Bird River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED OCTOBER 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") unaudited condensed interim consolidated financial statements as at and for the three months ended October 31, 2020 and 2019 and the notes thereto (the "interim financial statements").

The interim financial statements for the three months ended October 31, 2020 and 2019 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 financial data presented herein, including comparative periods, have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". Accordingly, certain information and disclosure normally included in audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed.

The commentary is as of **December 29, 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.

Effective October 2, 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.

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. During 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on Bird River and its wholly-owned subsidiary, High Point 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. This has had a significant impact on the Corporation and has directly led, in part, to the disposal of High Point.

On November 17, 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".

DISPOSITION OF HIGH POINT OIL INC.

Bird River and High Point held working interests in the Alberta PNG assets. During 2020, 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 as way that all of the Alberta PNG assets in Bird River and High Point were to be disposed of.

Effective October 2, 2020, the Corporation disposed 100% interest in High Point, through a share purchase agreement (the "Share Purchase"), as well as all of the Alberta PNG assets held by Bird River.

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;
- Brid River'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.

The major classes of assets and liabilities classified as held for sale as at July 31, 2020 are, as follows:

Assets	**July 31, 2020**
Accounts receivable	$ 275,221
Intercompany	2,181,098
Prepaids	8,083
Property and equipment (Note 5)	1,571,444
Assets held-for-sale	4,035,846
Liabilities	
Accounts payable	(819,493)
CEBA loan	(40,000)
Intercompany	(2,181,098)
Asset retirement obligations (Note 6)	(905,255)
Liabilities associated with assets held-for-sale	(3,945,846)
Net assets directly associated with disposal group	$ 90,000

Following the classification of these assets as "assets held-for-sale", a write-down of $8,370,356 was recognised on July 31, 2020 to reduce the carrying amount of the property and equipment in the disposal group to their fair value less costs to sell. This was recognised in discontinued operations in the Consolidated statements of loss and comprehensive loss. As of July 31, 2020, amount of $90,000 cash consideration was received and included in cash, cash equivalent and deposit received. Such restricted cash was held in escrow and was released upon closing of the sales on October 2, 2020.

The results of the discontinued operations for the three months ended October 31, 2020 and 2019 are presented below:

	Three months ended October 31, 2020	Three months ended October 31, 2019
Revenue from petroleum and natural gas sales	$ 118,235	$ 152,867
Royalties	(2,277)	(7,549)
Net revenue	115,958	145,318
Expenses:		
Operating costs	60,718	75,279
General and administrative	-	54,099
Depletion and depreciation	5,502	32,683
	66,220	162,061
Income (loss) before other income (expenses)	49,738	(16,743)
Other income (expenses):		
Finance income	-	12
Finance expense	-	(1,537)
Provision not required	87,246	-
Impairment of assets held for sale	-	-
	87,246	(1,525)
Net income (loss) from discontinued operations	136,984	(18,268)

Statement of cash flows

	Three months ended October 31, 2020	Three months ended October31, 2019
Net cash (used in) from operating activities	(297,045)	115,328
Net cash from (used in) investing activities	374,044	(278,691)
Net cash from financing activities	12	40,000
Net cash outflow (inflow)	$ 77,011	$ (123,363)

OUTLOOK

Currently, the Corporation's vision is to pivot out of oil and gas operations. Prior business activities included the acquisition and exploration of resource properties with the primary focus on petroleum and natural gas properties. Effective October 2, 2020, the Corporation disposed of its wholly-owned subsidiary, High Point Oil Inc., through a share purchase agreement.

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 three months ended October 31, 2020 and 2019 are as follows:

	Three Months Ended October 31,	
(dollars)	**2020**	**2019**
Net loss from continuing operations	(13,034)	(28,074)
Net income (loss) from discontinued operations	136,984	(18,268)
Net income (loss) for the period	123,950	(46,342)

Highlights for the first quarter ended October 31, 2020:

For the three months ended October 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 October 31, 2020 was 0.5 boe/d.

During the three months ended October 31, 2020, gross revenues totaled $1,993, royalty expense was $4, and operating costs totaled $2,285. The average price realized for oil was $46.03.

During the three months ended October 31, 2020, G&A expenses totaled $12,538.

PROPERTY AND EQUIPMENT

The Corporation has one CGU: Manitoba. 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 October 31, 2020, the Corporation's decommissioning liabilities are $14,870 (July 31, 2020 - $14,670).

SHARE CAPITAL

During the three months ended October 31, 2020 and year ended July 31, 2020, no shares were issued. Total number of shares issued and outstanding as at October 31, 2020 and July 31, 2020 is 116,002,334.

Effective November 17, 2020, the Corporation consolidated all of the Corporation's issued and outstanding common shares on the basis of twelve (12) to one (1) (the "Consolidation"). Following the Consolidation, the Corporation has 9,666,861 post-consolidation common shares issued and outstanding.

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

As at October 31, 2020 and July 31, 2020, there are no warrants outstanding.

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

SUPPLEMENT TO THE FINANCIAL STATEMENTS

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

	December 29, 2020	October 31, 2020	July 31, 2020
Common shares	9,666,861	116,002,334	116,002,334
Warrants	-	-	-
Stock options	-	-	-

CONTINGENCY

Effective October 2, 2020, the Corporation disposed 100% interest in High Point, through a share purchase agreement (the "Share Purchase"), as well as all of the Alberta PNG assets held by Bird River (see Note 4 to the interim financial statements). Pursuant to the transaction, the purchaser and High Point agreed to indemnify and save Bird River harmless against and in respect of any and all losses, damages, claims, costs of High Point including the contingencies as described in Note 11 of the annual financial statements for the year ended July 31, 2020 and 2019.

MATERIAL TRANSACTIONS

Effective November 17, 2020, the Corporation consolidated all of the Corporation's issued and outstanding common shares on the basis of twelve (12) to one (1) (the "Consolidation"). Prior to the Consolidation, the Corporation had 116,002,334 pre-consolidation common shares issued and outstanding. Following the Consolidation, the Corporation has 9,666,861 post-consolidation common shares issued and outstanding.

LIQUIDITY AND CAPITAL RESOURCES

Going concern

The interim 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 three months ended October 31, 2020, the Corporation recorded net income of $123,950 (year ended July 31, 2020 – net loss of $8,744,904) and had cash flows from operating activities of $47,585 (July 31, 2020 – cash flows from operating activities of $58,483). The Corporation had working capital surplus of $81,182 as at October 31, 2020 (July 31, 2020 – working capital deficit of $132,968). 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.

The interim financial statements and related MD&A do 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 three months ended October 31, 2020, the Corporation paid salaries, consulting fees, and director fees to its executive officers in the amount of $35,000 (year ended July 31, 2020 - $161,275) which is included general and administrative expenses.

	Three Months Ended October 31, 2020	Year ended July 31, 2020
Consulting fees to CEO	$ 7,500	$ 30,000
Consulting fees to former COO	10,000	41,375
Salaries to former CFO	-	13,000
Consulting fees to former CFO	-	4,400
Management fees to a director	4,500	18,000
Consulting fee to a former director	13,000	52,500
Director fees	-	2,000
	$ 35,000	**$ 161,275**

(b) Other related party transactions

During the three months ended October 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 $Nil (year ended July 31, 2020 - $450). 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 October 31, 2020, included in trade payables and other payables are amounts owing to directors and officers of the Corporation in the amount of $12,000 (July 31, 2020 - $33,645).

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 interim financial statements.

CHANGES TO ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS

Changes to accounting policies

As at October 31, 2020, there are no new changes to accounting policies.

New Accounting Standards

IAS 1 Presentation of Financial Statements

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 amended definition of material states:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The Corporation applied IAS 1 prospectively and these amendments did not have a 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.