Bird River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JULY 31, 2020 & 2019

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with Bird River Resources Inc.'s ("Bird River" or the "Corporation") annual audited consolidated financial statements (the "audited financial statements") as at and for the year ended July 31, 2020 and 2019 and the notes thereto. The audited financial statements include the accounts of the Corporation and its wholly owned subsidiaries 2411181 Manitoba Ltd. and High Point Oil Inc. ("High Point" or the "Company"). All significant inter-company transactions and balances have been eliminated on consolidation.

The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are referenced in Canadian dollars.

The commentary is as of **November 30, 2020**. The reader should be aware that historical results are not necessarily indicative of future performance.

The MD&A contains forward-looking information and statements. Refer to the end of this MD&A for the Corporation's advisory on forward-looking information and statements.

Bird River is a publicly-listed entity incorporated under the laws of Manitoba on March 7, 1958. The address of the Corporation's corporate and registered office is: 5204 Roblin Blvd, Winnipeg, MB R3R 0H1. References to the Corporation throughout this MD&A include Bird River and its wholly-owned subsidiaries.

As at July 31, 2020, the Corporation's principal business activities included the acquisition and exploration of resource properties with the primary focus on petroleum and natural gas properties. Subsequent to July 31, 2020, the Corporation disposed of its wholly-owned subsidiary, High Point Oil Inc., through a share purchase agreement. The Corporation's vision is to pivot out of oil and gas operations. See also Material Transactions.

On November 18, 2020, the Corporation reported the consolidation of its common shares on the basis of one (1) new post-consolidation common share for twelve (12) pre-consolidation common shares. Effective November 17, 2020, with a record date of November 18, 2020, the common shares of the Bird River have commenced trading on the Canadian Securities Exchange on a consolidated basis. Prior to the Consolidation, the Corporation had 116,002,334 pre-consolidation common shares issued and outstanding. Following the Consolidation, the Corporation has approximately 9,666,861 post-consolidation common shares issued and outstanding.

Subsequent to the consolidation, the Corporation is contemplating raising funds and then seeking a new opportunity. There are currently no opportunities at this time and no assurances can be made at this time regarding same.

The Corporation's shares are listed on the Canadian Securities Exchange and are traded under the stock symbol "BDR".

ACQUISITION OF HIGH POINT OIL INC.

On February 9, 2018, Bird River Resources Inc. entered into a share exchange agreement with the owners of High Point Oil Inc. Pursuant to the share exchange agreement, Bird River acquired all of the issued and outstanding shares of High Point in exchange for Bird River issuing 55,172,124 non-flow-through common shares at a deemed value of $0.10 per non-flow-through common share. In addition, Bird River paid a finders' fee related to this acquisition in the amount of $272,878 which was settled by the issuance of an additional 2,728,776 non-flow-through common shares of Bird River at a deemed value of $0.10 per non-flow-through common shares. This acquisition is an arm's length transaction and as a result High Point has become a wholly-owned subsidiary of Bird River.

Details of the net assets of High Point as at the date of acquisition are as follows:

Consideration		
Common shares (55,172,124 shares at $0.10 per share)	$	5,517,212
Fair value of nets assets acquired:		
Cash and cash equivalents		137,708
Accounts receivable		12,514
Prepaid expenses and deposits		28,322
Exploration and evaluation assets		5,775,558
Less:		
Trade payables		(370,135)
Flow-through liabilities		(66,755)
Net assets acquired	$	5,517,212

OUTLOOK

As at July 31, 2020, the Corporation's principal business activities included the acquisition and exploration of resource properties with the primary focus on petroleum and natural gas properties. Subsequent to July 31, 2020, the Corporation disposed of its wholly-owned subsidiary, High Point Oil Inc., through a share purchase agreement. The Corporation’s vision is to pivot out of oil and gas operations. See also Material Transactions.

SELECTED ANNUAL INFORMATION ($)

	Year Ended July 31, 2020	**Year Ended July 31, 2019**
Petroleum and gas sales revenue	12,716	36,255
Net loss from continuing operations	(212,309)	(397,222)
per share (basic and fully diluted)	(0.02)	(0.04)
Net loss from discontinued operations	(8,532,595)	(295,361)
per share (basic and fully diluted)	(0.88)	(0.03)
Non-current liabilities:	14,670	596,925
Total assets	4,159,755	10,107,069

NET LOSS

The Corporation's results for the year ended July 31, 2020 are as follows:

(dollars)	Year ended July 31, 2020	2019
Net loss from continuing operations	(212,309)	(397,222)
Net loss from discontinued operations	(8,532,595)	(295,361)
Net loss for the year	(8,744,904)	(692,583)

Highlights for the fourth quarter ended July 31, 2020:

For the three months ended July 31, 2020, oil production was generated at the Corporation's non-operated property at Sinclair in Manitoba.

Oil sales volumes during the three months ended July 31, 2020 was 0.3 boe/d.

During the three months ended July 31, 2020, gross revenues totaled $1,085, royalty expense was $Nil, and operating costs totaled $1,850. The average price realized for oil was $45.41.

During the three months ended July 31, 2020, G&A expenses totaled $75,643.

Highlights for the year ended July 31, 2020:

For the year ended July 31, 2020, oil production was generated at the Corporation's non-operated property at Sinclair in Manitoba.

Oi sales volumes during the year ended July 31, 2020 was 0.6 boe/d.

During the year ended July 31, 2020, gross revenues totaled $12,716, royalty expense was $5,900, and operating costs totaled $8,001. The average price realized for oil was $62.70.

During the year ended July 31, 2020, G&A expenses totaled $210,950.

PROPERTY AND EQUIPMENT

The Corporation has two CGUs: Alberta and Manitoba. As of July 31, 2020, the property and equipment within Alberta CGU were reclassified to assets held for sale. For Manitoba CGU, management determined that the resources were not commercially viable; therefore, the entire CGU was impaired as at July 31, 2020 and 2019.

DECOMMISSIONING LIABILITIES

The Corporation's decommissioning liabilities result from its ownership interest in petroleum and natural gas assets including well sites and gathering systems. As at July 31, 2020, the Corporation's decommissioning liabilities are $14,670 (July 31, 2019 - $596,925.

SHARE CAPITAL

During the years ended July 31, 2020 and 2019, no shares were issued. Total number of shares issued and outstanding as at July 31, 2020 and 2019 is 9,666,861.

As at July 31, 2020 and 2019, there are no share options outstanding.

As at July 31, 2020, there are no warrants outstanding (July 31, 2019 – 23,486,080). The amount of warrants reserve was moved to contributed surplus upon the expiry of warrants.

A detailed description of the Corporation's Share capital and Share options is included in Note 7 to the audited financial statements.

SUPPLEMENT TO THE FINANCIAL STATEMENTS

The outstanding common shares, warrants, and stock options are summarized below (also see note 7 to the audited financial statements):

	November 30, 2020	July 31, 2020	July 31, 2019
Common shares	9,666,861	116,002,334	116,002,334
Warrants	-	-	23,486,080
Stock options	-	-	-

RESTATEMENT OF COMPARATIVE FINANCIAL INFORMATION

As at July 31, 2019, comparative amounts have been restated as follows:

(i) Deferred income taxes expenses for the year ended July 31, 2018 and deferred income taxes liabilities as at that date have been decreased by $1,065,000 to correct for an error in calculation of deferred income taxes in relation to the acquisition of High Point Oil Inc.;

(ii) Acquisition cost have been decreased by $275,861 and property and equipment has been increased by the same amount to correct an error in connection to the acquisition of High Point Oil Inc.

The total impact of these adjustments was that total asset increased by $275,861, total liabilities decreased by $1,065,000, accumulated deficit reduced by $1,340,861 and net loss was reduced by $1,340,861.

Also refer to note 4 to the audited consolidated financial statements for the years ended July 31, 2019 and 2018.

CONTINGENCY

During the year ended July 31, 2019, the Corporation was served with a Statement of Claim issued by the Court of Queen's Bench of Alberta that named the Corporation as the defendant. The Statement of Claim sought full payment to the invoice issued by the former drilling contractor for a total of $296,157. The Corporation's accounts payable and accrued liabilities as at July 31, 2019 has included payable balance of $296,157.

During the current year, the Corporation entered into a settlement agreement with the former drilling contractor whereby both parties agreed to resolve the dispute regarding the payment of the invoice. The settlement agreement provides the Corporation's payment of the invoice for a total of $296,157 and legal costs for a total of $42,452. No other provision has been recorded in the audited financial statements. As at July 31, 2020, the Corporation recorded $296,157 and $42,452 in accounts payable and accrued liabilities of which $232,174 remains outstanding.

During December 2019, the Corporation received a legal letter from its industry partner respecting the Letter Agreement dated September 20, 2019 and the default by the industry partner regarding default on funds payable to the Corporation. On March 30, 2020, the Corporation was served with a Statement of Claim issued by the Court of Queen's Bench of Alberta that named the Corporation as the defendant. The Statement of Claim sought an interest and related revenue in certain the Corporation's assets. The Corporation is currently reviewing its options in resolving the matter. The likelihood of the outcome of this claim cannot be estimated as at the date of this MD&A.

During December 2019, the former CEO and CFO of the Corporation, have expressed formal grievances concerning their former employment. On January 7, 2020. the Corporation received legal letters from the former CEO and CFO. The Corporation is currently reviewing its options in resolving the matter. No provision or liability has been recorded since the outcome cannot be estimated as at the date of this MD&A.

On February 7, 2020, the Corporation was served with a Statement of Claim issued by the Court of Queen's Bench of Alberta that named the Corporation as the defendant. The Statement of Claim sought a transfer of certain the Corporation's assets and payment of all revenues from the Assets to a private Corporation controlled by various former the Corporation's management (the "plaintiff"). During March 2020, the Corporation's legal counsel filed in the Court of Queen's Bench of Alberta, a Statement of Defence and a Counterclaim against the plaintiff. The likelihood of the outcome of this claim cannot be estimated as at the date of this MD&A.

MATERIAL TRANSACTIONS

Bird River and High Point held working interests in the Alberta PNG assets. During the year, the directors decided to dispose of all of its interest in petroleum and natural gas ("PNG") assets and liabilities in Alberta (referred collectively to as "Alberta PNG assets"). Therefore, when the decision was made to dispose of High Point, the sale was to be made in such a way that the all of the Alberta PNG assets in Bird River and High Point were to be disposed of.

Subsequent to July 31, 2020, the Corporation disposed 100% interest in High Point, through a share purchase agreement (the "Share Purchase") dated August 4, 2020, as well as all of the Alberta PNG assets held by Bird River. This transaction received shareholder approval at the shareholder meeting on September 25, 2020. The outgoing directors and officers of High Point delivered resignations and releases, and the Corporation, High Point and the Acquirer entered into a debt and payables assignment agreement pursuant to which the Corporation assigned to the Acquirer its rights and interests in all debts and payables owed to the Corporation by High Point.

Under the terms of the Share Purchase, the cash consideration of $90,000 was received for the following assets and liabilities acquired by the purchaser:

- 100% of the Corporation's shareholdings in High Point;
- High Point's accounts payable and debts owed to the Corporation;
- the Corporation's interest in three wells operated by High Point;
- The Acquirer also assumed all liabilities in High Point.

Management determined that this transaction meets the definition of Assets Held for Sale and Discontinued Operations under IFRS as at July 31, 2020. Accordingly, the transaction has been presented as such.

LIQUIDITY AND CAPITAL RESOURCES

<u>Going concern</u>

The consolidated financial statements and related MD&A have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Corporation will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

During the year ended July 31, 2020, the Corporation recorded a net loss of $8,744,904 (July 31, 2019 – $692,583) and had cash flows from operating activities of $58,483 (July 31, 2019 – cash used in operations of $368,144). The Corporation's working capital deficit has decreased from $363,872 as at July 31, 2019 to $132,968 as at July 31, 2020. The continued operations of the Corporation are dependent on its ability to generate future positive operating cash flows and obtain additional financing. Management is of the opinion that sufficient working capital can be obtained from external financing to settle the Corporation's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Corporation.

The Corporation expects to repay its financial liabilities through future equity and debt financings.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the Corporation's ability to continue as a going concern.

During the current year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. As a result, global equity markets and oil prices have experienced significant volatility and weakness. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

This MD&A does not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the expenses and the statement of financial position classifications used. Such adjustments could be material.

RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

Key management personnel include the directors and executive officers of the Corporation.

During the year ended July 31, 2020, the Corporation paid salaries, consulting fees, and director fees to its executive officers in the amount of $160,775 (July 31, 2019 - $366,449) which is included general and administrative expenses.

	July 31, 2020	**July 31, 2019**
Consulting fees to CEO	$ 30,000	$ 30,000
Consulting fees to COO	41,375	-
Salaries to former CEO	-	154,774
Salaries to former CFO	13,000	134,775
Consulting fees to former CFO	4,400	23,400
Management fees to a director	18,000	18,000
Consulting fees to a director	52,500	2,500
Director fees	2,000	3,000
	$ 160,775	**$ 366,449**

(b) Other related party transactions

During the year ended July 31, 2020, the Corporation paid relatives of a former director of the Corporation for IT administration, geo technical support and wellsite geology in the amount of $450 (July 31, 2019 - $41,000). All amounts are included in general and administrative expenses. These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties. As at July 31, 2020, included in trade payables and other payables are amounts owing to directors and officers of the Corporation in the amount of $33,645 (July 31, 2019 - $Nil).

FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT

The Corporation is exposed to credit risk, liquidity risk, foreign currency risk and commodity price risk as a part of normal operations. A detailed description of the Corporation's financial instruments, risk management, and capital management is included in Note 9 to the audited financial statements.

CHANGES TO ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS

Changes to accounting policies

IFRS 16 Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Corporation has adopted IFRS 16, "Leases", on August 1, 2019 using modified retrospective. The Corporation does not have any leases and therefore, the transition to IFRS 16 had no material effect on the Corporation's financial statements.

New Accounting Standards

Presentation of Financial Statements – IAS 1

In October 2018, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in February 2019. The amendments clarify the definition of material and how it should be applied, as well as align the definition of material across IFRS standards and other publications. The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The Corporation does not expect these amendments to have material impact on its consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The following discussion sets forth management's significant judgments, estimates and assumptions made in the preparation of these financial statements:

Critical judgments in applying accounting policies

The following are the critical judgments that management has made in the process of applying the Corporation's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) *Identification of cash-generating units*

Property and equipment is aggregated into cash-generating-units ("CGUs") based on the ability to generate largely independent cash flows and are used for impairment testing. The classification of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructures and the way in which management monitors the Corporation's operations.

(ii) *Impairment of petroleum and natural gas assets*

Judgments are required to assess when impairment indicators, or reversal indicators, exist and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of petroleum and natural gas reserves, production rates, future oil and natural gas prices, future costs, discount rates and other relevant assumptions.

(iii) Joint operations

The Corporation is party to various joint interest, operating and other agreements in conjunction with its petroleum and natural gas activities. The revenues and expenses allocated between partners are governed by the terms of these agreements and are subject to interpretation and audit by the appropriate parties.

(iv) Deferred taxes

Judgments are made by management to determine the likelihood of whether deferred tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that 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 and loss in the period in which the change occurs.

Key sources of estimation uncertainty:

The following are the key estimates and their assumptions concerning the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing adjustments to the carrying amounts of the assets and liabilities.

(i) Valuation of accounts receivable

The valuation of accounts receivable is based on management's best estimate of the provision for doubtful accounts. During this review, historical experience, age of accounts receivable and the credit worthiness of the account are considered.

(ii) Reserves

The assessment of reported recoverable quantities of proved and probable reserves include estimates regarding production volumes, commodity prices, exchange rates, remediation costs, timing and amount of future development costs, and production, transportation and marketing costs for future cash flows. It also requires interpretation of geological and geophysical models in anticipated recoveries. The economical, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact the carrying values of the Corporation's petroleum and natural gas properties and equipment, the calculation of depletion and depreciation, the provision for decommissioning liabilities, and the recognition of deferred tax assets due to changes in expected future cash flows. The Corporation's petroleum and natural gas reserves were determined pursuant to National Instrument 51 -101, *"Standard of Disclosures for Oil and Gas Activities",* at least annually by independent reserve engineers, for the year ended July 31, 2019 and 2018.

(iii) Decommissioning liabilities

The calculation of decommissioning liabilities and related accretion expense includes management's estimates of current risk-free interest rates, future inflation rates, future restoration and reclamation expenditures and the timing of those expenditures. In most instances, removal of assets occurs many years in the future.

(iv) Share-based payments

The amounts recorded for share-based compensation expense relating to the fair value of share options issued are estimated using the Black-Scholes option pricing model including management's estimates of the future volatility of the Corporation's share value, expected forfeiture rates, expected lives of the share options (based on historical experience and general holder behaviour) and the risk-free interest rate (based on government bonds).

(v) Taxes

The amounts recorded for deferred tax asset are based on management's estimate as to the timing of the reversal of temporary differences and tax rates currently substantively enacted and the likelihood of tax assets being realized. The availability of tax pools and other deductions are subject to audit and interpretation by taxation authorities.

Risk Factors

In the normal course of business, the Corporation is exposed to a variety of actual and potential events, uncertainties, trends and risks. In addition to the risks associated with the use of assumptions in the critical accounting estimates, financial instruments, the Corporation's commitments and actual and expected operating events, the Corporation has identified the following events, uncertainties, trends and risks that could have a material adverse impact on the Corporation.

- The ability of the Corporation to continue as a going concern;
- The ability of the Corporation to maintain its cash resources;
- The ability of the Corporation to meet all of its obligations;
- The risks related to the various legal claims against the Corporation or its subsidiaries;
- Changing governmental policies, social instability and other political, economic or diplomatic developments in the countries in which the Corporation operates;
- Changes in taxation policies, taxation laws and interpretations thereof;
- Commodity price and foreign exchange rate risk; and
- Changes in environmental regulations and legislations.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements in place as at the date of this MD&A.

BASIS OF BARREL OF OIL EQUIVALENT

For the purposes of calculating unit costs, natural gas has been converted to a barrel of oil equivalent (boe) using 6,000 cubic feet ("6 mcf") equal to one barrel (6:1), unless otherwise stated. The boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method and does not represent a value equivalency; therefore, boe may be misleading if used in isolation. This conversion conforms to the Canadian Securities Regulators' National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

FORWARD LOOKING INFORMATION STATEMENTS

Certain statements in this MD&A constitute forward-looking information, including forward-looking information relating to the Corporation defending certain claims. Such forward-looking information is based on a number of risks, uncertainties and assumptions, which may cause actual results or other expectations to differ materially from those anticipated and which may prove to be incorrect. Undue reliance should not be placed on forward-looking information. Such forward-looking information reflects the Corporation's current beliefs and assumptions and is based on information currently available to the Corporation. This forward-looking information is also based on certain key expectations and assumptions, many of which are not within the control of the Corporation. There can be no assurances that the Corporation will be able to successfully complete its strategic plan on a timely basis or that the Corporation will be able to meet the goals and purposes of its business plan (including resolving various disputes in its favour) or fund its cash requirements. In particular, the Corporation has not been successful in its efforts to enhance its liquidity. Further, the Corporation's ability to defend claims may be restricted or limited for various reasons. Absolutely no assurance can be made that the Corporation will be able to meet its funding requirements or its other obligations, and nothing herein should be read as stating or inferring otherwise. The failure to meet or satisfy any of the foregoing is likely to have a material adverse impact on the Corporation and thereby significantly impair the value of security holders' interest in the Corporation. The reader is cautioned that the assumptions used in the preparation of forward-looking information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors and such variations may be material. Such risk factors include, but are not limited to those set out above as well as: risks related to the ability of the Corporation to continue as a going concern, risks related to the Corporation not being able to maintain its cash resources, risks related to the various legal claims against the Corporation or its subsidiaries, as well as the risks associated with the oil and natural gas industry in general, such as commodity price and exchange rate fluctuations, government regulation, environmental risks, competition, changes in tax, royalty and environmental legislation, the impact of general economic conditions, risks associated with meeting all of the Corporation's obligations, and other factors, many of which are beyond the Corporation 's control. Bird River Resources Inc. makes no representation that the actual results achieved during the forecast period will be the same in whole or in part as those forecasts. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. The forward-looking information included herein is made as of the date of this MD&A and Bird River Resources Inc. assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.