F1

M$ means thousands of dollars

Columns may not add precisely due to accumulative rounding of values throughout the report.

Notes: [1] Includes solution gas.

Table 4A

High Point Oil Inc.

Oil and Gas Reserves and Net Present Values
by Product Type
November 1, 2017
(as of October 31, 2017)

Forecast Prices and Costs

Product Type by Reserve Category	Reserves						Net Present Value (BIT)	Unit Values @ 10%/yr.
	Oil		Gas		NGL			
	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl	10% M$	$/STB
Light and Medium Oil [1]								
Proved								
Developed Producing	0	0	0	0	0	0	0	N/A
Developed Non-Producing	0	0	0	0	0	0	0	N/A
Undeveloped	0	0	0	0	0	0	0	N/A
Total Proved	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**N/A**
Probable	153	126	57	47	0	0	5,253	41.76
Proved Plus Probable	**153**	**126**	**57**	**47**	**0**	**0**	**5,253**	**41.76**
Possible	209	171	78	64	0	0	7,055	41.15
Proved Plus Probable Plus Possible	**362**	**297**	**135**	**111**	**0**	**0**	**12,308**	**41.41**

Reference: Item 2.1 (3)(c) NI 51-101F1

M$ means thousands of dollars

Columns may not add precisely due to accumulative rounding of values throughout the report.

Note [1] Includes solution gas.

PART 3 PRICING ASSUMPTIONS

The following tables detail the benchmark reference prices for the regions in which the Corporation operated as at March 31, 2017 reflected in the reserves data disclosed above under "Disclosure of Reserves Data". These pricing assumptions were provided by Chapman. The Company has not yet begun to produce products and therefore has no comparative historical price data.

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Table 8

CHAPMAN PETROLEUM ENGINEERING LTD.
CRUDE OIL
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES

April 1, 2017

Date		WTI [1] $US/STB	Brent Spot (ICE)[2] $US/STB	AB Synthetic Crude Price [3] $CDN/STB	Western Canada Select [4] $CDN/STB	Exchange Rate $US/$CDN
HISTORICAL PRICES						
2009		61.95	61.74	76.77	53.04	0.88
2010		79.48	79.61	80.56	66.58	0.97
2011		94.88	111.26	102.45	77.43	1.01
2012		94.05	111.63	92.56	71.70	1.00
2013		97.98	108.56	100.17	75.78	0.97
2014		93.12	99.43	101.07	82.07	0.91
2015		48.69	53.32	62.17	46.23	0.78
2016		43.17	45.06	57.98	38.90	0.76
2017	3 mos.	51.82	54.60	70.31	50.53	0.76
CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)						
		47.49	49.50	62.46	44.01	0.76
FORECAST PRICES						
2017		55.00	57.20	73.20	51.24	0.76
2018		60.00	62.40	75.83	56.11	0.80
2019		65.00	67.60	79.14	58.57	0.83
2020		70.00	72.80	85.17	63.02	0.83
2021		72.50	75.40	86.12	63.73	0.85
2022		75.00	78.00	89.07	65.91	0.85
2023		77.50	80.60	92.01	68.08	0.85
2024		80.00	83.20	94.95	70.26	0.85
2025		82.50	85.80	97.89	72.44	0.85
2026		85.00	88.40	100.83	74.61	0.85
2027		87.50	91.00	103.77	76.79	0.85
2028		89.28	92.82	105.83	78.31	0.85
2029		91.04	94.68	107.93	79.87	0.85
2030		92.86	96.57	110.07	81.45	0.85
2031		94.71	98.50	112.26	83.07	0.85
2032		96.61	100.47	114.49	84.72	0.85

Constant thereafter

Notes:
- [1] West Texas Intermediate quality (D2/S2) crude (40API) landed in Cushing, Oklahoma.
- [2] The Brent Spot price is estimated based on historic data.
- [3] Equivalent price for Light Sweet Crude (D2/S2) & Synthetic Crude landed in Edmonton.
- [4] Western Canada Select (20.5API), spot price for B.C., Alberta, Saskatchewan, and Manitoba.

PART 4 RECONCILIATION OF CHANGES IN RESERVES

Not applicable - The Company has not yet begun operating and this report was limited to a single target location.

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

The company has no developed reserves. All reserves shown in this document are undeveloped.

SIGNIFICANT FACTORS OR UNCERTAINTIES

The production rates, Oil and Gas reserves and cash flow information contained in the Chapman Report are only estimates and the actual production and ultimate reserves may be greater or less than the estimates prepared by Chapman. Factors, consideration and assumptions that the independent evaluator used to develop these estimates include, but are not limited to:

: Historical production;
: Government regulation;
: Assumptions regarding commodity prices, production, development costs, taxes and capital expenditures;
: Timing of capital expenditures;
: Effectiveness of enhanced recovery schemes;
: Marketability of production;
: Operating costs and royalties;
: Initial production rates;
: Production decline rates;
: Ultimate recovery of reserves: and
: Future oil and gas prices.

FUTURE DEVELOPMENT COSTS

The following table shows the development costs anticipated in the next five years, which have been deducted in the estimation of the Company's future net revenues of the reserves evaluated in the Chapman Report at March 31, 2017.

Future Development Costs Forecast Prices and Costs October 31, 2017	$M	$M
Year	Total Probable Capital	Proved plus Probable Capital
2018	900	900
2019	0	650
2020	0	0
2021	0	0
2022	0	0
Remainder	0	0
Total	0	0
	900	1,550

ABANDONMENT AND RECLAMATION COSTS

Net Present Value of Future Development Costs Forecast Prices and Costs October 31, 2017	$M	$M
Year	Total Probable	Proved plus Probable Capital
2028	93	0
Remainder	0	202
Total	93	202

Abandonment is less Salvage.

PART 6 OTHER OIL AND GAS INFORMATION

Producing and Non-Producing Wells

Not applicable. The company has not yet drilled any wells.

Production Forecasts

Not applicable. The company has not yet drilled any wells.

Oil and Gas Properties

High Point has several mineral leases in the Huxley are of Alberta. The area is located in Townships 34 and 35, Ranges 23-25 West of the 4th Meridian. The Company has just acquired a 20% working interest in one well in the area and is negotiating another 30% in the same well. It is the company's intention to use this well as an injection well and therefore, no production is forecast for it.

Land Holdings

The companies gross and net acres in seven parcels in the Huxley area are 2,080 and 1,568 respectively. Other than the two target locations referenced in these appendices, no reserves have been attributable to any of the Company's holdings. Zones of interest are: Mannville and Nisku. There are good offset geological control, and excellent off-set production data. The company has access to approximately 170 square miles of 3D seismic over its area of interest.

Exploration and Evaluation Activities For the year ended December31, 2017

The Corporation incurred $698,216 in exploration and acquisition activities in the year. These costs included obtaining, processing and interpreting seismic data and obtaining mineral leases. No drilling activity has occurred to date.

Forward Contracts

High Point may use certain derivative financial instruments to manage its commodity prices in the future once it has production. No such contracts are presently in place.

Tax Horizon

As at December 31, 2017 the High Point has $826,590 in non-capital losses. High Point has just completed its first year end and has not yet recorded a profit. Accordingly, the Company will be able to apply these pools against any taxable income were the Company to be in a tax position. Given the current exploration stage of the Company, becoming taxable is not anticipated for the foreseeable future.

Production History

The company has no production.

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Form 51-101F2

Report on Reserves Data

Limited to the 4-5-35-24wm target location

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Chapman Petroleum Engineering Ltd.

1122 4th Street S.W., Suite 700, Calgary, Alberta T2R 1M1 • Phone: (403) 266-4141 • Fax: (403) 266-4259 • www.chapeng.ab.ca

April 7, 2017

High Point Oil Inc.
1527 Evergreen Drive SW
Calgary, AB
T2Y 2X7

Attention: Mr. Ty Pfeifer

Dear Sir:

Re: Reserve and Economic Evaluation – High Point Oil Inc.
Huxley Area, Alberta – March 31, 2017

In accordance with your authorization we have performed a reserve and economic evaluation of an oil property located in Huxley, Alberta (general location only), owned by High Point Oil Inc. (the "Company") for an effective date of March 31, 2017 (April 1, 2017).

This evaluation has been carried out in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEH"), compliant with the NI 51-101 standards and the professional practice standard under our Permit to Practice with APEGA. The report has been prepared and/or supervised by a "Qualified Reserves Evaluator" as demonstrated on the accompanying Certificate of Qualification of the author(s).

The INTRODUCTION contains the authorization and purpose of the report and describes the methodology and economic parameters used in the preparation of this report.

The EXECUTIVE SUMMARY contains the results of this reserve and economic evaluation presented in a form consistent with the requirements of Form 51-101 F1 Part 2, Item 2.1 (Forecast Prices and Costs). The Forecast Prices of our benchmark products are also presented.

The SUMMARY OF RESERVES AND ECONOMICS complements the Executive Summary, including values at the property level and the consolidated cash flows for each accumulating reserve category. The net present values presented in this report do not necessarily represent the fair market value of the reserves evaluated in this report. All monetary values presented in this report are expressed in terms of Canadian dollars.

The DISCUSSION contains a description of the interests and burdens, reserves and geology, production forecasts, product prices, capital and operating costs and a map of each major property. The economic results and cash flow forecasts (before income tax) are also presented on an entity and property summary level.

APPENDIX A contains a similar evaluation of an adjacent property to the Company's, which is under negotiation for acquisition. The values are not included in the Company's values in the Executive Summary and are appended to the report for information purposes only.

A REPRESENTATION LETTER from the Company confirming that to the best of their knowledge all the information they provided for our use in the preparation of this report was complete and accurate as of the effective date, is enclosed following the Glossary.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be significant. We have no responsibility to update our report for events and circumstances which may have occurred since the preparation date of this report.

Prior to public disclosure of any information contained in this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,
Chapman Petroleum Engineering Ltd.

[Original Signed By:]

C. W. Chapman

C. W. Chapman, P. Eng.,
President

[Original Signed By:]

D.J. Brière

D.J. Brière, P.Eng.
General Manager International

PERMIT TO PRACTICE
CHAPMAN PETROLEUM ENGINEERING LTD.
[Original Signed By:]
Signature *C.W. Chapman*
Date *April 10, 2017*
PERMIT NUMBER: P 4201
The Association of Professional Engineers and Geoscientists of Alberta

cwc/lml/6320
attachments

FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Limited to the 4-5-35-24w4m target location

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

1. Terms to which a meaning is ascribed in NI 51-101 have the same meaning in this form.[1]

2. The report referred to in item 3 of section 2.1 of NI 51-101 must in all material respects be as follows:

Report of Management and Directors on Reserves Data and Other Information

High Point Oil Inc. is not a public company and as such did not prepare an NI51-101 report for its holdings. It did however, commission such a report limited to a single property for the purposes of assessing the acquisition of this property from the founders of the Company. This Form 51-101F3 is therefore limited to the report prepared on this single property.

Management of High Point Oil Inc. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue for the target location as at March 31, 2017, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator is presented above

The board of directors of the Company has

(a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;

(b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation and, in the event of a proposal to change the independent qualified reserves evaluator, to inquire whether there had been disputes between the previous independent qualified reserves evaluator or and management; and

(c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;

(b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and

(c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

“signed”________________________ Tyron Pfeifer President, Chief Executive Officer, Director
“signed”________________________ W. Howard Blacker Chief Financial Officer, Director
“signed”________________________ Donal Carroll Director

Dated on the 7th day of May, 2018

1 For the convenience of readers, CSA Staff Notice 51-324 Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities sets out the meanings of terms that are printed in italics in sections 1 and 2 of this Form or in NI 51-101, Form 51-101F1, Form 51-101F2 or Companion Policy 51-101CP.

APPENDIX "B"

RESERVES INFORMATION FOR 8-10-35-24W4 PROPERTY
EFFECTIVE OCTOBER 31 2017

(HIGH POINT OIL INC. – SUBSIDIARY COMPANY)

High Point Oil Inc. (“the Corporation” or “Company”)

Form 51-101F1 STATEMENT OF RESERVE DATA AND OTHER OIL AND GAS INFORMATION

Limited to the 8-10-35-24w4m target location

PART 1 DATE OF STATEMENT

RELEVANT DATES

1. This statement is dated November 27, 2017

2. The effective date of the financial and reserves information provided is October 31, 2017

DEFINITIONS, NOTES AND OTHER CAUTIONARY STATEMENTS

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INTRODUCTION

1. AUTHORIZATION

This evaluation has been authorized by Mr. Ty Pfeifer, on behalf of High Point Oil Inc. The engineering analysis has been performed during the month of November 2017.

2. PURPOSE OF THE REPORT

The purpose of this report was to prepare a third party independent appraisal of the oil reserves owned or being acquired by High Point Oil Inc. for the Company's financial planning.

The values in this report do not include the value of the Company's undeveloped land holdings nor the tangible value of their interest in associated plant and well site facilities they may own.

3. USE OF THE REPORT

The report is intended to support the Company's corporate requirements and financial planning.

4. SCOPE OF THE REPORT

4.1 Methodology

The evaluation of the reserves and resources of these properties included in the report has been conducted under a discounted cash flow analysis of estimated future net revenue, which is the principal tool for estimating oil and gas property values and supporting capital investment decisions.

4.2 Land Survey System

The Dominion Land Survey (DLS) is the method used to divide most of Western Canada into one-square-mile sections for agricultural and other purposes. It is based on the layout of the Public Land Survey System used in the United States, but has several differences. The DLS is the dominant survey method in the Prairie provinces, and it is also used in the Peace River Block in British Columbia.

The most important north–south lines of the survey are the meridians:

- The First (also Principal or Prime) Meridian at 97°27′28.41″ west, just west of Winnipeg, Manitoba.
- The Second Meridian at 102° west, which forms the northern part of the Manitoba–Saskatchewan boundary.
- The Third Meridian at 106° west, near Moose Jaw and Prince Albert, Saskatchewan.
- The Fourth Meridian at 110° west, which forms the Saskatchewan–Alberta boundary and bisects Lloydminster.
- The Fifth Meridian at 114° west, which runs through Calgary (Barlow Trail is built mostly on the meridian) and Stony Plain, Alberta (48th Street).
- The Sixth Meridian at 118° west, near Grande Prairie, Alberta and Revelstoke, British Columbia.

The main east–west lines are the baselines. The First Baseline is at 49° north, which forms much of the Canada–United States border in the West. Each subsequent baseline is about 24 miles (39 km) to the north of the previous one,[9] terminating at 60° north, which forms the boundary with Yukon, the Northwest Territories, and Nunavut.

Starting at each intersection of a meridian and a baseline and working west (also working east of the First Meridian), nearly square townships are surveyed, which are about 6 miles (9.7 km) in both north–south and east–west extent. There are two tiers of townships to the north and two tiers to the south of each baseline.

Townships are designated by their "township number" and "range number". Township 1 is the first north of the First Baseline, and the numbers increase to the north. Range numbers recommence with Range 1 at each meridian and increase to the west (also east of First Meridian). Individual townships are designated such as "Township 52, Range 25 west of the Fourth Meridian," abbreviated "52-25-W4".

Every township is divided into 36 sections, each about 1 mile (1.6 km) square. Sections are numbered within townships, beginning with the southeast section, as follows (north at top):

31	32	33	34	35	36
30	29	28	27	26	25
19	20	21	22	23	24
18	17	16	15	14	13
7	8	9	10	11	12
6	5	4	3	2	1

In turn, each section is divided into four quarter sections (square land parcels roughly 1/2 mile on a side): southeast, southwest, northwest and northeast. The full legal description of a particular quarter section is "the Northeast Quarter of Section 20, Township 52, Range 25 west of the Fourth Meridian", abbreviated "NE-20-52-25-W4."

A section may also be split into as many as 16 legal subdivisions (LSDs). LSDs are commonly used by the oil and gas industry as a precise way of locating wells, pipelines, and facilities. LSDs can be "quarter-quarter sections" (square land parcels roughly 1⁄4 mile (400 m) on a side, comprising roughly 40 acres (160,000 m2) in area). LSDs are numbered as follows (north at top):

13	14	15	16
12	11	10	9
5	6	7	8
4	3	2	1

Occasionally, resource companies assign further divisions within LSDs such as "A, B, C, D etc." for example, to distinguish between multiple sites within an LSD. These in no way constitute an official change to the Dominion Land Survey system, but nonetheless often appear as part of the legal description.

4.3 Economics

The results of the before tax economic analysis, which are presented for each entity and property summary, are in a condensed form presented on one page for simplicity in analyzing the cash flows, however, if for any reason more extensive breakdown of the cash flow is required, a separate schedule can be provided showing the full derivation and breakdown of any or all of the columns on the summary page.

The economic presentation shows the gross property and company gross and net (before and after royalty) production of oil, gas and each NGL product along with the product prices adjusted for oil quality and heating value of gas. Oil prices also include the deduction for trucking costs where applicable for royalty deductions.

The second level includes the revenues, royalties, operating costs, processing income, abandonment costs, capital and cash flow of the property. Royalty values shown here are after the reimbursement to the Company of the Gas Cost Allowance (GCA). Operating costs are presented for the gross property and the company share, split between variable and fixed costs, and the effective cost per BOE.

Net revenues are presented annually and as a net back in $/BOE @ 6 Mscf/STB. Revenue from custom processing of oil or gas is presented separately.

The third level of data presents the cumulative cash flow values (present worth) for various discount rates. Also, the net cash flow breakdown is presented. The project profitability criteria are summarized on the bottom right of the page. These data are not relevant in the case of corporate evaluations but are useful in assessing individual capital projects.

For corporate consolidations a second page is included, which repeats the before tax cash flow and presents the Taxable Income, Income Tax Payable, After Income Tax Cash Flows and net present values After Income Tax.

4.4 Barrels of Oil Equivalent

If at any time in this report reference is made to "Barrels of Oil Equivalent" (BOE), the conversion used is 6 Mscf : 1 STB (6 Mcf : 1 bbl).

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

4.5 Environmental Liabilities

We have been advised by the Company that they are in material compliance with all Environmental Laws and do not have any Environmental Claims pending, as demonstrated in the Representation Letter attached.

5. BASIS OF REPORT

5.1 Sources of Information

Sources of the data used in the preparation of this report are as follows:

i) Ownership and Burdens have been provided by the Company;

ii) Production data is acquired from public data sources, except for very recent data or certain wells which are provided directly by the Company;

iii) Well data is accessed from public data sources;

iv) Operating Costs are based on discussions with the Company and our experience in the area for new or non-producing properties;

v) Price differentials are based on our experience in the area for new or non-producing properties;

vi) Timing of Development Plans and Capital estimates are normally determined by discussions with the Company together with our experience and judgment.

5.2 Product Prices

Chapman Petroleum Engineering Ltd. conducts continual surveillance and monitoring on a number of Benchmark product prices both locally and internationally. Based on historical data, current conditions and our view of the relevant political and economic trends, we independently prepare oil, gas and by-product price forecasts including predictions for the near term (first few years) with 2 percent escalation thereafter.

In establishing our forecasts we also consider input from operating companies, consulting firms, oil & gas marketing companies and financial institutions. Our forecasts are updated quarterly and the latest one prior to the effective date would generally be used. The forecast used for this report is presented in Table 5 in the Executive Summary.

The Benchmark Oil Par Price shown is the equivalent price of light sweet crude landed in Edmonton to that of the West Texas Intermediate crude (WTI) in Cushing, Oklahoma after adjustments for transportation and the prevailing dollar exchange rate ($US/$Can).

Any prices quoted in the property discussions reflect fully adjusted prices for crude quality, transportation, gas heating value and specific contractual arrangements. In the case of delayed production the equivalent 2017 price for that production has been quoted.

5.3 **Product Sales Arrangement**

The Company does not have any "hedge" contracts in place at this time.

5.4 **Royalties**

A full provision for Crown royalties under the latest regulations and incentive programs for the applicable provinces have been included in this report. Likewise, Freehold royalties, mineral taxes, gross overriding royalties and any other burdens have been accounted for.

Alberta

Effective January 1, 2011, a revised Alberta Royalty Framework (ARF-2011) for oil and natural gas was implemented. Royalty rates under the ARF-2011 are a function of two separate components, product prices and producing rates, which are additive. The royalties are determined by means of complex formulae containing a series of thresholds for both prices and rates. Increasing royalty rates are applied incrementally to each threshold. The formulae provide for royalty reductions for gas wells deeper than 2000 m.

For natural gas, royalty rates range from five percent for relatively low rate wells when prices are low, up to 36 percent for high rate wells when prices are high. The maximum rate would not apply at any producing rate until gas prices exceed $6.85/Mscf (1,000 BTU gas). Also, the highest royalty rates will not apply to any well producing less than 320 Mscf/day, regardless of price.

Conventional oil royalty rates under the ARF-2011 can be zero for low rate wells when prices are low, increasing to 40 percent for high rate wells when prices are high. The maximum royalty rate will not apply to any well producing less than 35 STB/day regardless of price. Also maximum royalty rates will not apply to any well regardless of rate at oil prices less than $50.00/STB.

The ARF-2011 is designed to deliver up to 40 percent (36 percent for gas) of the oil revenue to the Alberta Government from high rate wells when the prices are high. When prices and/or production rates are low the royalties are minimized (0 percent for oil and 5 percent for gas) so that stripper wells will not be shut in earlier than necessary, due to the Crown royalty burden.

Effective January 1, 2017 the Alberta government has introduced revisions to the royalty regime referred to as the "Modernized Royalty Framework" (MRF). Under this regime, existing wells are subject to the former ARF-2011 for the next ten years then revert to the MRF application.

New wells drilled after January 1, 2017 are subject to the MRF, which involves three stages.

During the Capital Investment Stage, a royalty of 5% applies on total revenues until "payout". Payout is based on gross revenues against a predetermined factor, "C*", which depends on well depth, i.e. shallower or deeper than 2000 meters, the horizontal leg length and tonnage of frac sand used. The C* is based on average industry costs grossed up to account for reasonable operating costs and royalties.

Once Payout is Achieved, the second phase of the program applies where royalties are variable depending on product price. This royalty phase applies unless the production is equal or less than 194 m^3e/month for oil and 344 e^3m^3e/month for gas, which is referred to as the "mature" stage.

During the Mature Stage the royalties are gradually reduced with declining production to an eventual minimum royalty of 5%.

5.5 Capital Expenditures and Operating Costs

Operating costs and capital expenditures have been based on historical experience and analogy where necessary and are expressed in current year dollars and escalated as follows:

2017	- No Escalation
Thereafter	- 2.0% per year

5.6 Income Tax Parameters

Net cash flows after consideration of corporate income tax have been included in this report.

The estimated balances of the existing tax pools at October 31, 2017, as provided by the Company, are summarized below:

	$
Non Capital Losses	0
Capital Cost Allowances (CCA)	0
Cumulative Eligible Capital (CEC)	0
Canadian Exploration Expenses (CEE)	0
Canadian Development Expenses (CDE)	0
Canadian Oil & Gas Property Expenses (COGPE)	0
Total	0

Future capital expenditures anticipated for this report are predominantly development costs, and have been included as tangible or intangible costs.

The Federal tax rates utilized in this report were 15.00% in 2017 and thereafter. The Alberta Provincial tax rate utilized was 12% in all years.

5.7 Abandonment and Restoration

Abandonment and restoration costs, net of salvage, have been included in the cash flows for the final event of any particular well. The abandonment cost does not impact the economic limit and is included in the final year of production. For marginal wells nearing the end of their economic life, these costs may result in a negative net present value.

For Alberta wells we have utilized Directive 011 from the AER which has been made available to the public to estimate liability for well abandonment and site restoration, unless the Company has provided the information from their experience.

This directive accounts for the general areas, number of zones to be abandoned, well depth and presence of tubing and rods, etc. Separate amounts are determined for abandonment and lease restoration.

in this report, we have accounted for these costs for only the wells which are being evaluated and have not included other shut-in or suspended wells in the Company's inventory or their facilities and pipelines.

6. EVALUATION STANDARD USED

6.1 General

This evaluation and report preparation have been carried out in accordance with standards set out in the APEGA professional practice standard "The Canadian Oil and Gas Evaluation Handbook" ("COGEH"), in conjunction with COGEH definitions are presented below and are generally compliant with PRMS standards.

6.2 Reserve Definitions

The following definitions, extracted from Section 5.4 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1) published by the Petroleum Society of CIM and the Calgary Chapter of the Society of Petroleum Evaluation Engineers (SPEE) as specified by NI 51-101 have been used in preparing this report. These definitions are compliant with the PRMS.

DEFINITIONS OF RESERVES

The following definitions and guidelines are designed to assist evaluators in making reserves estimates on a reasonably consistent basis, and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

The guidelines outline

- General criteria for classifying reserves,
- Procedures and methods for estimating reserves,
- Confidence levels of individual entity and aggregate reserves estimates,
- Verification and testing of reserves estimates.

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable, and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions. The concepts are presented and discussed in greater detail within the guidelines of Section 5.5 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1).

The following definitions apply to both estimates of individual Reserves Entities and the aggregate of reserves for multiple entities.

RESERVES CATEGORIES

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on

- Analysis of drilling, geological, geophysical, and engineering data;
- The use of established technology;
- Specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

a. Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

b. Probable Reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved + probable reserves.

c. Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved + probable + possible reserves.

Other criteria that must also be met for the categorization of reserves are provided in Section 5.5.4 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1).

DEVELOPMENT AND PRODUCTION STATUS

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories.

a. Developed Reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

   Developed Producing Reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

   Developed Non-Producing Reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in and the date of resumption of production is unknown.

b. Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

LEVELS OF CERTAINTY FOR REPORTED RESERVES

The qualitative certainty levels contained in the definitions in Section 5.4.1 are applicable to "individual reserves entities," which refers to the lowest level at which reserves calculations are performed, and to "reported reserves," which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- At least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves.
- At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable reserves,
- At least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable + possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in Section 5.5.3 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1).

7. SITE VISIT

A personal field examination of these properties was not considered to be necessary because the data available from the Company's records and public sources were satisfactory for our purposes.

GLOSSARY OF TERMS
(Abbreviations & Definitions)

General

BIT	-	Before Income Tax
AIT	-	After Income Tax
M$	-	Thousands of Dollars
Effective Date	-	The date for which the Present Value of the future cash flows and reserve categories are established
$US	-	United States Dollars
WTI	-	West Texas Intermediate – the common reference for crude oil used for oil price comparisons
ARTC	-	Alberta Royalty Tax Credit
GRP	-	Gas Reference Price

Interests and Royalties

BPO	-	Before Payout
APO	-	After Payout
APPO	-	After Project Payout
Payout	-	The point at which a participant's original capital investment is recovered from its net revenue
GORR	-	Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden)
NC	-	New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974
SS 1/150 (5%-15%) Oil	-	Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150th of monthly production with a minimum percentage of 5% and a maximum of 15%
FH	-	Freehold Royalty
P&NG	-	Petroleum and Natural Gas
Twp	-	Township
Rge	-	Range
Sec	-	Section

Technical Data

psia	- Pounds per square inch absolute
MSTB	- Thousands of Stock Tank Barrels of oil (oil volume at 60 F and 14.65 psia)
MMscf	- Millions of standard cubic feet of gas (gas volume at 60 F and 14.65 psia)
Bbls	- Barrels
Mbbls	- Thousands of barrels
MMBTU	- Millions of British Thermal Units – heating value of natural gas
STB/d	- Stock Tank Barrels of oil per day – oil production rate
Mscf/d	- Thousands of standard cubic feet of gas per day – gas production rate
GOR (scf/STB)	- Gas-Oil Ratio (standard cubic feet of solution gas per stock tank barrel of oil)
mKB	- Metres Kelly Bushing – depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations.
EOR	- Enhanced Oil Recovery
GJ	- Gigajoules
Marketable or Sales Natural Gas	- Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities.
NGLs	- Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
Raw Gas	- Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use.
EUR	- Estimated Ultimate Recovery

PART 2 DISCLOSURE OF RESERVES DATA

The reserves data set forth below is based upon a report prepared by Chapman Petroleum Engineering Ltd., independent petroleum consultants, Calgary, Alberta ("Chapman"), evaluating the Oil and Gas reserves of High Points 8-10-35-24w4m target location as at October 31, 2017, with a report date of November 27, 2017. The following tables provide information regarding the estimated Canadian reserves and net present value of future net revenue based on forecast prices and cost information with respect to the interests held by High Point for each of the product types that High Point has interests in for proved developed producing, proved developed non-producing, proved undeveloped, all proved in total, probable, all proved plus probable, possible and total proved plus probable plus possible. Due to rounding certain columns may not add exactly.

Reserves Data (Forecast Prices and Costs)

The following tables provide information regarding the estimated Canadian reserves and net present value of future net revenue based on forecast prices and cost information with respect to the interests held by the Corporation for each of the product types that High Point has interests in for proved developed producing, proved developed non-producing, proved undeveloped, all proved in total, probable, all proved plus probable, possible and total proved plus probable plus possible. As required by NI 51-101 the estimates of reserves and future net revenue are estimated assuming that the development of each property in respect of which the estimate is made will occur, without regard to the likely availability to High Point of funding required for that development.

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Table 1

High Point Oil Inc.

Summary of Oil and Gas Reserves

November 1, 2017
(as of October 31, 2017)

Forecast Prices and Costs

	Company Reserves							
	Light and Medium Oil		Heavy Oil		Conventional Natural Gas [1]		Natural Gas Liquids	
Reserves Category	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl
PROVED								
Developed Producing	0	0	0	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0	0	0	0
Undeveloped	0	0	0	0	0	0	0	0
TOTAL PROVED	0	0	0	0	0	0	0	0
PROBABLE	153	126	0	0	57	47	0	0
TOTAL PROVED PLUS PROBABLE	153	126	0	0	57	47	0	0
POSSIBLE	209	171	0	0	78	64	0	0
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	362	297	0	0	135	111	0	0

Reference: Item 2.1 (1) Form 51-101F1

Columns may not add precisely due to accumulative rounding of values throughout the report.

Note: [1] Includes associated, non-associated and solution gas where applicable.

Table 2

High Point Oil Inc.

Summary of Net Present Values
November 1, 2017
(as of October 31, 2017)

Forecast Prices and Costs

Before Income Tax

	Net Present Values of Future Net Revenue				
	Discounted at				
Reserves Category	0 %/yr. M$	5 %/yr. M$	10 %/yr. M$	15 %/yr. M$	20 %/yr. M$
PROVED					
Developed Producing	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0
Undeveloped	0	0	0	0	0
TOTAL PROVED	**0**	**0**	**0**	**0**	**0**
PROBABLE	7,189	6,101	5,253	4,580	4,037
TOTAL PROVED PLUS PROBABLE	**7,189**	**6,101**	**5,253**	**4,580**	**4,037**
POSSIBLE	11,684	8,950	7,055	5,697	4,695
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	**18,873**	**15,051**	**12,308**	**10,277**	**8,732**

After Income Tax

	Net Present Values of Future Net Revenue				
	Discounted at				
Reserves Category	0 %/yr. M$	5 %/yr. M$	10 %/yr. M$	15 %/yr. M$	20 %/yr. M$
PROVED					
Developed Producing	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0
Undeveloped	0	0	0	0	0
TOTAL PROVED	**0**	**0**	**0**	**0**	**0**
PROBABLE	5,216	4,412	3,785	3,287	2,885
TOTAL PROVED PLUS PROBABLE	**5,216**	**4,412**	**3,785**	**3,287**	**2,885**
POSSIBLE	8,508	6,519	5,136	4,143	3,409
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	**13,724**	**10,931**	**8,921**	**7,430**	**6,295**

Reference: Item 2.1 (2) Form 51-101F1

M$ means thousands of dollars

Columns may not add precisely due to accumulative rounding of values throughout the report.

Table 3

High Point Oil Inc.

Total Future Net Revenue (Undiscounted)

November 1, 2017

(as of October 31, 2017)

Forecast Prices and Costs

Reserve Category	Revenue M$	Royalties M$	Operating Costs M$	Development Costs M$	Well Abandonment Costs M$	Future Net Revenues BIT M$	Income Taxes M$	Future Net Revenues AIT M$
Total Proved	0	0	0	0	0	0	0	0
Proved Plus Probable	12,449	2,682	1,720	765	93	7,189	(1,973)	5,216
Proved Plus Probable Plus Possible	30,943	6,850	3,937	1,077	206	18,873	(5,149)	13,724

Reference: Item 2.1 (3)(b) NI 51-101F1

M$ means thousands of dollars

Table 4

High Point Oil Inc.

Future Net Revenue
By Product Type
November 1, 2017
(as of October 31, 2017)

Forecast Prices and Costs

Reserve Category	Product Type	Future Net Revenue Before Income Taxes Discounted at 10%/yr. M$
Total Proved	Light and Medium Oil (including solution gas and other by-products)	0
	Heavy Oil (including solution gas and other by-products)	0
	Conventional Natural Gas (including by-products but not solution gas)	0
Proved Plus Probable	Light and Medium Oil (including solution gas and other by-products)	5,253
	Heavy Oil (including solution gas and other by-products)	0
	Conventional Natural Gas (including by-products but not solution gas)	0
Proved Plus Probable Plus Possible	Light and Medium Oil (including solution gas and other by-products)	12,308
	Heavy Oil (including solution gas and other by-products)	0
	Conventional Natural Gas (including by-products but not solution gas)	0

Reference: Item 2.1 (3)(c) NI 51-101F1

M$ means thousands of dollars

Table 4A

High Point Oil Inc.

Oil and Gas Reserves and Net Present Values
by Product Type
November 1, 2017
(as of October 31, 2017)

Forecast Prices and Costs

Product Type by Reserve Category	Reserves						Net Present Value (BIT)	Unit Values @ 10%/yr.
	Oil		Gas		NGL			
	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl	10% M$	$/STB
Light and Medium Oil [1]								
Proved								
Developed Producing	0	0	0	0	0	0	0	N/A
Developed Non-Producing	0	0	0	0	0	0	0	N/A
Undeveloped	0	0	0	0	0	0	0	N/A
Total Proved	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**N/A**
Probable	153	126	57	47	0	0	5,253	41.76
Proved Plus Probable	**153**	**126**	**57**	**47**	**0**	**0**	**5,253**	**41.76**
Possible	209	171	78	64	0	0	7,055	41.15
Proved Plus Probable Plus Possible	**362**	**297**	**135**	**111**	**0**	**0**	**12,308**	**41.41**

Reference: Item 2.1 (3)(c) NI 51-101F1

M$ means thousands of dollars

Columns may not add precisely due to accumulative rounding of values throughout the report.

Note [1] Includes solution gas.

PART 3 PRICING ASSUMPTIONS

The following tables detail the benchmark reference prices for the regions in which the Corporation operated as at October 31, 2017 reflected in the reserves data disclosed above under "Disclosure of Reserves Data". These pricing assumptions were provided by Chapman. The Company has not yet begun to produce products and therefore has no comparative historical price data.

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Table 5

CHAPMAN PETROLEUM ENGINEERING LTD.
CRUDE OIL
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES

November 1, 2017

Date		WTI [1] $US/STB	Brent Spot (ICE)[2] $US/STB	AB Synthetic Crude Price [3] $CDN/STB	Western Canada Select [4] $CDN/STB	Exchange Rate $US/$CDN
HISTORICAL PRICES						
2009		61.95	61.74	76.77	53.04	0.88
2010		79.48	79.61	80.56	66.56	0.97
2011		94.88	111.26	102.45	77.43	1.01
2012		94.05	111.63	92.56	71.70	1.00
2013		97.98	108.56	100.17	75.76	0.97
2014		93.12	99.43	101.07	82.07	0.91
2015		48.69	53.32	62.17	46.23	0.78
2016		43.17	45.06	57.96	38.90	0.76
2017	10 mos.	49.63	53.09	66.64	49.82	0.77
CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)						
		49.94	53.02	66.21	49.49	0.76
FORECAST PRICES						
2017		50.00	52.50	69.44	52.08	0.76
2018		55.00	57.75	72.40	51.40	0.80
2019		60.00	63.00	75.94	53.92	0.83
2020		65.00	68.25	81.96	58.19	0.83
2021		67.50	70.88	83.06	58.97	0.85
2022		70.00	73.50	86.00	61.06	0.85
2023		72.50	76.13	88.94	63.15	0.85
2024		75.00	78.75	91.89	65.24	0.85
2025		77.50	81.38	94.83	67.33	0.85
2026		80.00	84.00	97.77	69.42	0.85
2027		82.50	86.63	100.71	71.50	0.85
2028		84.15	88.36	102.65	72.88	0.85
2029		85.83	90.12	104.63	74.29	0.85
2030		87.55	91.93	106.65	75.72	0.85
2031		89.30	93.77	108.71	77.18	0.85

Escalated 2% thereafter

Notes
[1] West Texas Intermediate quality (D2/S2) crude (40API) landed in Cushing, Oklahoma.
[2] The Brent Spot price is estimated based on historic data.
[3] Equivalent price for Light Sweet Crude (D2/S2) & Synthetic Crude landed in Edmonton.
[4] Western Canada Select (20.5API), spot price for B.C., Alberta, Saskatchewan, and Manitoba.

Table 5 (cont'd)

CHAPMAN PETROLEUM ENGINEERING LTD.
NATURAL GAS & BY-PRODUCTS
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES

November 1, 2017

Date		Alberta GRP [1]		AECO Spot Gas[2]	Henry Hub Gas[3]	Propane C3 [4]	Butane C4 [4]	Condensate (Pentanes Plus) C5+[5]
		$CDN/MMBTU	$CDN/GJ	$CDN/MMBTU	$US/MMBTU	$CDN/BBL	$CDN/BBL	$CDN/BBL
HISTORICAL PRICES								
2009		3.85	3.65	3.99	3.94	38.34	49.34	67.52
2010		3.93	3.73	4.02	4.39	44.40	57.99	77.51
2011		3.46	3.28	3.63	3.99	50.17	70.93	97.21
2012		2.25	2.13	2.39	2.70	47.40	64.48	96.26
2013		2.98	2.82	3.17	3.84	50.09	91.43	100.72
2014		4.22	4.00	4.51	4.36	46.85	62.26	108.28
2015		2.62	2.48	2.71	2.69	6.17	36.81	59.14
2016		2.03	1.93	2.18	3.31	6.71	29.81	55.62
2017	10 mos.	1.97	1.87	2.17	2.98	21.78	38.95	65.26
CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)								
		2.23	2.12	2.48	3.00	20.55	38.27	65.93
FORECAST PRICES								
2017		2.55	2.42	**2.80**	3.53	24.30	41.66	65.97
2018		2.68	2.65	**2.95**	3.68	25.34	43.44	68.78
2019		2.82	2.68	**3.10**	3.83	26.56	45.56	72.14
2020		2.96	2.81	**3.26**	3.99	28.69	49.18	77.87
2021		3.11	2.95	**3.42**	4.15	29.07	49.84	78.91
2022		3.27	3.10	**3.59**	4.32	30.10	51.60	81.70
2023		3.43	3.25	**3.77**	4.50	31.13	53.37	84.50
2024		3.60	3.41	**3.96**	4.69	32.16	55.13	87.29
2025		3.67	3.48	**4.04**	4.77	33.19	56.90	90.09
2026		3.75	3.55	**4.12**	4.85	34.22	58.66	92.88
2027		3.82	3.62	**4.20**	4.93	35.25	60.43	95.67
2028		3.90	3.70	**4.28**	5.01	35.93	61.59	97.52
2029		3.98	3.77	**4.37**	5.10	36.62	62.78	99.40
2030		4.05	3.85	**4.46**	5.19	37.33	63.99	101.32
2031		4.14	3.92	**4.54**	5.27	38.05	65.23	103.27

Escalated 2% thereafter

Notes:
[1] Alberta Gas Reference Price (GRP) represents the average of all system and direct (spot and firm) sales.
[2] The AECO C Spot price, which is the Alberta gas trading price
[3] Henry Hub Spot is natural gas traded on the New York Mercantile Exchange (NYMEX).
[4] Alberta average field price for Propane and Butane purchased at field locations.
[5] Edmonton condensate from GMPFirstEnergy.

PART 4 RECONCILIATION OF CHANGES IN RESERVES

Not applicable the Company has not yet begun operating and this report was limited to a single target location.

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

The company has no developed reserves. All reserves shown in this document are undeveloped.

SIGNIFICANT FACTORS OR UNCERTAINTIES

The production rates, Oil and Gas reserves and cash flow information contained in the Chapman Report are only estimates and the actual production and ultimate reserves may be greater or less than the estimates prepared by Chapman. Factors, consideration and assumptions that the independent evaluator used to develop these estimates include, but are not limited to:

: Historical production;
: Government regulation;
: Assumptions regarding commodity prices, production, development costs, taxes and capital expenditures;
: Timing of capital expenditures;
: Effectiveness of enhanced recovery schemes;
: Marketability of production;
: Operating costs and royalties;
: Initial production rates;
: Production decline rates;
: Ultimate recovery of reserves: and
: Future oil and gas prices.

FUTURE DEVELOPMENT COSTS

The following table shows the development costs anticipated in the next five years, which have been deducted in the estimation of the Company's future net revenues of the reserves evaluated in the Chapman Report at October 31, 2017.

Future Development Costs Forecast Prices and Costs October 31, 2017	$M	$M
Year	Total Probable Capital	Proved plus Probable Capital
2018	750	750
2019	0	300
2020	0	0
2021	0	0
2022	0	0
Remainder	0	0
Total	0	0
	750	1,050

ABANDONMENT AND RECLAMATION COSTS

Net Present Value of Future Development Costs Forecast Prices and Costs October 31, 2017	$M	$M
Year	Total Probable	Proved plus Probable Capital
2028	93	0
Remainder	0	206
Total	93	206
	93	206

Abandonment is less Salvage.

PART 6 OTHER OIL AND GAS INFORMATION

Producing and Non-Producing Wells

Not applicable. The company has not yet drilled any wells.

Production Forecasts

Not applicable. The company has not yet drilled any wells.

Oil and Gas Properties

High Point has several mineral leases in the Huxley are of Alberta. The area is located in Townships 34 and 35, Ranges 23-25 West of the 4th Meridian. The Company has just acquired a 20% working interest in one well in the area and is negotiating another 30% in the same well. It is the companies intention to use this well as an injection well and therefore, no production is forecast for it.

Land Holdings

The companies gross and net acres in seven parcels in the Huxley area are 2,080 and 1,568 respectively. Other than the two target locations referenced in these appendices, no reserves have been attributable to any of the Company's holdings. Zones of interest are: Mannville and Nisku. There are good offset geological control, and excellent off-set production data. The company has access to approximately 170 square miles of 3D seismic over its area of interest.

Exploration and Evaluation Activities For the year ended December31, 2017

The Corporation incurred $698,216 in exploration and acquisition activities in the year. These costs included obtaining, processing and interpreting seismic data and obtaining mineral leases. No drilling activity has occurred to date.

Forward Contracts

High Point may use certain derivative financial instruments to manage its commodity prices in the future once it has production. No such contracts are presently in place.

Tax Horizon

As at December 31, 2017 the High Point has $826,590 in non-capital losses. High Point has just completed its first year end and has not yet recorded a profit. Accordingly, the Company will be able to apply these pools against any taxable income were the Company to be in a tax position. Given the current exploration stage of the Company, becoming taxable is not anticipated for the foreseeable future.

Production History

The company has no production.

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Form 51-101F2

Report on Reserves Data

Limited to the 8-10-35-24w4m target location

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Chapman Petroleum Engineering Ltd.

1122 - 4th Street S.W., Suite 700, Calgary, Alberto T2R 1M1 • Phone (403) 266-4141 • Fax: (403) 266-4259 • www.chapeng.ab.ca

November 27, 2017

High Point Oil Inc.
430 Millennium Tower, 440 - 2nd Avenue SW
Calgary, AB
T2P 5E9

Attention: Mr. Ty Pfeifer

Dear Sir:

Re: Reserve and Economic Evaluation – High Point Oil Inc.
Huxley Area, Alberta – October 31, 2017

In accordance with your authorization we have performed a reserve and economic evaluation of an oil property located in Huxley, Alberta (general location only), owned by High Point Oil Inc. (the "Company") for an effective date of October 31, 2017 (November 1, 2017).

This evaluation has been carried out in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEH"), compliant with the NI 51-101 standards and the professional practice standard under our Permit to Practice with APEGA. The report has been prepared and/or supervised by a "Qualified Reserves Evaluator" as demonstrated on the accompanying Certificate of Qualification of the author(s).

The INTRODUCTION contains the authorization and purpose of the report and describes the methodology and economic parameters used in the preparation of this report.

The EXECUTIVE SUMMARY contains the results of this reserve and economic evaluation presented in a form consistent with the requirements of Form 51-101 F1 Part 2, Item 2.1 (Forecast Prices and Costs). The Forecast Prices of our benchmark products are also presented.

The SUMMARY OF RESERVES AND ECONOMICS complements the Executive Summary, including values at the property level and the consolidated cash flows for each accumulating reserve category. The net present values presented in this report do not necessarily represent the fair market value of the reserves evaluated in this report. All monetary values presented in this report are expressed in terms of Canadian dollars.

The DISCUSSION contains a description of the interests and burdens, reserves and geology, production forecasts, product prices, capital and operating costs and a map of each major property. The economic results and cash flow forecasts (before income tax) are also presented on an entity and property summary level.

A REPRESENTATION LETTER from the Company confirming that to the best of their knowledge all the information they provided for our use in the preparation of this report was complete and accurate as of the effective date, is enclosed following the Glossary.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be significant. We have no responsibility to update our report for events and circumstances which may have occurred since the preparation date of this report.

Prior to public disclosure of any information contained in this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,
Chapman Petroleum Engineering Ltd.

[Original Signed By:]

C. W. Chapman

C. W. Chapman, P. Eng.,
President

[Original Signed By:]

Konstantin Zaitsev

Konstantin Zaitsev, C.Tech.
Oil and Gas Reserves Evaluator

kvz/lml/6379
attachments

PERMIT TO PRACTICE
CHAPMAN PETROLEUM ENGINEERING LTD.
[Original Signed By:]
Signature *C.W. Chapman*

Date *November 27, 2017*

PERMIT NUMBER: P 4201
The Association of Professional Engineers and Geoscientists of Alberta

FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Limited to the 8-10-35-24w4m target location

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

1. Terms to which a meaning is ascribed in NI 51-101 have the same meaning in this form.[1]

2. The report referred to in item 3 of section 2.1 of NI 51-101 must in all material respects be as follows:

Report of Management and Directors on Reserves Data and Other Information

High Point Oil Inc. is not a public company and as such did not prepare an NI51-101 report for its holdings. It did however, commission such a report limited to a single property for the purposes of assessing the acquisition of this property from the founders of the Company. This Form 51-101F3 is therefore limited to the report prepared on this single property.

Management of High Point Oil Inc. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue for the target location as at October 31, 2017, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator is presented above

The board of directors of the Company has

(a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;

(b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation and, in the event of a proposal to change the independent qualified reserves evaluator, to inquire whether there had been disputes between the previous independent qualified reserves evaluator or and management; and

(c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;

(b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and

(c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

“signed”_______________________ Tyron Pfeifer President, Chief Executive Officer, Director
“signed”_______________________ W. Howard Blacker Chief Financial Officer, Director
“signed”_______________________ Donal Carroll Director

Dated on the 7th day of May, 2018

1 For the convenience of readers, CSA Staff Notice 51-324 Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities sets out the meanings of terms that are printed in italics in sections 1 and 2 of this Form or in NI 51-101, Form 51-101F1, Form 51-101F2 or Companion Policy 51-101CP.

APPENDIX "C"

FINANCIAL STATEMENTS (AUDITED)
YEAR ENDED DECEMBER 31 2017

INTERIM FINANCIAL STATEMENTS (UNAUDITED)
THREE MONTH PERIOD ENDED MARCH 31 2018

(HIGH POINT OIL INC. - SUBSIDIARY COMPANY)

Financial Statements of

HIGH POINT OIL INC.

For the period from incorporation on April 25, 2017
to December 31, 2017

May 7, 2018

Management's Responsibility for Financial Reporting

The accompanying audited financial statements of High Point Oil Inc. (the "Corporation") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to the Corporation's circumstances.

Management has established processes, which are in place to provide them with sufficient knowledge to support management representations that they have exercised reasonable diligence that: (i) the 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 at the date of and for the years presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation, as of the date of and for the periods presented.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(Signed) "Ty Pfeifer"
Ty Pfeifer
Chief Executive Officer, Director

(Signed) "Howard Blacker"
Howard Blacker
Chief Financial Officer, Director

KPMG LLP
205 5th Avenue SW
Suite 3100
Calgary AB T2P 4B9
Tel (403) 691-8000
Fax (403) 691-8008
www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholders of High Point Oil Inc.

We have audited the accompanying financial statements of High Point Oil Inc., which comprise the balance sheet as at December 31, 2017, the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from the date of incorporation on April 25, 2017 to December 31, 2017, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of High Point Oil Inc. as at December 31, 2017, and its financial performance and its cash flows for the period from the date of incorporation on April 25, 2017 to December 31, 2017 in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants

May 10, 2018
Calgary, Canada

HIGH POINT OIL INC.

Balance Sheet

As at December 31, 2017

Assets

Current assets:		
Cash	$	354,016
Accounts receivable		15,028
Subscription receivable (note 7)		28,800
Prepaid expenses		30,536
		428,380
Exploration and evaluation assets (note 5)		698,216
	$	1,126,596

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities	$	67,091
Flow-through share premium (note 6)		66,755
		133,846
Shareholders' equity:		
Share capital (note 7)		1,761,443
Warrants (note 7)		57,897
Deficit		(826,590)
		992,750
Contingencies and commitments (note 12)		
Subsequent events (note 13)		
	$	1,126,596

The accompanying notes form an integral part of these financial statements.

(Signed) "Ty Pfeifer"

Tyron Pfeifer, Director

(Signed) "Howard Blacker"

Howard Blacker, Director

HIGH POINT OIL INC.

Statement of Changes in Shareholders' Equity

For the period from incorporation on April 25, 2017 to December 31, 2017

	Share capital (note 7)	Warrants	Deficit	Total
Opening balance, April 25, 2017	$ –	$ –	$ –	$ –
Shares issued on incorporation	435,600	–	–	435,600
Shares issued for cash	1,524,650	–	–	1,524,650
Share issuance costs	(191,452)	57,897	–	(133,555)
Shares issued for acquisition of exploration and evaluation assets	59,400	–	–	59,400
Premium on flow-through shares issued	(66,755)	–	–	(66,755)
Net loss	–	–	(826,590)	(826,590)
	$ 1,761,443	$ 57,897	$ (826,590)	$ 992,750

The accompanying notes form an integral part of these financial statements.

HIGH POINT OIL INC.

Statement of Loss and Comprehensive Loss

For the period from incorporation on April 25, 2017 to December 31, 2017

Expenses:		
General and administration (note 8)		400,032
Share based compensation (note 7)		426,800
Loss before finance expense (income) and income taxes		826,832
Finance expense (income):		
Interest income		(242)
Loss before income tax		826,590
Income taxes (note 10):		
Deferred income tax		–
Net loss and comprehensive loss	$	826,590
Loss per share – basic and diluted (note 7)	$	0.56

The accompanying notes form an integral part of these financial statements.

HIGH POINT OIL INC.

Statement of Cash Flows

For the period from incorporation on April 25, 2017 to December 31, 2017

Cash provided by (used in):	
Operations:	
Net loss	$ (826,590)
Share based compensation	426,800
Net change in non-cash working capital (note 9)	(18,484)
	(418,274)
Financing:	
Issuance of shares	1,504,650
Share issue costs	(133,555)
	1,371,095
Investments:	
Exploration and evaluation expenditures (note 5)	(638,816)
Net change in non-cash working capital (note 9)	40,011
	(598,805)
Change in cash	354,016
Cash, beginning of period	–
Cash, end of period	$ 354,016

The accompanying notes form an integral part of these financial statements.

1. Nature of operations:

High Point Oil Inc. (the "Corporation" or "High Point") is a privately held corporation incorporated and domiciled in Canada. The registered office of the Corporation is located at 430, 440 – 2nd Avenue, Calgary, Alberta, Canada, T2P 5E9.

High Point is an oil and gas enterprise engaged in exploration, development and production opportunities in Canada. The Corporation holds oil and gas assets located in Canada.

High Point is in the start up phase of its operation and has acquired and analysed seismic and other data related to its area of interest but has not yet begun active oil and gas operations.

These financial statements are for the period from incorporation on April 25, 2017 to December 31, 2017.

2. Basis of presentation and statement of compliance:

The accompanying financial statements of the Corporation and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been prepared on a historical cost basis, except as detailed in the Corporation's accounting policies disclosed in Note 3.

These financial statements are presented in Canadian dollars being the Corporation's functional currency.

These financial statements have been prepared in compliance with IFRS and were approved for issuance by the board of directors on May 7, 2018.

3. Summary of significant accounting policies:

In these financial statements, unless otherwise indicated, all dollars are expressed in Canadian dollars. The principal accounting policies used in preparation of these financial statements are set out below and have been consistently applied to all the periods presented, unless otherwise stated.

3. Summary of significant accounting policies (continued):

(a) Significant accounting judgments, estimates and assumptions:

The timely preparation of financial statements in accordance with IFRS requires that management make estimates and assumptions and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

(i) Share-based payment transactions:

The Corporation measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, forfeiture rate and dividend yield of the option as well as the risk-free interest rate.

(ii) Exploration and evaluation assets:

The application of the Corporation’s accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefit exists when activity has not reached a stage where technical feasibility and commercial viability have been reached. Estimates and assumptions may change as new information becomes available.

(iii) Fair value of financial instruments:

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty due to their exposure to credit, liquidity and market risks.

3. Summary of significant accounting policies (continued):

(a) Significant accounting judgments, estimates and assumptions (continued):

(iv) Income taxes:

The provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Income tax regulations and legislation and the interpretations thereof in the various jurisdictions that the Corporation operates are subject to change. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the periods in which such determination is made.

(v) Contingencies:

Contingencies, by their nature, are subject to measurement uncertainty as the financial impact will only be confirmed by the outcome of a future event. The assessment of contingencies involves a significant amount of judgment including assessing whether a present obligation exists and providing a reliable measure of the amount of cash outflow required to settle the obligation. The uncertainty involved with the timing and amount at which a contingency will be settled may have a material impact on the financial statements of future periods to the extent that the amount provided for differs from the actual outcome.

(b) Exploration and evaluation (“E&E”) assets:

Costs incurred after the legal right to explore an area has been obtained and before technical feasibility and commercial viability of the area have been established are capitalized as E&E assets. These costs include license acquisition, geological and geophysical, drilling, sampling, decommissioning and other directly attributable internal costs. E&E assets are not depreciated and are carried forward until technical feasibility and commercial viability is determined or the assets are determined to be impaired.

Once technical feasibility and commercial viability have been established, the carrying value of the related E&E assets is tested for impairment as discussed below. The carrying value, net of any impairment loss, is then reclassified to property, plant and equipment. If it is determined that the field/area/project is not technically feasible or commercially viable or if the Corporation decides not to continue the exploration and evaluation activity, then the accumulated costs are expensed to depreciation and impairment in the period in which the event occurs.

3. Summary of significant accounting policies (continued):

(b) Exploration and evaluation ("E&E") assets (continued):

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Any impairment loss is recognized in the consolidated statement of loss and comprehensive loss as additional depreciation and impairment and is separately disclosed in the financial statement notes. E&E assets are allocated to a related CGU containing development and production assets. The aggregate carrying amount is compared to the expected recoverable amount of the CGU generally by reference to the present value of the future cash flows from the production of reserves.

Any gains or losses from the divestiture of E&E assets are recognized separately in the consolidated statement of loss and comprehensive loss.

(c) Finance income and expense:

Interest income is recognized as it accrues in profit or loss using the effective interest method.

(d) Income taxes:

Current and deferred income taxes are provided for at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. The Corporation follows the liability method of accounting for income taxes, where deferred income taxes are recorded for the effect of any temporary difference between the accounting and income tax basis of an asset or liability, using the substantively enacted income tax rates expected to apply when the assets are realized or liabilities are settled. Deferred income tax balances are adjusted to reflect changes in income tax rates that are substantively enacted with the adjustment being recognized in net loss in the period that the change occurs except when it relates to items charged or credited directly to equity, in which case the deferred income tax is also recorded in equity. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are only offset where they arise within the same entity and tax jurisdiction.

3. Summary of significant accounting policies (continued):

(e) Per share amounts:

Basic per share amounts are computed by dividing the net earnings by the weighted average number of common shares outstanding during the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if stock options or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. The treasury stock method assumes that proceeds received from the exercise of in-the-money stock options are used to repurchase common shares at the average market price. The effects of anti-dilutive instruments are ignored in calculating diluted net earnings per common share. All options are considered anti-dilutive when the Corporation is in a loss position.

(f) Financial instruments:

Financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are not offset unless the Corporation has the legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously.

Financial instruments are classified as either “fair value through profit or loss”, “loans and receivables”, “held-to-maturity investments”, “available-for-sale financial assets” or “financial liabilities measured at amortized cost”. The Corporation determines the classification of its financial instruments at initial recognition. Financial instruments are initially measured at fair value except in the case of “loans and receivables” and “financial liabilities measured at amortized cost” which are initially measured at fair value plus transaction costs.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership.

The Corporation’s financial assets include cash, and accounts receivable while its financial liabilities consist of accounts payable and accrued liabilities.

3. Summary of significant accounting policies (continued):

(f) Financial instruments (continued):

(i) Fair value through profit or loss:

Financial assets and financial liabilities at "fair value through profit or loss" are either "held-for-trading" or have been designated at "fair value through profit or loss". In both cases, the financial assets and financial liabilities are measured at fair value with changes in fair value recognized in net earnings or loss. Cash is designated as fair value through profit or loss.

(ii) Loans and receivables:

"Loans and receivables" are financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, these assets are measured at amortized cost at the settlement date using the effective interest method of amortization. Gains and losses are recognized in net earnings or loss when the "loans and receivables" are derecognized or impaired. Accounts receivable and deposits are designated as loans and receivables.

(iii) Financial liabilities measured at amortized cost:

"Financial liabilities measured at amortized cost" are measured at amortized cost at the settlement date using the effective interest method of amortization. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(iv) Impairment of financial assets:

At each reporting date, the Corporation assesses whether there are any indicators that its financial assets are impaired. An impairment loss is recognized if there is objective evidence of impairment and the loss event has an impact on future cash flow and can be reliably estimated.

(g) Share capital:

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any income tax. Amounts paid by the Corporation for the re-purchase of treasury shares are charged to equity.

3. Summary of significant accounting policies (continued):

(h) Flow-through shares:

The Corporation may issue flow-through shares to finance a portion of its capital expenditure program. Pursuant to the terms of the flow-through share agreements, the tax deductions associated with the expenditures are renounced to the subscribers. The difference between the value of the flow-through shares issued and the value that would have been received for common shares as at the date of announcement of the flow-through share issuance is initially recognized as a liability on the Financial Statements. When the expenditures are incurred, the liability is reduced, a deferred tax liability is recorded equal to the estimated amount of deferred income tax payable by the Corporation as a result of the renunciation and the difference is recognized as a deferred tax expense.

(i) Warrant valuation:

Warrants issued in unit equity offerings and warrants issued to agents as partial compensation for services provided in connection with equity offerings are fair valued using the Black-Scholes option pricing model and are credited to warrants.

4. Recent accounting pronouncements:

Accounting standards and amended issued but not yet adopted:

The following pronouncements from the IASB will become effective or were amended for financial reporting periods beginning on or after January 1, 2016 and have not yet been adopted by the Corporation. These new or revised standards permit early adoption with transitional arrangements depending upon the date of initial application.

IFRS 15 – Revenue from Contracts with Customers, which will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The new standard will be effective for periods beginning on or after January 1, 2018. Earlier application is permitted. The Corporation is currently analyzing the impact of the new standard.

IFRS 9 – Financial Instruments replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The new standard includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018 with early adoption permitted. The Corporation is currently analyzing the impact of the new standard.

4. Recent accounting pronouncements (continued):

IFRS 16 – IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The new standard is effective for periods beginning on or after January 1, 2019. The Corporation is currently analyzing the impact of the new standard.

5. Exploration and evaluation assets:

Balance at incorporation on April 25, 2017	$	–
Additions transferred into Corporation by founding shareholders for shares (note 7)		59,400
Additions for cash		638,816
	$	698,216

At the time of incorporation, seismic data and exploration and evaluation assets were transferred to the Corporation for share consideration (note 7). Subsequent to incorporation the Corporation purchased seismic data and services and petroleum and natural gas leases. Such E&E assets consist of the Corporation'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 year ended December 31, 2017, $nil were transferred to property, plant and equipment – development and production assets.

6. Flow-through share premium:

A flow through share premium liability is recognized on the issuance of flow through shares (note 7). The premium liability is derecognized through tax expense when qualifying expenditures are renounced to the investor and incurred by the Corporation (Note 12).

Balance, at incorporation April 25, 2017	$	–
Flow-through share premium liability recognized		66,755
Flow-through share renunciation		–
	$	66,755

7. Share capital:

For items 7(1) and 7(2) below the value of the shares was determined to be $0.99 per based on the May and June 2017 unit issuance to third parties for cash (see below). The shareholders paid $0.02 per share for total proceeds of $8,800. The differences between $435,600 value attributed to the shares and the $0.02 paid for the shares of $426,800 has been recognized as share based compensation in the statement of loss and comprehensive loss.

(a) Authorized:

Unlimited number of common shares without nominal or par value

Unlimited number of preferred shares

(b) Shares issued:

Common shares issued	Shares	Amount
Balance, at incorporation April 25, 2017	–	$ –
Issuance of shares (1)	440,000	435,600
Issuance of shares on asset acquisition (2)	60,000	59,400
Private placement of common share units (3)	862,000	742,179
Private placement of common share unites (4)	33,400	40,442
Private placement of flow through shares (5)	75,033	95,795
Private placement of flow through shares (6)	250,000	388,027
	1,720,433	$ 1,761,443

Share issuances:

1. On April 25, 2017, the Corporation issued 440,000 shares on incorporation. The $8,800 subscription receivable for these shares was received by the Corporation in April of 2018. Of the total shares issued, 300,000 shares were issued to the director and CEO of the Corporation (See note 5).
2. In April 25, 2017, the Corporation completed an asset acquisition, issuing 60,000 common shares. These shares were valued at $0.99 per share based on the fair market value of the assets received and the value attributed to the May/June common shares in the third party unit issuance for cash (see below). Of the total shares issued, 36,000 shares were issued to the directors of the Corporation.

7. Share capital (continued):

(b) Shares issued (continued):

3. In May and June 2017, the Corporation completed a private placement, issuing 862,000 common shares on a unit basis for total gross proceeds of $862,000 ($1.00 per unit). The units issued under the Private Placement included 215,500 liquidity warrants with an exercise price of $0.0001. These liquidity warrants are only exercisable if a liquidity event does not occur within one year. A liquidity event included High Point Oil issuing an initial public offering or being taken over by a public Corporation. The value attributed to the liquidity warrant of $0.01 per unit or $8,620 has been recorded in warrants and the resided value of $0.99 has been recognized in share capital. Pursuant to the Private Placement, the Corporation incurred $84,796 in commissions and legal costs which have been recorded as share issue costs. Of the total shares issued, 10,000 units were issued to Directors of the Corporation. 68,960 broker warrants with a deemed value of $26,405 ($0.38 per warrant) were issued as a part of this private placement.

4. In November 2017, the Corporation completed a private placement, issuing 33,400 common shares on a unit basis (the "Unit") for total gross proceeds of $50,100 ($1.50 per unit). The units issued under the private placement included 16,700 warrants with an exercise price of $2.00 with a deemed value of $7,458 ($0.45 per warrant). Pursuant to the Private Placement, the Corporation incurred $2,200 in legal costs which have been recorded as share issue costs. Of the total shares issued, 16,700 units were issued to Directors of the Corporation.

5. In conjunction with the above November 2017 issue of Units, the Corporation completed a private placement, issuing 75,033 common shares on a flow-through basis ("FTS") for total gross proceeds of $112,550 ($1.50 per FTS). The FTS issued under the Private Placement were issued at deemed premium of $16,755 ($0.22 per FTS) to recognize the benefit of the tax deductions transferred to subscribers. Until the eligible expenditures are incurred by the Corporation, the premium resides as a liability. The eligible expenditures must be incurred by the deadline of December 31, 2018. Of the total shares issued, 33,333 FTS were issued to Directors of the Corporation.

6. In December, the Corporation completed a private placement, issuing 250,000 common shares on a flow-through basis for total gross proceeds of $500,000 ($2.00 per FTS). The FTS issued under the Private Placement were issued at deemed premium of $50,000 ($0.20 per FTS) to recognize the benefit of the tax deductions transferred to subscribers. Until the eligible expenditures are incurred by the Corporation, the premium resides as an 'other liability'. The eligible expenditures must be incurred by the deadline of December 31, 2018. Pursuant to the Private Placement, the Corporation incurred $46,559 in commissions and legal costs which have been recorded as share issue costs. 20,000 broker warrants with a deemed value of $15,414 ($0.77 per warrant) were issued as a part of this Private Placement. Of the total proceeds, $20,000 of the proceeds were received on January 4, 2018.

7. Share capital (continued):

(c) Warrants:

The status of warrants outstanding as of December 31, 2017 and the changes during the period from incorporation on April 25, 2017 to December 31, 2017 is presented as follows:

	Warrants	Amount
Balance, at incorporation April 25, 2017	–	$ –
Liquidity warrants issued on private placement of common share units 7(b)	215,500	8,620
Broker warrants issued on private placement of common share units 7(b)	68,960	26,405
Issued on private placement of common share units 7(b)	16,700	7,458
Broker warrants issued on private placement of flow through shares 7(b)	20,000	15,414
Balance, December 31, 2017	321,160	$ 57,897
Exercisable, end of period	105,660	

The following table summarizes information about warrants outstanding at December 31, 2017:

Liquidity warrants:

	Warrants outstanding			Warrants exercisable	
Exercise prices	Number outstanding	Weighted average remaining life	Weighted average exercise price	Number exercisable	Weighted average exercise price
		(periods)	(Cdn $)		(Cdn $)
$ 0.0001	215,500	1.40	$0.0001	–	$ –

2,500 of the liquidity warrants are held by directors of the Corporation.

7. Share capital (continued):

(c) Warrants (continued):

Other warrants:

	Warrants outstanding			Warrants exercisable	
Exercise prices	Number outstanding	Weighted average remaining life	Weighted average exercise price	Number exercisable	Weighted average exercise price
		(periods)	(Cdn $)		(Cdn $)
$ 1.00	68,960	1.40	$ 1.00	68,960	$ 1.40
$ 2.00	16,700	1.92	2.00	16,700	1.92
$ 2.00	20,000	1.98	2.00	20,000	1.98
	105,660	1.59	$ 1.35	105,660	$ 1.35

8,350 other warrants are held by directors of the Corporation.

(d) Per share amounts:

Basic loss per share is calculated using the weighted average number of shares of 1,467,250. All warrants were excluded from the dilution calculation as they were anti-dilutive in nature.

(e) Warrants:

The components of warrants are as follows:

Balance, at incorporation April 25, 2017	$ –
Value assigned to warrants (1)	57,897
Balance, December 31, 2017	$ 57,897

7. Share capital (continued):

(e) Warrants (continued):

1. The value assigned to warrants component reflects the accumulated value assigned to warrants, based on their fair values at the date of grant, which remain unexercised. The fair value of the warrants granted during the year were estimated at the grant date using the Black-Scholes option pricing model and have been credited to contributed surplus within shareholders' equity. A summary of the assumptions used in the calculations is noted below:

	Share price	Exercise price	Risk free rate	Expected life(years)	Expected volatility	Fair value per warrant
Liquidity warrants issued on private placement of common share units (2)			see below			
Broker warrants issued on private placement of common share units	$1.00	$1.00	0.56%	2	70%	$0.38
Issued on private placement of common share unites	$1.50	$2.00	0.84%	2	70%	$0.45
Broker warrants issued on private placement of flow through shares	$2.00	$2.00	0.99%	2	70%	$0.77

2. Liquidity warrants are only exercisable if a liquidity event does not occur within one year. A liquidity event included High Point Oil issuing an initial public offering or being taken over by a public Corporation. A value of $0.04 per liquidity warrant was determined based on management's best estimate of the probability or liquidity event would not occur by within 12 months of issuance. Subsequent to year end, the liquidity warrants expired unexercised (see note 13).

8. Related party transactions and key management compensation:

The financial statements include salary and consulting fees of $178,600 that were paid directly to current officers and directors of the Corporation. Legal fees and disbursements of $22,395 were paid to a law firm in which one of our directors is an associate. These amounts were reflected in the financial statements as follows:

General and administrative	$ 178,600
Share issuance costs	22,395
Share based compensation	291,000
	$ 491,995

8. Related party transactions and key management compensation:

Included in accounts payable and accrued liabilities as at December 31, 2017 was $nil owing in respect of these fees.

In 2017 shares were issued to related parties (Note 7).

9. Cash flow information:

Sources (uses) of cash:		
Accounts receivable	$	(15,028)
Deposits and prepaid expenses		(30,536)
Accounts payable and accrued liabilities		67,091
	$	21,527
Net change in working capital balances relating to investing activities	$	40,011
Net change in working capital balances relating to operating activities		(18,484)
	$	21,527

10. Income tax:

The provision for future taxes in the financial statements differs from the result, which would have been obtained by applying the combined federal and provincial tax rate to the Company's loss before income taxes. This difference results from the following items:

Loss before income taxes	$	(826,590)
Combined federal and provincial tax rate		27.00%
Computed "expected" income tax reduction		(223,179)
Increase (decrease) in income taxes resulting from:		
Non-deductible expenses		115,236
Valuation adjustment		107,943
Income tax expense (recovery)	$	–

10. Income tax (continued):

The Corporation's unrecognized deductible temporary differences are as follows:

Share Issue costs		106,844
Non-capital losses		426,500
Total unrecognized deductible temporary differences	$	533,344

Deferred tax assets in respect of the deductible temporary timing differences have not been recognized as it is not yet probable that future taxable profits will be available to utilize the benefit.

As at December 31, 2017, the Corporation had approximately $426,500 non-capital losses available that will expire in 2037.

11. Financial and capital risk management:

The Corporation is exposed to financial risk on its financial instruments including cash, restricted cash, accounts receivable and accounts payable and accrued liabilities. The Corporation manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical.

(a) Fair value:

The carrying value of these financial instruments approximates fair value primarily due to the short-term maturity of these financial instruments.

The main financial risks affecting the Corporation are discussed below:

(b) Commodity price risk:

The ability of the Corporation to develop its interest in its oil and gas exploration blocks is related to the market price of oil and gas. The Corporation does not use financial derivatives or physical delivery sales contracts and accordingly, commodity price risk is negligible.

11. Financial and capital risk management (continued):

(d) Credit risk:

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial instruments on hand at the balance sheet date. The Corporation has policies in place to ensure that transactions are made to parties with an appropriate credit history and monitors on a continuous basis the aging profile of its receivables, if any. The majority of the Corporation's financial instruments subject to credit risk are cash and accounts receivable. When joint operations are conducted on behalf of a joint venture partner relating to capital expenditures, the costs of such operations are paid for in advance to the Corporation by way of a cash call by the partner of the operations being conducted. Accounts receivable are presented in the consolidated balance sheet net of any allowances for doubtful accounts. Revenues from oil sales are normally collected on the 25th day of the month following the production month. The total accounts receivable balance of $15,028 is primarily due from the Government of Canada for GST refunds which were current as at December 31, 2017. No allowance for doubtful accounts has been established as at December 31, 2017. The credit risk on cash is considered by management to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. On a quarterly basis, the Corporation assesses whether there should be any impairment of the financial instruments. There are no material financial instruments that the Corporation considers past due. No impairment of financial assets has occurred as of December 31, 2017.

(e) Liquidity risk:

Liquidity risk includes the risk that, as a result of the Corporation's operational liquidity requirements:

(i) The Corporation will not have sufficient funds to settle a transaction on the due date;

(ii) The Corporation will be forced to sell financial assets at a value which is less than what they are worth; or

(iii) The Corporation may be unable to settle or recover a financial asset at all.

The Corporation has an appropriate liquidity risk management framework for monitoring and assessing the Corporation's short, medium and long-term funding and liquidity requirements.

11. Financial and capital risk management (continued):

(e) Liquidity risk (continued):

The Corporation's cash requirements and balances are projected based on forecasted operations and capital expenditures. The Corporation plans to meet these requirements through the mix of available funds, equity financing on a required basis, project debt financing and cash to be provided by the exercise of warrants and share options in the future. Continuing operations are dependent on the Corporation's ability in the near term to access sufficient capital to complete exploration and development activities, identify commercial oil and gas reserves and to ultimately have profitable operations.

(f) Capital management:

The Corporation defines its capital base as total shareholders' equity $992,750 at December 31, 2017 and working capital (current assets less current liabilities) $361,289 at December 31, 2017. The Corporation manages its capital structure to maximize financial flexibility making adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. Each potential investment opportunity is assessed to determine the nature and amount of capital required together with the relative proportions of debt and equity to be deployed to ensure that the Corporation will be able to continue as a going concern and to provide a return to shareholders through exploring, appraising and developing its assets. The Corporation does not presently utilize any quantitative measures to monitor its capital and is not subject to any externally imposed capital requirements.

12. Contingencies and commitments:

In November and December 2017, the Corporation completed private placements (the "Private Placement"), issuing 325,033 common shares on a flow-through basis (the "FTS") for total gross proceeds of $612,550. The Corporation is committed to spend this amount on eligible expenditures by December 31, 2018. To date, none of this amount has been spent.

High Point leases its office under a three year lease.

Minimum lease commitments under this lease inclusive of an estimate of operating costs and property taxes are as follows:

Minimum lease commitments:	
2018	$ 104,820
2019	104,820
2020	52,410
Total	$ 262,050

13. Subsequent events:

On January 12, 2018 the Corporation issued 250,000 common shares to related parties for additional exploration and evaluation assets. The director and CEO of the Corporation received 125,000 shares.

On February 9, 2018 the shareholders of the Corporation entered into an agreement to exchange their shares for shares in Bird River Resources Inc., a public company, which resulted in the Corporation becoming a 100% wholly owned subsidiary of Bird River Resources Inc. on February 12, 2018.

HIGH POINT OIL INC.

Financial Statements

For the Three month period ended March 31, 2018

(Unaudited – Prepared by Management)

May 29, 2018

Management's Responsibility for Financial Reporting

The accompanying unaudited financial statements of High Point Oil Inc. (the "Corporation") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to the Corporation's circumstances.

Management has established processes, which are in place to provide them with sufficient knowledge to support management representations that they have exercised reasonable diligence that: (i) the 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 at the date of and for the years presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation, as of the date of and for the periods presented.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(Signed) "Ty Pfeifer"
Ty Pfeifer
Chief Executive Officer, Director

(Signed) "Howard Blacker"
Howard Blacker
Chief Financial Officer, Director

HIGH POINT OIL INC.

Interim Balance Sheet

	March 31, 2018 (unaudited)	December 31, 2017 (audited)
Assets		
Current assets:		
Cash	$ 3,227,208	$ 354,016
Accounts receivable	13,641	15,028
Subscription receivable (note 7)	8,800	28,800
Prepaid expenses	30,813	30,536
	3,280,462	428,380
Exploration and evaluation assets (note 5)	1,396,205	698,216
	$ 4,675,667	$ 1,126,596
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 21,124	$ 67,091
Due to Parent Company	3,350,000	
Flow-through share premium (note 6)	66,755	66,755
	3,437,879	133,846
Shareholders' equity:		
Share capital (note 7)	2,220,063	1,761,443
Warrants (note 7)	49,277	57,897
Deficit	(1,030,552)	(826,590)
	1,238,788	992,750
Contingencies and commitments (note 12)		
	$ 4,676,667	$ 1,126,596

The accompanying notes form an integral part of these financial statements.

Director

(Signed) "Tyron Pfeifer"

Director

(Signed) "Howard Blacker"

HIGH POINT OIL INC.

Interim Statement of Changes in Shareholders' Equity (unaudited)
For the period from incorporation on April 25, 2017 to March 31, 2018

	Share capital (note 7)	Warrants (note 7)	Deficit	Total
Opening balance, April 25, 2017	$ –	$ –	$ –	$ –
Shares issued on incorporation	435,600	–	–	435,600
Shares issued for cash	1,524,650	–	–	1,524,650
Share issuance costs	(191,452)	57,897	–	(133,555)
Shares issued for acquisition of exploration and evaluation assets	59,400	–	–	59,400
Premium on flow-through shares issued	(66,755)	–	–	(66,755)
Net loss	–	–	(826,590)	(826,590)
Balance at December 31, 2017	$ 1,761,443	$ 57,897	$ (826,590)	$ 992,750
Shares issued for acquisition of exploration and evaluation assets	450,000	–	–	450,000
Expiry of liquidity warrants	8,620	(8,620)	–	–
Net loss	–	–	(203,962)	(203,962)
Balance at March 31, 2018	$ 2,220,063	$ 49,277	$(1,030,552)	$ 1,238,788

The accompanying notes form an integral part of these financial statements.

HIGH POINT OIL INC.

Interim Statement of Loss and Comprehensive Loss (unaudited)

For the three months ended March 31, 2018

Expenses:		
General and administration (note 13)		205,704
Loss before finance expense (income) and income taxes		205,704
Finance expense (income):		
Interest income		(1,742)
Loss before income tax		203,962
Income taxes:		
Deferred income tax		–
Net loss and comprehensive loss	$	203,962
Loss per share – basic and diluted	$	0.11

The accompanying notes form an integral part of these financial statements.

HIGH POINT OIL INC.

Interim Statement of Cash Flows (unaudited)

For the three months ended March 31, 2018

Cash provided by (used in):	
Operations:	
Net loss	$ (203,962)
Net change in non-cash working capital (note 9)	21,110
	(182,852)
Financing:	
Advance from Parent company	3,400,000
Costs incurred on behalf of Parent company	(50,000)
	3,350,000
Investments:	
Exploration and evaluation expenditures (note 5)	(247,989)
Net change in non-cash working capital (note 9)	(45,967)
	(293,956)
Change in cash	2,873,192
Cash, beginning of period	354,016
Cash, end of period	$ 3,227,208

The accompanying notes form an integral part of these financial statements.

1. Nature of operations:

High Point Oil Inc. (the "Corporation" or "High Point") is a privately held corporation incorporated and domiciled in Canada. The registered office of the Corporation is located at 430, 440 – 2nd Avenue, Calgary, Alberta, Canada, T2P 5E9.

High Point is an oil and gas enterprise engaged in exploration, development and production opportunities in Canada. The Corporation holds oil and gas assets located in Canada.

High Point is in the start up phase of its operation and has acquired and analysed seismic and other data related to its area of interest but has not yet begun active oil and gas operations.

These interim financial statements are for the three month period ended March 31, 2018.

2. Basis of presentation and statement of compliance:

The accompanying interim financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards ("IFRS") IAS 34 Interim Financial Reporting. These financial statements have been prepared on a historical cost basis, except as detailed in the Corporation's accounting policies disclosed in Note 3.

These interim financial statements should be read in conjunction with the Corporation's audited financial statements for the period from incorporation on April 25, 2017 to December 31, 2017 which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These financial statements are presented in Canadian dollars being the Corporation's functional currency.

These financial statements have been prepared in compliance with IFRS and were approved for issuance by the board of directors on May 29, 2018.

3. Summary of significant accounting policies:

In these financial statements, unless otherwise indicated, all dollars are expressed in Canadian dollars. The principal accounting policies used in preparation of these financial statements are set out below and have been consistently applied to all the periods presented, unless otherwise stated.

3. Summary of significant accounting policies (continued):

(a) Significant accounting judgments, estimates and assumptions:

The timely preparation of financial statements in accordance with IFRS requires that management make estimates and assumptions and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

(i) Share-based payment transactions:

The Corporation measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, forfeiture rate and dividend yield of the option as well as the risk-free interest rate.

(ii) Exploration and evaluation assets:

The application of the Corporation’s accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefit exists when activity has not reached a stage where technical feasibility and commercial viability have been reached. Estimates and assumptions may change as new information becomes available.

(iii) Fair value of financial instruments:

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty due to their exposure to credit, liquidity and market risks.

3. Summary of significant accounting policies (continued):

(a) Significant accounting judgments, estimates and assumptions (continued):

(iv) Income taxes:

The provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Income tax regulations and legislation and the interpretations thereof in the various jurisdictions that the Corporation operates are subject to change. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the periods in which such determination is made.

(v) Contingencies:

Contingencies, by their nature, are subject to measurement uncertainty as the financial impact will only be confirmed by the outcome of a future event. The assessment of contingencies involves a significant amount of judgment including assessing whether a present obligation exists and providing a reliable measure of the amount of cash outflow required to settle the obligation. The uncertainty involved with the timing and amount at which a contingency will be settled may have a material impact on the financial statements of future periods to the extent that the amount provided for differs from the actual outcome.

(b) Exploration and evaluation (“E&E”) assets:

Costs incurred after the legal right to explore an area has been obtained and before technical feasibility and commercial viability of the area have been established are capitalized as E&E assets. These costs include license acquisition, geological and geophysical, drilling, sampling, decommissioning and other directly attributable internal costs. E&E assets are not depreciated and are carried forward until technical feasibility and commercial viability is determined or the assets are determined to be impaired.

Once technical feasibility and commercial viability have been established, the carrying value of the related E&E assets is tested for impairment as discussed below. The carrying value, net of any impairment loss, is then reclassified to property, plant and equipment. If it is determined that the field/area/project is not technically feasible or commercially viable or if the Corporation decides not to continue the exploration and evaluation activity, then the accumulated costs are expensed to depreciation and impairment in the period in which the event occurs.

3. Summary of significant accounting policies (continued):

(b) Exploration and evaluation ("E&E") assets (continued):

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Any impairment loss is recognized in the consolidated statement of loss and comprehensive loss as additional depreciation and impairment and is separately disclosed in the financial statement notes. E&E assets are allocated to a related CGU containing development and production assets. The aggregate carrying amount is compared to the expected recoverable amount of the CGU generally by reference to the present value of the future cash flows from the production of reserves.

Any gains or losses from the divestiture of E&E assets are recognized separately in the consolidated statement of loss and comprehensive loss.

(c) Finance income and expense:

Interest income is recognized as it accrues in profit or loss using the effective interest method.

(d) Income taxes:

Current and deferred income taxes are provided for at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. The Corporation follows the liability method of accounting for income taxes, where deferred income taxes are recorded for the effect of any temporary difference between the accounting and income tax basis of an asset or liability, using the substantively enacted income tax rates expected to apply when the assets are realized or liabilities are settled. Deferred income tax balances are adjusted to reflect changes in income tax rates that are substantively enacted with the adjustment being recognized in net loss in the period that the change occurs except when it relates to items charged or credited directly to equity, in which case the deferred income tax is also recorded in equity. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are only offset where they arise within the same entity and tax jurisdiction.

3. Summary of significant accounting policies (continued):

(e) Per share amounts:

Basic per share amounts are computed by dividing the net earnings by the weighted average number of common shares outstanding during the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if stock options or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. The treasury stock method assumes that proceeds received from the exercise of in-the-money stock options are used to repurchase common shares at the average market price. The effects of anti-dilutive instruments are ignored in calculating diluted net earnings per common share. All options are considered anti-dilutive when the Corporation is in a loss position.

(f) Financial instruments:

Financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are not offset unless the Corporation has the legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously.

Financial instruments are classified as either “fair value through profit or loss”, “loans and receivables”, “held-to-maturity investments”, “available-for-sale financial assets” or “financial liabilities measured at amortized cost”. The Corporation determines the classification of its financial instruments at initial recognition. Financial instruments are initially measured at fair value except in the case of “loans and receivables” and “financial liabilities measured at amortized cost” which are initially measured at fair value plus transaction costs.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership.

The Corporation’s financial assets include cash, and accounts receivable while its financial liabilities consist of accounts payable and accrued liabilities.

3. Summary of significant accounting policies (continued):

(f) Financial instruments (continued):

(i) Fair value through profit or loss:

Financial assets and financial liabilities at “fair value through profit or loss” are either “held-for-trading” or have been designated at “fair value through profit or loss”. In both cases, the financial assets and financial liabilities are measured at fair value with changes in fair value recognized in net earnings or loss. Cash is designated as fair value through profit or loss.

(ii) Loans and receivables:

“Loans and receivables” are financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, these assets are measured at amortized cost at the settlement date using the effective interest method of amortization. Gains and losses are recognized in net earnings or loss when the “loans and receivables” are derecognized or impaired. Accounts receivable and deposits are designated as loans and receivables.

(iii) Financial liabilities measured at amortized cost:

“Financial liabilities measured at amortized cost” are measured at amortized cost at the settlement date using the effective interest method of amortization. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(iv) Impairment of financial assets:

At each reporting date, the Corporation assesses whether there are any indicators that its financial assets are impaired. An impairment loss is recognized if there is objective evidence of impairment and the loss event has an impact on future cash flow and can be reliably estimated.

(g) Share capital:

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any income tax. Amounts paid by the Corporation for the re-purchase of treasury shares are charged to equity.

3. Summary of significant accounting policies (continued):

(h) Flow-through shares:

The Corporation may issue flow-through shares to finance a portion of its capital expenditure program. Pursuant to the terms of the flow-through share agreements, the tax deductions associated with the expenditures are renounced to the subscribers. The difference between the value of the flow-through shares issued and the value that would have been received for common shares as at the date of announcement of the flow-through share issuance is initially recognized as a liability on the Financial Statements. When the expenditures are incurred, the liability is reduced, a deferred tax liability is recorded equal to the estimated amount of deferred income tax payable by the Corporation as a result of the renunciation and the difference is recognized as a deferred tax expense.

(i) Warrant valuation:

Warrants issued in unit equity offerings and warrants issued to agents as partial compensation for services provided in connection with equity offerings are fair valued using the Black-Scholes option pricing model and are credited to warrants.

4. Recent accounting pronouncements:

Accounting standards and amended issued but not yet adopted:

The following pronouncements from the IASB will become effective or were amended for financial reporting periods beginning on or after January 1, 2016 and have not yet been adopted by the Corporation. These new or revised standards permit early adoption with transitional arrangements depending upon the date of initial application.

IFRS 15 – Revenue from Contracts with Customers, which will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The new standard will be effective for periods beginning on or after January 1, 2018. Earlier application is permitted. The Corporation is currently analyzing the impact of the new standard.

IFRS 9 – Financial Instruments replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The new standard includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018 with early adoption permitted. The Corporation is currently analyzing the impact of the new standard.

4. Recent accounting pronouncements (continued):

IFRS 16 – IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The new standard is effective for periods beginning on or after January 1, 2019. The Corporation is currently analyzing the impact of the new standard.

5. Exploration and evaluation assets:

Balance at incorporation on April 25, 2017	$ –
Additions transferred into Corporation by founding shareholders for shares (note 7)	59,400
Additions for cash	638,816
Balance at December 31, 2017	$ 698,216
Additions transferred into Corporation by founding shareholders for shares (note 7)	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 the Corporation for share consideration (note 7). Also, in January of 2018 exploration and evaluation assets were transferred to the Corporation for share consideration (note 7). Subsequent to incorporation the Corporation purchased seismic data and services and petroleum and natural gas leases. Such E&E assets consist of the Corporation'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.

6. Flow-through share premium:

A flow through share premium liability is recognized on the issuance of flow through shares (note 7). The premium liability is derecognized through tax expense when qualifying expenditures are renounced to the investor and incurred by the Corporation (Note 12).

Balance, at incorporation April 25, 2017	$	–
Flow-through share premium liability recognized		66,755
Flow-through share renunciation		–
Balance, at December 31, 2017 and March 31, 2018	$	66,755

7. Share capital:

For items 7(1) and 7(2) below the value of the shares was determined to be $0.99 per based on the May and June 2017 unit issuance to third parties for cash (see below). The shareholders paid $0.02 per share for total proceeds of $8,800. The differences between $435,600 value attributed to the shares and the $0.02 paid for the shares of $426,800 has been recognized as share based compensation in the statement of loss and comprehensive loss.

(a) Authorized:

Unlimited number of common shares without nominal or par value

Unlimited number of preferred shares

(b) Shares issued:

Common shares issued	Shares		Amount
Balance, at incorporation April 25, 2017	–	$	–
Issuance of shares (1)	440,000		435,600
Issuance of shares on asset acquisition (2)	60,000		59,400
Private placement of common share units (3)	862,000		742,179
Private placement of common share unites (4)	33,400		40,442
Private placement of flow through shares (5)	75,033		95,795
Private placement of flow through shares (6)	250,000		388,027
Balance, at December 31, 2017	1,720,433	$	1,761,443
Issuance of shares on asset acquisition (7)	250,000		450,000
Expiry of liquidity warrants (8)			8,620
Balance, at March 31, 2018	1,970,433	$	2,220,063

Share issuances:

1. On April 25, 2017, the Corporation issued 440,000 shares on incorporation. The $8,800 subscription receivable for these shares was received by the Corporation in April of 2018. Of the total shares issued, 300,000 shares were issued to the director and CEO of the Corporation (See note 5).

(b) Shares issued (continued):

2. In April 25, 2017, the Corporation completed an asset acquisition, issuing 60,000 common shares. These shares were valued at $0.99 per share based on the fair market value of the assets received and the value attributed to the May/June common shares in the third-party unit issuance for cash (see below). Of the total shares issued, 36,000 shares were issued to the directors of the Corporation.

3. In May and June 2017, the Corporation completed a private placement, issuing 862,000 common shares on a unit basis for total gross proceeds of $862,000 ($1.00 per unit). The units issued under the Private Placement included 215,500 liquidity warrants with an exercise price of $0.0001. These liquidity warrants are only exercisable if a liquidity event does not occur within one year. A liquidity event included High Point Oil issuing an initial public offering or being taken over by a public Corporation. The value attributed to the liquidity warrant of $0.01 per unit or $8,620 has been recorded in warrants and the resided value of $0.99 has been recognized in share capital. Pursuant to the Private Placement, the Corporation incurred $84,796 in commissions and legal costs which have been recorded as share issue costs. Of the total shares issued, 10,000 units were issued to Directors of the Corporation. 68,960 broker warrants with a deemed value of $26,405 ($0.38 per warrant) were issued as a part of this private placement.

4. In November 2017, the Corporation completed a private placement, issuing 33,400 common shares on a unit basis (the “Unit”) for total gross proceeds of $50,100 ($1.50 per unit). The units issued under the private placement included 16,700 warrants with an exercise price of $2.00 with a deemed value of $7,458 ($0.45 per warrant). Pursuant to the Private Placement, the Corporation incurred $2,200 in legal costs which have been recorded as share issue costs. Of the total shares issued, 16,700 units were issued to Directors of the Corporation.

5. In conjunction with the above November 2017 issue of Units, the Corporation completed a private placement, issuing 75,033 common shares on a flow-through basis (“FTS”) for total gross proceeds of $112,550 ($1.50 per FTS). The FTS issued under the Private Placement were issued at deemed premium of $16,755 ($0.22 per FTS) to recognize the benefit of the tax deductions transferred to subscribers. Until the eligible expenditures are incurred by the Corporation, the premium resides as a liability. The eligible expenditures must be incurred by the deadline of December 31, 2018. Of the total shares issued, 33,333 FTS were issued to Directors of the Corporation.

(b) Shares issued (continued):

6. In December, the Corporation completed a private placement, issuing 250,000 common shares on a flow-through basis for total gross proceeds of $500,000 ($2.00 per FTS). The FTS issued under the Private Placement were issued at deemed premium of $50,000 ($0.20 per FTS) to recognize the benefit of the tax deductions transferred to subscribers. Until the eligible expenditures are incurred by the Corporation, the premium resides as an 'other liability'. The eligible expenditures must be incurred by the deadline of December 31, 2018. Pursuant to the Private Placement, the Corporation incurred $46,559 in commissions and legal costs which have been recorded as share issue costs. 20,000 broker warrants with a deemed value of $15,414 ($0.77 per warrant) were issued as a part of this Private Placement. Of the total proceeds, $20,000 of the proceeds were received on January 4, 2018.

7. On January 12, 2018, the Corporation completed an asset acquisition, issuing 250,000 common shares. These shares were valued at $450,000 or $1.80 per share based on the fair market value of the assets received and the value attributed to the December common shares (net of flow through premium) in the third party unit issuance for cash (see below). Of the total shares issued, 125,000 shares were issued to the directors of the Corporation.

8. As part of the May and June private placement discussed above liquidity warrants were issued and were given a value of $8,620 in total. The liquidity warrants were only exercisable if a liquidity event did not occur within one year. A liquidity event included High Point Oil issuing an initial public offering or being taken over by a public Corporation. On February 12, 2018 the Corporation was acquired by Bird River Resources Inc. a public Corporation and therefore, such a liquidity event occurred, and this amount was removed from warrants and returned to credited to common stock.

7. Share capital (continued):

(c) Warrants:

The status of warrants outstanding as of March 31, 2018 and the changes during the period from incorporation on April 25, 2017 to March 31, 2018 is presented as follows:

	Warrants		Amount
Balance, at incorporation April 25, 2017	–	$	–
Liquidity warrants issued on private placement of common share units 7(b)	215,500		8,620
Broker warrants issued on private placement of common share units 7(b)	68,960		26,405
Issued on private placement of common share units 7(b)	16,700		7,458
Broker warrants issued on private placement of flow through shares 7(b)	20,000		15,414
Balance, December 31, 2017	321,160	$	57,897
Expiry of Liquidity warrants issued on private placement of common share units 7(b)	(215,500)		(8,620)
Balance, March 31, 2018	105,160	$	49,277
Exercisable, end of period	105,660		

The following table summarizes information about warrants outstanding at March 31, 2018 and December 31, 2017:

Liquidity warrants (all expired February 12, 2018):

	Warrants outstanding			Warrants exercisable	
Exercise prices	Number outstanding	Weighted average remaining life	Weighted average exercise price	Number exercisable	Weighted average exercise price
		(periods)	(Cdn $)		(Cdn $)
$ 0.0001	215,500	1.40	$0.0001	–	$ –

2,500 of the liquidity warrants were held by directors of the Corporation.

7. Share capital (continued):

(c) Warrants (continued):

Other warrants:

	Warrants outstanding			Warrants exercisable	
Exercise prices	Number outstanding	Weighted average remaining life	Weighted average exercise price	Number exercisable	Weighted average exercise price
		(periods)	(Cdn $)		(Cdn $)
$ 1.00	68,960	1.40	$ 1.00	68,960	$ 1.40
$ 2.00	16,700	1.92	2.00	16,700	1.92
$ 2.00	20,000	1.98	2.00	20,000	1.98
	105,660	1.59	$ 1.35	105,660	$ 1.35

8,350 other warrants are held by directors of the Corporation.

(d) Per share amounts:

Basic loss per share for the three months ended March 31, 2018 is calculated using the weighted average number of shares of 1,939,534. All warrants were excluded from the dilution calculation as they were anti-dilutive in nature.

(e) Warrants:

The components of warrants are as follows:

Balance, at incorporation April 25, 2017	$ –
Value assigned to warrants (1)	57,897
Balance, December 31, 2017	$ 57,897
Expiry of liquidity warrants (2)	(8,620)
Balance, March 31, 2018	$ 49,277

7. Share capital (continued):

(e) Warrants (continued):

1. The value assigned to warrants component reflects the accumulated value assigned to warrants, based on their fair values at the date of grant, which remain unexercised. The fair value of the warrants granted during the year were estimated at the grant date using the Black-Scholes option pricing model and have been credited to contributed surplus within shareholders' equity. A summary of the assumptions used in the calculations is noted below:

	Share price	Exercise price	Risk free rate	Expected life(years)	Expected volatility	Fair value per warrant
Liquidity warrants issued on private placement of common share units (2)			see below			
Broker warrants issued on private placement of common share units	$1.00	$1.00	0.56%	2	70%	$0.38
Issued on private placement of common share unites	$1.50	$2.00	0.84%	2	70%	$0.45
Broker warrants issued on private placement of flow through shares	$2.00	$2.00	0.99%	2	70%	$0.77

2. Liquidity warrants were only exercisable if a liquidity event did not occur within one year. A liquidity event included High Point Oil issuing an initial public offering or being taken over by a public Corporation. A value of $0.04 per liquidity warrant was determined based on management's best estimate of the probability or liquidity event would not occur by within 12 months of issuance. On February 12, 2018 the Corporation was acquired by Bird River Resources Inc. a public Corporation and therefore, such a liquidity event occurred, and this amount was removed from warrants and returned to credited to common stock.

8. Related party transactions and key management compensation:

The financial statements include salary and consulting fees of $84,000 that were paid directly to current officers and directors of the Corporation. These amounts were reflected in the financial statements as follows:

General and administrative	$	84,000
	$	84,000

8. Related party transactions and key management compensation:

Included in accounts payable and accrued liabilities as at December 31, 2017 was $nil owing in respect of these fees.

In 2017 and 2018 shares were issued to related parties (Note 7).

9. Cash flow information:

Sources (uses) of cash:		
Accounts receivable	$	1,387
Deposits and prepaid expenses		(277)
Accounts payable and accrued liabilities		(45,967)
	$	(44,857)
Net change in working capital balances relating to investing activities	$	(45,967)
Net change in working capital balances relating to operating activities		1,110
	$	(44,857)

10. Income tax:

The provision for future taxes in the financial statements differs from the result, which would have been obtained by applying the combined federal and provincial tax rate to the Company's loss before income taxes. This difference results from the following items:

Loss before income taxes	$	(203,962)
Combined federal and provincial tax rate		27.00%
Computed "expected" income tax reduction		(55,070)
Increase (decrease) in income taxes resulting from:		
Valuation adjustment		55,070
Income tax expense (recovery)	$	–

10. Income tax (continued):

The Corporation's unrecognized deductible temporary differences are as follows:

Share Issue costs		115,260
Non-capital losses		626,429
Total unrecognized deductible temporary differences	$	741,689

Deferred tax assets in respect of the deductible temporary timing differences have not been recognized as it is not yet probable that future taxable profits will be available to utilize the benefit.

As at March 31, 2018, the Corporation had approximately $626,429 non-capital losses available that will expire in 2037 and 2038.

11. Financial and capital risk management:

The Corporation is exposed to financial risk on its financial instruments including cash, restricted cash, accounts receivable and accounts payable and accrued liabilities. The Corporation manages its exposure to financial risks by operating in a manner that minimizes its exposure to the extent practical.

(a) Fair value:

The carrying value of these financial instruments approximates fair value primarily due to the short-term maturity of these financial instruments.

The main financial risks affecting the Corporation are discussed below:

(b) Commodity price risk:

The ability of the Corporation to develop its interest in its oil and gas exploration blocks is related to the market price of oil and gas. The Corporation does not use financial derivatives or physical delivery sales contracts and accordingly, commodity price risk is negligible.

11. Financial and capital risk management (continued):

(d) Credit risk:

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial instruments on hand at the balance sheet date. The Corporation has policies in place to ensure that transactions are made to parties with an appropriate credit history and monitors on a continuous basis the aging profile of its receivables, if any. The majority of the Corporation's financial instruments subject to credit risk are cash and accounts receivable. When joint operations are conducted on behalf of a joint venture partner relating to capital expenditures, the costs of such operations are paid for in advance to the Corporation by way of a cash call by the partner of the operations being conducted. Accounts receivable are presented in the consolidated balance sheet net of any allowances for doubtful accounts. Revenues from oil sales are normally collected on the 25th day of the month following the production month. The total accounts receivable balance of $13,641 is primarily due from the Government of Canada for GST refunds which were current as at December 31, 2017. No allowance for doubtful accounts has been established as at December 31, 2017. The credit risk on cash is considered by management to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. On a quarterly basis, the Corporation assesses whether there should be any impairment of the financial instruments. There are no material financial instruments that the Corporation considers past due. No impairment of financial assets has occurred as of December 31, 2017.

(e) Liquidity risk:

Liquidity risk includes the risk that, as a result of the Corporation's operational liquidity requirements:

(i) The Corporation will not have sufficient funds to settle a transaction on the due date;

(ii) The Corporation will be forced to sell financial assets at a value which is less than what they are worth; or

(iii) The Corporation may be unable to settle or recover a financial asset at all.

The Corporation has an appropriate liquidity risk management framework for monitoring and assessing the Corporation's short, medium and long-term funding and liquidity requirements.

11. Financial and capital risk management (continued):

(e) Liquidity risk (continued):

The Corporation's cash requirements and balances are projected based on forecasted operations and capital expenditures. The Corporation plans to meet these requirements through the mix of available funds, equity financing on a required basis, project debt financing and cash to be provided by the exercise of warrants and share options in the future. Continuing operations are dependent on the Corporation's ability in the near term to access sufficient capital to complete exploration and development activities, identify commercial oil and gas reserves and to ultimately have profitable operations.

(f) Capital management:

The Corporation defines its capital base as total shareholders' equity $1,238,788 at March 31, 2018 and working capital (current assets less current liabilities) $3,259,338 at March 31, 2017. The Corporation manages its capital structure to maximize financial flexibility making adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. Each potential investment opportunity is assessed to determine the nature and amount of capital required together with the relative proportions of debt and equity to be deployed to ensure that the Corporation will be able to continue as a going concern and to provide a return to shareholders through exploring, appraising and developing its assets. The Corporation does not presently utilize any quantitative measures to monitor its capital and is not subject to any externally imposed capital requirements.

12. Contingencies and commitments:

In November and December 2017, the Corporation completed private placements (the "Private Placement"), issuing 325,033 common shares on a flow-through basis (the "FTS") for total gross proceeds of $612,500. The Corporation is committed to spend this amount on eligible expenditures by December 31, 2018. To date, none of this amount has been spent.

High Point leases its office under a three year lease.

Minimum lease commitments under this lease inclusive of an estimate of operating costs and property taxes are as follows:

Minimum lease commitments:		
2018	$	78,615
2019		104,820
2020		52,410
Total	$	235,845

13. General and Administration Expenses:

Salaries and payroll taxes (related parties note 8)	$	98,494
Rent		25,955
Consulting Services		21,780
Travel and Accommodation		10,289
Licensing and like fees		10,000
Legal fees		9,645
Insurance, Emergency Response Plan and Health and Safety		12,316
Other		17,225
Total	$	205,704

APPENDIX "D"

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT FEBRUARY 12 2018

(CONSOLIDATION OF BIRD RIVER RESOURCES INC. AND HIGH POINT OIL INC.)

BIRD RIVER RESOURCES INC.
Pro-Forma Consolidated Statement of Financial Position
As at February 12, 2018
See Basis of Presentation below

	Unaudited Bird River Resources Inc. Jan 31, 2018	Unaudited High Point Oil Inc. Feb 9, 2018	Pro-Forma Adjustments (see below) Feb 9, 2018	Unaudited Pro-Forma As at Feb 9, 2018
ASSETS				
Current				
Cash and Cash Equivalents	$ 4,259,998	$ 137,708	$	$ 4,397,706
Accounts receivable	11,590	12,514		24,104
Prepaid expenditures	-	28,322		28,322
Inventory	8,427	-		8,427
Total current assets	4,280,015	178,544	-	4,458,559
Non-current				
Exploration and Evaluation assets	-	1,327,496	4,172,201	5,499,697
Property Plant and Equipment	73,670	-		73,670
Total non-current assets	73,670	1,327,496	4,172,201	5,573,367
Total assets	$ 4,353,685	$ 1,506,040	$ 4,172,201	$ 10,031,926
LIABILITIES				
Current				
Trade payables	$ 32,080	$ 370,135	$	$ 402,215
Other payables	31,696	-		31,696
Total current liabilities	63,776	370,135	-	433,911
Non-current liabilities				
Decommissioning obligations	9,663	-		9,663
Flow-through share premium	-	66,755		66,755
Total liabilities	73,439	436,890	-	510,329
Shareholders' Equity				
Share capital	4,583,401	2,211,443	3,529,282	10,324,126
Warrants	820,475	57,897	(8,620)	869,752
Share-based payments reserve	4,933	-		4,933
Deficit	(1,128,563)	(1,200,190)	1,200,190	(1,128,563)
Total shareholders' equity	4,280,246	1,069,150	4,720,852	10,070,248
Total liabilities and shareholders' equity	$ 4,353,685	$ 1,506,040	$ 4,720,852	$ 10,580,577

Basis Of Presentation

The Pro-Forma Statement of Financial Position has been prepared from the unaudited balance sheet of Bird River at January 31, 2018 and the unaudited balance sheet of High Point at February 9, 2018. In the opinion of the management of both companies, the pro-forma Statement of Consolidated Financial Position includes all necessary adjustments for fair presentation in accordance with International Financial Reporting Standards. The Pro Forma may not be indicative of the financial position which may be obtained in the future.

The Pro Forma Consolidated Statement of Financial Position should be read in conjunction with the financial statements of the companies included elsewhere in this listing statement.

BIRD RIVER RESOURCES INC.
Pro-Forma Adjustments
As at February 12, 2018

Note	1	2	3	4	
	Issuance of Common shares in Exchange For High Point Shares	**Issuance of Warrants in Exchange for High Point Warrants**	**Accrual of M&A fee satisfied by issueing Bird River shares**	**To offset High Point Equity with Investment Account**	**Total adjustment**
Non-current assets					
Investment In High Point	$ 5,517,124	$	$ 272,878	$ (5,790,002)	$ -
Exploration and Evaluation assets				4,172,201	4,172,201
Property Plant and Equipment					-
Total non-current assets	$ 5,517,124	$ -	$ 272,878	$ (1,617,801)	$ 4,172,201
Shareholders' Equity					
Share capital	$ 5,517,124	$ (49,277)	$ 272,878	$ (2,211,443)	$ 3,529,282
Warrants		49,277		(57,897)	(8,620)
Share-based payments reserve					-
Deficit				1,200,190	1,200,190
Total shareholders' equity	$ 5,517,124	$ -	$ 272,878	$ (1,069,150)	$ 4,720,852

Notes

1 55,172,124 Bird River shares issued at $0.10 - See Equity table below
2 2,958,480 Bird River warrants issued to replace High Point Warrants - See Warrants table below
3 5% M&A fee satisfied by issueing 2,728,776 Bird River shares - See Equity table below
4 High Point equity accounts offset against Bird River investment account with the balance assigned to Exploration and Evaluation assets. Management has reviewed the Exploration and Evaluation assets and in light of the NI 51-101 reserve reports received (see Appendices A and B) management is of the belief that this valuation is supported.

BIRD RIVER RESOURCES INC.
Pro- Forma Consolidated Statement of Changes in Equity

	Common shares		Warrants				Share-based payments reserve		Deficit		Total
	Shares	Amounts	Number		Amounts						
Balance, January 31, 2018	58,100,934	$ 4,583,401	23,935,955	$	820,475	$	4,933	$	1,128,563	$	4,280,246
Shares issued in exchange for High Point shares	55,172,124	5,517,124									5,517,124
Costs of issue	2,728,776	272,878									272,878
Warrants issued in exchange for High Point warrants		(49,277)	2,958,480		49,277						-
Balance, February 12, 2018	116,001,834	$ 10,324,126	26,894,435	$	869,752	$	4,933	$	1,128,563	$	10,070,248

Per Audited Financials statements

	Share price	Exercise price	Risk free rate	Expected life (years)	Expected volatility	Fair value per warrant	Total value
Liquidity warrants issued on private placement of common share units (2)	No value on Proforma as the takeover transaction results in these warrants expiring.						
Broker warrants issued on private placement of common share units	$1.00	$1.00	0.56%	2	70%	$0.38	26,405
Issued on private placement of common share unites	$1.50	$2.00	0.84%	2	70%	$0.45	7,458
Broker warrants issued on private placement of flow through shares	$2.00	$2.00	0.99%	2	70%	$0.77	15,414
							$ 49,277

APPENDIX "E"

MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31 2017

THREE MONTH PERIOD ENDED MARCH 31 2018

(HIGH POINT OIL INC. – SUBSIDIARY COMPANY)

HIGH POINT OIL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE PERIOD FROM INCORPORATION ON APRIL 25, 2017 TO DECEMBER 31, 2017

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of High Point Oil Inc. (the "Company" or "High Point") is prepared with information as at May 30, 2018 and provides an analysis of the Company's performance and financial condition as at and for the period from incorporation on April 25, 2017 to December 31, 2017 as well as an analysis of future prospects. The Board of Directors carries out its responsibility for review of this disclosure directly.

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 financial statements of the Company for the period from incorporation on April 25, 2017 to December 31, 2017 together with the notes thereto. All amounts are in Canadian dollars unless otherwise specified. The financial statements, are included in the listing statement to which this MD&A is attached.

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

High Point Oil Inc. is a 100% owned subsidiary of Bird River Resources Inc. ("Bird River"), a junior natural resource exploration company in Canada that is a reporting issuer in the provinces of Ontario and Manitoba with its common shares listed for trading on the Canadian Securities Exchange (CSE) under the trading symbol "BDR". Bird River's Registered and Head Offices are located at 1059 Selkirk Avenue, Winnipeg, Manitoba, R2X 0C2. The Company's constating documents do not differ from Canadian corporate legislation with respect to corporate governance principles. During the time period covered by this MD&A the Company was a private corporation incorporated in Ontario with its operating office at 430, 440 2nd Avenue SW, Calgary, Alberta, T2P 5E9.

On February 12, 2018, Bird River 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 Bird River, High Point, and the shareholders of High Point, Bird River 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 Bird River 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 Bird River.

High Point continues to operate from its Calgary office.

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.

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 are underway. Drilling is planned after the Spring breakup to avoid the increased risk and cost of running a drill program during the problematic thaw cycle. 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.

NARRATIVE DESCRIPTION OF THE COMPANY'S BUSINESS

Oil and Gas Activities

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 is anticipated before the end of May 2018
- To complete the first 3 well program at a cost of approximately $2.3 to $2.5 million dollars.
- 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 program 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.

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, engineers qualifications and summary documents from these reports are attached as Appendices A and B to this Listing Statement. 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.

Exploration and evaluation assets

Balance at incorporation on April 25, 2017	$ -
Additions transferred into Corporation by founding shareholders for shares (note 7)	59,400
Additions for cash	638,816
	$ 698,216

At the time of incorporation, seismic data and exploration and evaluation assets were transferred to the Company for share consideration. Subsequent to incorporation the Company purchased seismic data and services and petroleum and natural gas leases. Such E&E assets consist of the Company'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 period from incorporation on April 25, 2017 to 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 for the period from incorporation on April 25, 2017 to December 31, 2017:

For the period from incorporation on April 25, 2017 to December 31, 2017	**($)**
Total revenue - interest income	242
Net income (loss)	(826,590)
Income (loss) per share - basic and fully-diluted	(0.56)
Total assets	1,126,596
Long-term liabilities	-
Dividends declared	-

The net loss and comprehensive loss for the period from incorporation on April 25, 2017 to December 31, 2017 was $826,590. The loss was comprised primarily of general and administrative expenses ("G&A") of $400,032 and share based compensation of $426,800. High Point is in a start up phase, has not yet drilled any wells and has no revenue or other oil and gas expenses.

G&A expenses were made up of salary and consulting expenses of $294,000, rent of $50,000, software rent of $16,000 and $40,000 of other expenses.

Stock based compensation was the result of the difference between the amount paid by third parties for shares in May and June 2017 ($0.99 calculated as $1.00 paid less $0.01 attributed to the liquidity portion of the initial third party offering) and the amount the founding shareholders paid for their initial shares. The shareholders paid $0.02 per share for total proceeds of $8,800. The differences between $435,600 value attributed to the shares they received and the $0.02 paid for the shares of $426,800 has been recognized as share based compensation in the statement of loss and comprehensive loss.

SELECTED QUARTERLY INFORMATION

The following is selected financial information for the interim periods completed to date.

Quarter(Part Quarter) Ended	Interest Revenue ($)	Net Income (Loss) Total ($)	Net Income (Loss) Per Share ($)	Total Assets ($)
April 25 , 2017 to June 30, 2017	-	(467,602)	(0.49)	805,202
September 30, 2017	183	(153,449)	(0.11)	651,770
December 31, 2017	59	(205,539)	(0.14)	1,126,596

Analysis of quarterly variance

Part quarter April 25, 2017 to June 30, 2017

The loss included the Stock based compensation. Stock based compensation was the result of the difference between the amount paid by third parties for shares in May and June 2017 ($0.99 calculated as $1.00 paid less $0.01 attributed to the liquidity portion of the initial third party offering) and the amount the founding shareholders paid for their initial shares. The shareholders paid $0.02 per share for total proceeds of $8,800. The differences between $435,600 value attributed to the shares they received and the $0.02 paid for the shares of $426,800 has been recognized as share based compensation in the statement of loss and comprehensive loss. Assets consisted primarily of purchased seismic and cash.

Quarter ended September 30, 2017

The loss is composed of G&A. The company spent this quarter primarily in seismic interpretation. Assets decreased due to spending of cash on G&A.

Quarter ended December 31, 2017

The loss is composed of G&A. Assets increased as a result of additional equity offerings which raised $617,891 cash net of issue costs.

High Point is in a start up phase, has not yet drilled any wells and has no revenue or other oil and gas expenses.

LIQUIDITY AND CAPITAL RESOURCES

The Company defines its capital base as total shareholders' equity $993,350 at December 31, 2017 and working capital (current assets less current liabilities) $361,289 at December 31, 2017. The Company manages its capital structure to maximize financial flexibility making adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. Each potential investment opportunity is assessed to determine the nature and amount of capital required together with the relative proportions of debt and equity to be deployed to ensure that the Company will be able to continue as a going concern and to provide a return to shareholders through exploring, appraising and developing its assets. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to any externally imposed capital requirements. The Company incurs ongoing general operating expenses relating to the management of the company, such as office rent, telephone and internet services, salaries and professional fees.

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 during the past 12 months, 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 that the new government administration in the US will continue to lead in 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.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common voting shares, of which 1,720,433 were outstanding as at December 31, 2017.

There were 321,160 stock purchase warrants outstanding as of December 31, 2017.

On February 12, 2018, Bird River 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 Bird River, High Point, and the shareholders of High Point, Bird River 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 Bird River 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 Bird River.

TRANSACTIONS WITH RELATED PARTIES

The financial statements include salary and consulting fees of $178,600 that were paid directly to current officers and directors of the Company. Legal fees and disbursements of $22,395 were paid to a law firm in which one of our directors is an associate. These amounts were reflected in the financial statements as follows:

General and administrative	$ 178,600
Share issuance costs	22,395
Share based compensation	291,000
	$ 491,995

Included in accounts payable and accrued liabilities as at December 31, 2017 was $nil owing in respect of these fees.
In 2017 shares were issued to related parties.

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

Oil and gas exploration and mineral exploration are speculative ventures. There is no certainty that expenditures on exploration and development will result in the discovery of an economic hydrocarbon reserve. 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 are 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.

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 presently 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 and 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. As the Company is not yet operational changes in price would not have impacted the Company's results to date.

Credit risk

Credit risk refers to the risk that 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 an established Canadian bank 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 total accounts receivable balance of $15,028 is primarily due from the Government of Canada for GST refunds which were current as at December 31, 2017. No allowance for doubtful accounts has been established as at December 31, 2017. The credit risk on cash is considered by management to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. On a quarterly basis, the Corporation assesses whether there should be any impairment of the financial instruments. There are no material financial instruments that the Corporation considers past due. No impairment of financial assets has occurred as of December 31, 2017.

Liquidity risk

Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

(i) The Company will not have sufficient funds to settle a transaction on the due date;

(ii) The Company will be forced to sell financial assets at a value which is less than what they are worth; or

(iii) The Company may be unable to settle or recover a financial asset at all.

The Company has an appropriate liquidity risk management framework for monitoring and assessing the Company's short, medium and long-term funding and liquidity requirements.

The Company's cash requirements and balances are projected based on forecasted operations and capital expenditures. The Company plans to meet these requirements through the mix of available funds, equity financing on a required basis, project debt financing and cash to be provided by the exercise of warrants and share options in the future. Continuing operations are dependent on the Company's ability in the near term to access sufficient capital to complete exploration and development activities, identify commercial oil and gas reserves and to ultimately have profitable operations.

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 has cash and cash equivalents of $354,016 subject to interest rate risk at December 31, 2017. A 1% change in the primary interest rate would affect the reported net income on an annualized basis by approximately $3,540.

CAPITAL MANAGEMENT

The Company defines its capital base as total shareholders' equity $993,350 at December 31, 2017 and working capital (current assets less current liabilities) $361,289 at December 31, 2017. The Company manages its capital structure to maximize financial flexibility making adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. Each potential investment opportunity is assessed to determine the nature and amount of capital required together with the relative proportions of debt and equity to be deployed to ensure that the Company will be able to continue as a going concern and to provide a return to shareholders through exploring, appraising and developing its assets. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to any externally imposed capital requirements. The Company incurs ongoing general operating expenses relating to the management of the company, such as office rent, telephone and internet services, salaries and professional fees..

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 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 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 financial statements.

At December 31, 2017 the Company was private and therefore did not issue a certificate as required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), or 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 officers preparing this MD&A 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 an 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 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 MD&A.

Investors should be aware that inherent limitations on the ability of officers of a junior private company 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.

HIGH POINT OIL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of High Point Oil Inc. (the "Company" or "High Point") is prepared with information as at May 30, 2018 and provides an analysis of the Company's performance and financial condition as at and for the three month period ended March 31, 2018 as well as an analysis of future prospects. The Board of Directors carries out its responsibility for review of this disclosure directly.

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 financial statements of the Company for the period from incorporation on April 25, 2017 to December 31, 2017 together with the notes thereto and the unaudited financials statements of the Company for the three month period ended March 31, 2018 together with the notes thereto. All amounts are in Canadian dollars unless otherwise specified. The financial statements, are included in the listing statement to which this MD&A is attached.

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

High Point Oil Inc. is a 100% owned subsidiary of Bird River Resources Inc. ("Bird River"), a junior natural resource exploration company in Canada that is a reporting issuer in the provinces of Ontario and Manitoba with its common shares listed for trading on the Canadian Securities Exchange (CSE) under the trading symbol "BDR". Bird River's Registered and Head Offices are located at 1059 Selkirk Avenue, Winnipeg, Manitoba, R2X 0C2. The Company's constating documents do not differ from Canadian corporate legislation with respect to corporate governance principles. During the time period covered by this MD&A, the Company was a private corporation incorporated in Ontario with its operating office at 430, 440 2nd Avenue SW, Calgary, Alberta, T2P 5E9 up until February 12, 2018.

On February 12, 2018, Bird River 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 Bird River, High Point, and the shareholders of High Point, Bird River 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 Bird River 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 Bird River.

High Point continues to operate from its Calgary office.

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. In January of 2018, 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.

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 are underway. Drilling is planned after the Spring breakup to avoid the increased risk and cost of running a drill program during the problematic thaw cycle. 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.

NARRATIVE DESCRIPTION OF THE COMPANY'S BUSINESS

Oil and Gas Activities

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 is anticipated before the end of May 2018
- To complete the first 3 well program at a cost of approximately $2.3 to $2.5 million dollars.
- 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 program 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.

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, engineers qualifications and summary documents from these reports are attached as Appendices B and C to this Listing Statement. 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.

Exploration and evaluation assets

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 the Company for share consideration. Subsequent to incorporation the Company purchased seismic data and services and petroleum and natural gas leases. Such E&E assets consist of the Company'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 for the period from incorporation on April 25, 2017 to December 31, 2017:

For the period from incorporation on April 25, 2017 to December 31, 2017	($)
Total revenue - interest income	242
Net income (loss)	(826,590)
Income (loss) per share - basic and fully-diluted	(0.56)
Total assets	1,126,596
Long-term liabilities	-
Dividends declared	-

The net loss and comprehensive loss for the period from incorporation on April 25, 2017 to December 31, 2017 was $826,590. The loss was comprised primarily of general and administrative expenses ("G&A") of $400,032 and share based compensation of $426,800. High Point is in a start up phase, has not yet drilled any wells and has no revenue or other oil and gas expenses.

G&A expenses were made up of salary and consulting expenses of $294,000, rent of $50,000, software rent of $16,000 and $40,000 of other expenses.

Stock based compensation was the result of the difference between the amount paid by third parties for shares in May and June 2017 ($0.99 calculated as $1.00 paid less $0.01 attributed to the liquidity portion of the initial third party offering) and the amount the founding shareholders paid for their initial shares. The shareholders paid $0.02 per share for total proceeds of $8,800. The differences between $435,600 value attributed to the shares they received and the $0.02 paid for the shares of $426,800 has been recognized as share based compensation in the statement of loss and comprehensive loss.

SELECTED QUARTERLY INFORMATION

The following is selected financial information for the interim periods completed to date.

Quarter(Part Quarter) Ended	Interest Revenue ($)	Net Income (Loss) Total ($)	Net Income (Loss) Per Share ($)	Total Assets ($)
April 25 , 2017 to June 30, 2017	-	(467,602)	(0.49)	805,202
September 30, 2017	183	(153,449)	(0.11)	651,770
December 31, 2017	59	(205,539)	(0.14)	1,126,596
March 31, 2018	1,742	(203,962)	(0.11)	4,675,667

Analysis of quarterly variance

Part quarter April 25, 2017 to June 30, 2017

The loss included the Stock based compensation. Stock based compensation was the result of the difference between the amount paid by third parties for shares in May and June 2017 ($0.99 calculated as $1.00 paid less $0.01 attributed to the liquidity portion of the initial third party offering) and the amount the founding shareholders paid for their initial shares. The shareholders paid $0.02 per share for total proceeds of $8,800. The differences between $435,600 value attributed to the shares they received and the $0.02 paid for the shares of $426,800 has been recognized as share based compensation in the statement of loss and comprehensive loss. Assets consisted primarily of purchased seismic and cash.

Quarter ended September 30, 2017

The loss is composed of G&A. The company spent this quarter primarily in seismic interpretation. Assets decreased due to spending of cash on G&A.

Quarter ended December 31, 2017

The loss is composed of G&A. Assets increased as a result of additional equity offerings which raised $617,891 cash net of issue costs.

Quarter ended March 31, 2018

The loss is composed of G&A. Assets increased primarily as a result of an advance from High Point's parent company Bird River in the amount of $3,400,000 of which $50,000 was expended on behalf of Bird River. This leaves a net balance owing to Bird River of $3,350,000. In the absence of this advance from Bird River, total assets at March 31, 2018 would have been $1,325,667.

High Point is in a start up phase, has not yet drilled any wells and has no revenue or other oil and gas expenses.

LIQUIDITY AND CAPITAL RESOURCES

The Company defines its capital base as total shareholders' equity $1,238,788 at March 31, 2018 and working capital (current assets less current liabilities) $157,417 deficit at March 31, 2018. Advances from the Company's parent company Bird River have no fixed terms of repayment and accordingly have been included in current liabilities. Excluding the advance from Bird River from current liabilities would lead to a calculated working capital of $3,192,583. The Company manages its capital structure to maximize financial flexibility making adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. Each potential investment opportunity is assessed to determine the nature and amount of capital required together with the relative proportions of debt and equity to be deployed to ensure that the Company will be able to continue as a going concern and to provide a return to shareholders through exploring, appraising and developing its assets. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to any externally imposed capital requirements. The Company incurs ongoing general operating expenses relating to the management of the company, such as office rent, telephone and internet services, salaries and professional fees.

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 during the past 12 months, 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 that the new government administration in the US will continue to lead in 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.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common voting shares, of which 1,970,433 were outstanding as at March 31, 2018.

There were 105,660 stock purchase warrants outstanding as of March 31, 2018.

On February 12, 2018, Bird River 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 Bird River, High Point, and the shareholders of High Point, Bird River 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 Bird River 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 Bird River. All securities of High Point are held by Bird River at March 31, 2018

TRANSACTIONS WITH RELATED PARTIES

The financial statements include salary and consulting fees of $84,000 that were paid directly to current officers and directors of the Company. These amounts were reflected in the financial statements as follows:

General and administrative	$	84,000
	$	84,000

Included in accounts payable and accrued liabilities as at March 31, 2018 was $nil owing in respect of these fees.
In 2017 shares were issued to related parties.

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

Oil and gas exploration and mineral exploration are speculative ventures. There is no certainty that expenditures on exploration and development will result in the discovery of an economic hydrocarbon reserve. 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 are 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.

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 presently 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 and 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. As the Company is not yet operational changes in price would not have impacted the Company's results to date.

Credit risk

Credit risk refers to the risk that 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 an established Canadian bank 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 total accounts receivable balance of $13,641 is primarily due from the Government of Canada for GST refunds which were current as at March 31, 2018. No allowance for doubtful accounts has been established as at March 31, 2018. The credit risk on cash is considered by management to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. On a quarterly basis, the Corporation assesses whether there should be any impairment of the financial instruments. There are no material financial instruments that the Corporation considers past due. No impairment of financial assets has occurred as of March 31, 2018.

Liquidity risk

Liquidity risk includes the risk that, as a result of the Company's operational liquidity requirements:

(i) The Company will not have sufficient funds to settle a transaction on the due date;

(ii) The Company will be forced to sell financial assets at a value which is less than what they are worth; or

(iii) The Company may be unable to settle or recover a financial asset at all.

The Company has an appropriate liquidity risk management framework for monitoring and assessing the Company's short, medium and long-term funding and liquidity requirements.

The Company's cash requirements and balances are projected based on forecasted operations and capital expenditures. The Company plans to meet these requirements through the mix of available funds, equity financing on a required basis, project debt financing and cash to be provided by the exercise of warrants and share options in the future. Continuing operations are dependent on the Company's ability in the near term to access sufficient capital to complete exploration and development activities, identify commercial oil and gas reserves and to ultimately have profitable operations.

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 has cash and cash equivalents of $3,227,208 subject to interest rate risk at March 31, 2018. A 1% change in the primary interest rate would affect the reported net income on an annualized basis by approximately $32,272.

CAPITAL MANAGEMENT

The Company defines its capital base as total shareholders' equity $1,238,788 at March 31, 2018 and working capital (current assets less current liabilities) $157,417 deficit at March 31, 2018. Advances from the Company's parent company Bird River have no fixed terms of repayment and accordingly have been included in current liabilities. Excluding the advance from Bird River from current liabilities would lead to a calculated working capital of $3,192,583. The Company manages its capital structure to maximize financial flexibility making adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. Each potential investment opportunity is assessed to determine the nature and amount of capital required together with the relative proportions of debt and equity to be deployed to ensure that the Company will be able to continue as a going concern and to provide a return to shareholders through exploring, appraising and developing its assets. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to any externally imposed capital requirements. The Company incurs ongoing general operating expenses relating to the management of the company, such as office rent, telephone and internet services, salaries and professional fees.

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 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 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 financial statements.

At March 31, 2018 the Company was a wholly owned subsidiary of Bird River and therefore did not issue an independent certificate as required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), or 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 officers preparing this MD&A 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 an 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 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 MD&A.

Investors should be aware that inherent limitations on the ability of officers of a junior private company 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.