BIRD RIVER RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED JULY 31, 2018

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Bird River Resources Inc. (the "Corporation" or "Bird River") is prepared with information as at December 20, 2018 and provides an analysis of the Corporation's performance and financial condition as at and for the year ended July 31, 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 Corporation for the years ended July 31, 2018 and 2017 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 Corporation'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 Corporation 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

Oil and Gas

Bird River Resources Inc. is a junior natural resource exploration company incorporated 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 Corporation's Registered and Head Offices are located at 1059 Selkirk Avenue, Winnipeg, Manitoba, R2X 0C2. The Corporation's constating documents do not differ in any material fashion from Canadian corporate legislation with respect to corporate governance principles.

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 Corporation 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 Corporation 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 9, 2018, the Corporation agreed to acquire all of the issued and outstanding shares of High Point Oil Inc. ("High Point"), a private Alberta Corporation 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 Corporation. The acquisition transaction closed on February 12, 2018. See "Acquisition of High Point Below". At the time of acquisition, High Point had identified 20 drilling targets and has now 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 High Point has had commercial production from this drilling program since August 1, 2018. (see "Narrative Description of the Business – Oil and Gas Activities – Alberta" below).

Related Technologies

On December 12, 2017, the Corporation announced that it had 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 was 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 was 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 Corporation that has considerable experience in providing these kinds of services for clients in many industries. For their services, the Corporation 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 Corporation to API Consulting Inc. at the price of $0.10 per common share and the payment of $25,000 cash. To date, the Corporation 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.

On March 26, 2018, the Corporation 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 from the point of final design approval. 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).

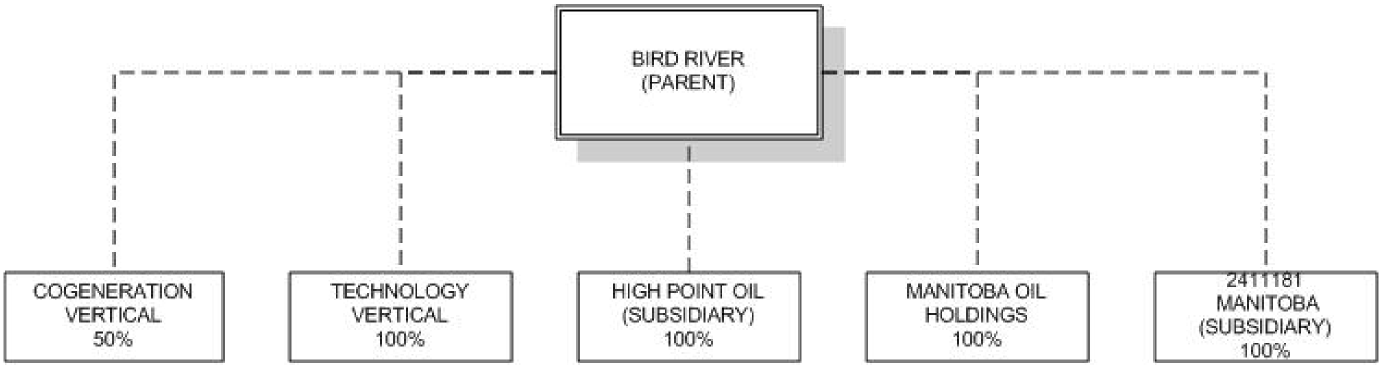
On April 9, 2018, the Corporation and Divestco Inc. (TSXV: DVT) ("Divestco") announced a joint venture to create a high volume, cost-effective commercial cryptocurrency mining operation based in Calgary, Alberta using existing infrastructure. Currently, the Technology vertical is also investigating how 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)

Discontinued Operations

The Corporation 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 Corporation 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 Corporation's Business – Discontinued Operations - Ore Fault Property" below).

The Corporation formerly operated an environmental division which distributed various industrial minerals and absorbent products for use in abandoned water well sealing operations, animal bedding, odor control and animal waste management. This division was sold effective January 31, 2018. (see "Narrative Description of the Corporation's Business – Discontinued Operations - Environmental Division" below).

The Corporation's organizational chart is as follows:



The Corporation currently has four business segments, being segments in Oil, Technology and Cogeneration in Alberta and Oil interests in Manitoba. The Technology vertical contains the Block chain and the Cyrpto currency projects.

As at July 31, 2018, the Corporation had an estimated consolidated working capital of approximately $945,669. The Corporation has currently allocated its current working capital entirely towards development and expansion of its oil interests in Alberta.

NARRATIVE DESCRIPTION OF THE CORPORATION'S BUSINESS

Oil and Gas Activities - Manitoba

In March 2009, the Corporation 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 Corporation 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. Since then, the Corporation has participated in the drilling of additional wells in that area, most of which remain producing.

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

Well ID and Location	Dir	Location	Oper	Corporation'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.

Oil and Gas Activities – Alberta

Acquisition of High Point

On February 12, 2018, the Corporation announced that it had 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 Corporation, High Point, and the shareholders of High Point, the Corporation 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 Corporation 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 Corporation. The share exchange did not 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 Corporation in the analysis and review of the acquisition of High Point. Accordingly, the Corporation 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 Corporation to FRCC.

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, The Acquisition was 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
Consideration		
Common shares (55,172,124 at $0.10 per share	5,517,212	1
Fair value of net assets acquired		
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
Net assets acquired	5,517,212	

Notes to above table:

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 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. 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. The Cover sheet, engineer's qualifications and summary documents from these reports provide persuasive evidence that the above value and valuation method is reasonable. These documents have been attached to the Bird River's listing statement and are available for review 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 these financial statements 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.

As at the July 31, 2018 High Point had not yet become a revenue generating entity. Since the acquisition date, High Point has incurred net losses of $319,803 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 $1.2 million.

Business of High Point

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 (primarily in the Nisku formation) due to continued strong market demand and pricing for this product. It is worth noting that as of the date of this report, although remaining stronger than heavier crude prices, even light oil prices have been hindered by the lack of pipeline capacity. See "Risks and Uncertainties" below. 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 objectives achieved by High Point up to July 31, 2018 are as follows:

- Granted eligibility by the Alberta Energy Regulator to hold licenses for all types of wells, pipelines and facilities.
- Licensed the first 3 well program.

- Completed the first 3 well program. 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 was completed as a 50/50 joint venture with DEL Canada Partnership.
- The third well of the above program was completed in August of 2018. The program was a commercial success, resulting in proven producing reserves (Copies of the Corporation's recent Forms 51-101F1, 51-101F2 and 51-101F3 are available on SEDAR under the Corporation's profile on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.)
- Commercial production from this program began August 1, 2018 and continues to the date of this report.

The business objectives planned for High Point up to July 31, 2019 are as follows:

- 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 (if Alberta oil prices recover)) at a cost of $0.9 million per well. The first well was drilled and cased in November and December of 2018. Completion is planned for the post Christmas period of December or early January.
- If additional equity becomes available to drill up to 10 wells total in the 2019 fiscal year 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 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 Corporation. 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 and prior to Bird River's acquisition, 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 had been assigned at the point of vend in due to the lack of drilled wells. Since incorporation High Point has acquired and interpreted over 260 sq. miles of 3D seismic, identified 26 drilling targets and acquired additional mineral rights on the open market.

NI 51-101 Disclosure

Chapman Petroleum Engineering Ltd. (“CHAPMAN”), independent qualified reserves evaluators of Calgary, Alberta, prepared an independent evaluation of the Corporation’s oil and natural gas properties effective July 31, 2018, which is contained in a report dated November 15, 2018 (the “2018 Reserves Report”). On February 12, 2018, the Corporation completed the acquisition (the “Acquisition”) of High Point Oil Inc. (“High Point”). High Point was a wholly-owned subsidiary of the Corporation as at July 31, 2018 and its Alberta properties are covered in the 2018 Reserves Report. Bird River’s previously owned Manitoba resource properties were not included in the above reserve report as they are not significant to the Company’s future activities producing only 1 barrel of oil per day. Copies of the Corporation's recent Forms 51-101F1, 51-101F2 and 51-101F3 are available on SEDAR under the Corporation's profile on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Discontinued Operations

Environmental Division

The Corporation previously 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.

Effective January 31, 2018, the company sold the operations, inventory and related equipment of its environmental (industrial minerals) division. The gain on disposal of the assets is included in the net (loss) income from discontinued operations on the consolidated statements of loss and comprehensive loss. The net (loss) income from discontinued operations for the current and prior year is comprised of the following:

	2018 ($)	2017 ($)
Revenue from the sale of industrial minerals	24,880	63,792
Expenses		
Bad debt expense	3,248	-
Depreciation	161	418
(Gain) on disposal of property and equipment	(871)	-
Production and operating expenses	28,320	46,747
	30,858	47,165
Net (loss) income from discontinued operations	(5,978)	16,627

Accordingly, all related line items in the Consolidated Statements of Loss and Comprehensive Loss have been removed and replaced with a single line item called "Net (loss) income from discontinued operations".

Quarry Lease

The Corporation 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 Corporation previously used in a water well sealing operation. The Corporation allowed the lease to expire during the 2016 fiscal year.

Ore Fault Property

In 2004, the Corporation 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. In 2008, Marathon PGM Corporation acquired the remaining interest in the Property for the cash consideration of $1,450,000. The Corporation 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

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. At the time the Bird River acquired High Point it had not yet established technical and commercial viability of its Central Alberta project. Accordingly, the costs assigned to these assets were added to Exploration and Evaluation assets. As were additional costs incurred prior to the completion of High Point's spring and summer drilling program. Upon completion of the spring and summer drilling program and upon receipt of the reserves evaluation at July 31, 2018, it became evident that both technical and commercial viability had been established and accordingly these amounts were transferred to property and equipment where they will be depleted based on production. Commercial production began August 1, 2018.

	Manitoba ($)	Alberta ($)	Total ($)
Balance, July 31 2016	35,127	-	35,127
Writedowns	(35,127)	-	(35,127)
Balance, July 31 2017	-	-	-
Exploration and evaluation assets of subsidiary	-	5,775,558	5,775,578
Costs incurred during the period	-	165,369	165,369
Transfers to Property and Equipment	-	(5,940,927)	(5,940,927)
Balance, July 31 2018	-	-	-

SUMMARY OF SELECTED ANNUAL FINANCIAL INFORMATION

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

Annual Information	Year Ended July 31 2018 ($)	Year Ended July 31, 2017 ($)	Year Ended July 31, 2016 ($)
Total revenue (1)	34,786	31,215	43,877
Net income (loss) from discontinued operations (1)	(5,978)	16,627	10,868
Net loss and comprehensive loss	(2,012,934)	(183,757)	(244,043)
Loss per share - basic and fully-diluted	(0.03)	(0.02)	(0.02)
Total assets	11,151,727	150,918	304,356
Non-current financial liabilities	(1,472,752)	(9,663)	(9,385)
Working capital (deficiency)	945,669	(161,026)	(76,891)
Dividends declared	-	-	-

(1) Petroleum and natural gas only; restated to remove discontinued operations.

Total revenue during the three year period has stayed relatively constant.

Net income (loss) from discontinued operations relates to the industrial minerals division which was sold effective January 31, 2018. The loss in 2018 relates to selling the inventory for less than their carrying value and to reduced industrial minerals sales prior to the sale of the division.

The net loss and comprehensive loss for the year ended July 31, 2018 was $2,012,934 as compared to $183,757 for 2017 and $244,043 for 2016. The primary causes of this increase in losses are: $275,861 in acquisition fees paid by Bird River on Bird River's acquisition of High Point, $188,800 in High Point salaries as the Corporation has not within the previous two years had full time employees, $291,974 paid to various consultants and $939,205 in deferred income tax expenses. The large deferred income tax expense is the result of the acquisition of High Point and the issuance of Flow Through shares. Both of these items resulted in assets being recorded at a higher value than their tax base, thus leading to deferred taxes.

The decrease of $60,286 from 2016 to 2017 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 Manitoba exploration and evaluation assets as the Corporation's remaining leases had expired.

Loss per share is up in 2018 due primarily to the factors affecting net loss as discussed above.

Total assets increased primarily due to $4.5 million in funds being raised on private placements and due to $5.5 million of assets being acquired as part of the High Point acquisition.

Working capital at the end of 2018 is higher due to funds raised in the above private placements not yet being fully expended on drilling and other expenditures. The cash balance at July 31, 2018 was $1,724,778 (2017 - $35,456).

The Corporation issued approximately 105 million shares in 2018 in various transactions resulting in a significant increase in shareholders equity.

Selected Quarterly Information

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

Quarter Ended	Total Revenue (1) ($)	Net Income (Loss) Total ($)	Net Income (Loss) Per Share ($)	Total Assets ($)
July 31, 2018	15,915	(882,468)	(0.008)	11,151,727
April 30, 2018	9,382	(1,104,810)	(0.010)	9,479,722
January 31, 2018	5,138	(52,054)	(0.002)	4,353,685
October 31, 2017	4,351	26,398	0.002	124,168
July 31, 2017	10,388	(117,403)	(0.011)	150,918
April 30, 2017	7,644	524	0.000	241,876
January 31, 2017	3,029	(38,080)	(0.004)	249,084
October 31, 2016	10,154	(28,687)	(0.002)	265,869

As discussed in the "Narrative of the Corporation's Business – Discontinued Operations" section above, effective January 31, 2018, the company sold the operations, inventory and related equipment of its environmental (industrial minerals) division which resulted in a loss from discontinued operations of $5,978. Accordingly, the total revenue figures above have been adjusted to remove revenue received by the environmental division. Revenues have fluctuated as a result in production fluctuations as wells decline or improve as a result of workovers. Significant variability in the price received for oil has also impacted this variability.

The third and fourth quarters have shown a significant increase in net loss. This is mostly due to one time costs related to the acquisition of High Point including: $275,861 in acquisition fees paid by Bird River on Bird River's acquisition of High Point and $291,974 paid to various consultants. The fourth quarter was also impacted by the recognition of deferred taxes of 939,205. This was due to the fact that the bump in value associated with the acquisition of High Point comes with no commensurate tax base. In addition, High Point is an operating oil company and as a result has a full time staff, this increased the final two quarters of the year by $188,800 in High Point salaries which are included in the consolidated results over the final two quarters of 2018. Previously Bird River was strictly a non-operator and had no need of full time personnel.

Total assets increased significantly over the final 3 quarters of 2018. In the second quarter total assets increased primarily as a result of $4.5 million raised in private placements. In the third quarter the Corporation acquired High Point resulting in $5.8 million being added to exploration and evaluation assets. In the final quarter of the year a 50% owned drilling program was well underway resulting in a commensurate increase in receivables from partners and accounts payable.

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2018, the Corporation has working capital in the amount of $945,669 (2017 – working capital deficiency $161,026). The increase in working capital was primarily due to the issuance of 2,308,709 common shares at the price of $0.06 per common share to settle indebtedness in the amount of $138,723 and the issuance of 37,155,000 common shares at $0.10 per share and 8,067,000 flow-through common shares at $0.13 per share for gross proceeds of $4,764,210 less related costs. The Corporation continues to receive revenue from its interests in oil wells in Manitoba and began receiving revenue from Alberta wells on August 1, 2018. The Corporation 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.

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

The Corporation'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 in recent years, there continues to be ongoing concern about the demand for Canadian commodities and therefore availability of funding for junior resource companies.

The Corporation’s financial performance is dependent on many external factors. The Corporation 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 Corporation.

DECOMMISSIONING OBLIGATIONS

The Corporation'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 Corporation'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.

These obligations have been discounted using a pre-tax rate of 2.96% (2017 - 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 (2017 - 25 years) into the future and will be funded from general corporate resources at the time of abandonment.

The total estimated undiscounted cash flows required to settle the obligations related to the Manitoba Cost Generating Unit (“CGU”) before considering salvage value, as at July 31, 2018 is approximately $19,000 (2017 - $19,000).

The total estimated undiscounted cash flows required to settle the obligations related to the Central Alberta CGU before considering salvage value, as at July 31, 2018 is approximately $459,500 (2017 - $n/a). The Central Alberta additions all occurred in July of 2018 and accordingly no accretion has been recorded.

The Corporation's decommissioning obligations for the years ended July 31, 2018 and July 31, 2017 were as follows:

	2018 ($)	**2017 ($)**
Manitoba CGU:		
Balance, beginning of year	9,663	9,385
Plus: accretion	286	278
Balance, end of year	9,949	9,663
Alberta CGU:		
Balance, beginning of year	-	-
Provisions	397,803	-
Balance, end of year	397,803	-
Total, end of year	407,752	9,663

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's outstanding capital was as follows as at the dates indicated:

	December 20 2018		**July 31 2018**		**July 31 2017**	
	Basic	**Fully Diluted**	**Basic**	**Fully Diluted**	**Basic**	**Fully Diluted**
Common shares	116,002,334	142,919,294	116,002,334	142,919,294	10,570,725	10,770,725
Options	1,500,000	-	1,500,000	-	200,000	-
Warrants	25,416,960	-	25,416,960	-	-	-

TRANSACTIONS WITH RELATED PARTIES

Key management includes the directors and the executive officers of the Corporation.

During the year ended July 31, 2018 High Point paid salaries to its executive in the amount of $154,000 (2017 - $Nil) High Point also paid relatives of a director $37,038 (2017-$Nil) for IT, administrative and geo-technical support and for wellsite geology.

During the year ended July 31, 2018 the Corporation paid management fees to its Executive Officers (or to companies controlled by them) in the amount of $79,500 (2017 - $44,000). The Corporation also paid director's fees in the amount of $12,500 (2017 - $3,000) during the year and rent in the amount of $3,200 (2017 - $8,800) to a former director and officer of the Corporation. All amounts are included in general and administrative expenses with the exception of $18,538 which were capitalized to petroleum and natural gas properties included in property and equipment. These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties.

As at July 31, 2018, included in trade payables and other payables are amounts owing to directors and officers of the Corporation in the amount $6,000 (2107 - $162,923).

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:

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

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

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

(d) 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;

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

(f) management's judgment in determining the functional currency of the Corporation as Canadian Dollars;

(g) The actual cost and timing of well abandonment activities which impacts the decommissioning obligation;

(h) The actual life and volume of petroleum reserves which impacts the calculation of depletion, and decommissioning obligations; and

(i) The amount and timing of the reversal of temporary timing difference which impacts the calculation of deferred taxes.

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 Corporation 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 Corporation'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 Corporation 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 Corporation 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 Corporation's reserves will depend not only on the Corporation'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 Corporation. The Corporation'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 all weights of crude oil and in natural gas. The Corporation 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 Corporation hopes to reduce the impact of the 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 Corporation's exposure to risks associated with natural gas but may also increase opportunities available to the Corporation. There is no guarantee that the planned verticals of the Corporation will be successful and warrant the Corporation putting additional resources into natural gas exploration and production.

Capital Risk

The Corporation’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 Corporation 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 Corporation to meet its capital requirements.

Interrelation of Business Components

If any components of the Corporation’s business plan are missing or incomplete, the Corporation 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 Corporation's operating entities to incur costs to remedy such discharge. Although the Corporation 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 Corporation's financial condition, results of operations or prospects. The Corporation's involvement in the exploration for and development of oil and natural gas properties may result in the Corporation becoming subject to liability for pollution, blowouts, property damage, personal injury or other hazards. Prior to drilling, the Corporation 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 Corporation 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 Corporation. 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 Corporation's financial position, results of operations or prospects and will reduce income otherwise used to fund operations.

Price Risk

The Corporation’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 Corporation’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 Corporation 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 Corporation’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 Corporation’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 Corporation’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 Corporation will in part be determined by the Corporation’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 Corporation 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 Corporation's ability to obtain capital, its valuations and/or its operations.

Technology Risk

Technological advances are happening at ever increasing rates. The Corporation 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 Corporation'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 Corporation will continue to be employed in such a manner. They may experience health and or life changes that make this difficult. The Corporation 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 Corporation for any reason. The Corporation may retain the services of outside consultants from time to time.

Partnership Risk

The Corporation has entered into joint venture partnerships with other companies and entities in an effort to help finance and minimize financial risk in the drilling and development of certain planned oil wells. There is no guarantee that the personnel employed by joint venture partners 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 Corporation's joint venture partners will continue to operate as it has in the past.

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 Corporation's operations and financial condition and the value of its generation facilities.

Transmission Risk

In order to sell electricity, the Corporation 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 Corporation'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 affects the cost of Crypto currency mining machines which are frequently priced in Crypto currencies as well as the amount of revenue the Corporation 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 Corporation 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.

Crypto Currency and Block Chain Specific Risks

The primary business of Bird River is oil and gas. The business of the Technology Vertical is to take opportunities that we become aware of as a result of our primary business and determine if a commercially viable adjunct is possible. That being said, the technology vertical exposes the Corporation to specific risks associated with these opportunities. Such risks include but are not limited to:

- the limited history and development stage of blockchain technology and specifically cryptocurrency;
- the extreme volatility of cryptocurrencies and the high speculative risk of holding such currencies;
- the potential impact on the value of crypto currencies caused by levels of demand, potential regulation;

- the possibility of illiquidity in these cryptocurrencies; and
- the seemingly increasing risk of cyberattacks.

The Corporation mitigates these risks by not holding significant amounts of cryptocurrency. Cryptocurrencies mined will be regularly converted into traditional currencies. Furthermore, the total investment in these projects will be kept to the minimum required to provide the Corporation with the knowledge to take advantage of the technology but will never be the main investment focus of the Corporation which will remain the commercial exploitation of oil and gas resources.

FINANCIAL INSTRUMENTS

Risk management and hedging activities

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

Currency risk

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

Price risk

The Corporation is exposed to price risk with respect to commodity prices of oil and gas. The Corporation 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 $348 for the year ended July 31, 2018 (2017 - $312).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Corporation. The Corporation is exposed to credit risk on its financial assets. Cash is held with established Canadian financial institutions and the Corporation's other receivables are from Canadian government entities, from which management believes the risk of loss to be remote. The Corporation 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 of $2,489,397 (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 Corporation'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 Corporation will encounter difficulty in raising funds to meet commitments associated with its financial instruments. As at July 31, 2018, the Corporation has working capital in the amount of $945,669 (2017 – working capital deficiency $161,026).

The contractual maturities of financial liabilities total $1,602,623 at July 31, 2018 (2017 - $230,074) are all six months or less.

Interest rate risk

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

Sensitivity analysis

The Corporation has cash and cash equivalents subject to interest rate risk of $1,724,778 (2017 - $35,456). A 1% change in the primary interest rate could affect the reported net income, on an annualized basis, by $17,248 (2017 - $355).

Fair values, carrying amounts and changes in fair value

The fair values of the Corporation'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.
- Level three includes inputs that are not based on observable market data.

The Corporation's financial instruments within the fair value hierarchy as at July 31 2018 and July 31 2017 are as follows:

	Level 1 ($)	Level 2 ($)	Level 3 ($)
As at July 31 2018			
Cash and cash equivalents	1,724,778	-	-
As at July 31, 2017			
Cash and cash equivalents	35,456	-	-

The carrying value of financial assets the Corporation has pledged as collateral is $20,000, being a Guaranteed investment certificate in support of the Corporations corporate credit card (2017 - $Nil).

CAPITAL MANAGEMENT

The Corporation considers its capital structure to consist of share capital, stock options and warrants. When managing capital, the Corporation's objective is to ensure the Corporation 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 Corporation's management to sustain future development of the Corporation's operations. As at July 31, 2018, the Corporation had managed capital, being total equity on the consolidated statement of financial position, of $8,030,521 (2017 – net deficit of $88,819).

A number of the properties in which the Corporation currently has an interest are in the development stage. As such, the Corporation is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay administrative expenses, the Corporation will use its existing working capital, funds from operations and raise additional amounts as needed. The Corporation 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 Corporation, is reasonable. There were no changes in the Corporation's approach to capital management during the current or prior year. The Corporation 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 audited 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 audited 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 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 Corporation 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 Corporation’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.

SUBSEQUENT EVENTS

On November 21, 2018, the Corporation entered into an agreement with an industry partner. Under the terms of the agreement, the Corporation is committed to drilling a well on property in Southern Alberta owned by the industry partner by February 15, 2019 or pay a penalty of $50,000. If the well is successful, the Corporation is committed to drill a second well within 90 days of the completion of drilling operations of the first well. The industry partner has the option to participate in the wells by agreeing to pay for 40% of the completion and equipping costs of the wells and as a result will earn a 40% interest in the wells.

Assuming the success of both of these wells, the Corporation will have earned the right to drill on the balance of the farm out lands. There are 11 sections of land (7,040 acres) included within the farmout. This farmout, if successful, will result in the Corporation having another focus area which will be called Southern Alberta.