

 **Bird River Resources Inc.****MANAGEMENT'S DISCUSSION AND ANALYSIS****FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2021 & 2020**

## 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 and nine months ended April 30, 2021 and 2020 and the notes thereto (the "interim financial statements").

The interim 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 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 **June 25, 2021**. 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. The Corporation's shares are listed on the Canadian Securities Exchange and are traded under the stock symbol "BDR".

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.

Effective January 20, 2021, the Corporation disposed of its wholly-owned subsidiary, 2411181 Manitoba Ltd., under a share sale and assignment agreement (the "Assignment"). See Note 4 to the interim financial statements.

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

All shares and per share amounts have been restated to reflect the share consolidation retrospectively.

## 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 a 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;
- Bird 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
Prepays	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.

## 2411181 Manitoba Ltd.

Effective January 20, 2021, the Corporation disposed of its wholly-owned subsidiary, 2411181 Manitoba Ltd. ("2411181"), under a share sale and assignment agreement (the "Assignment") with an arms-length party (the "Acquirer").

2411181 was a subsidiary holding company of the Corporation, which held a minority interest in ten oil wells of which three were non-active and subsequently were shut-in during 2020 leaving seven wells still in production.

Under the terms of the Assignment, the Acquirer received:

- 100% of the Company's shareholdings in 2411181;
- The interest in nine wells operated by an independent operator; and
- The Acquirer is responsible for all existing liabilities resulting from well service expenses.

Cash consideration paid to the Corporation by the Acquirer was \$4,000.

In addition, the Corporation sold the minority interest in its one remaining well in Manitoba held under 2411181 to an industry partner for cash consideration of \$200.

The results of the discontinued operations for the nine months ended April 30, 2021 and 2020 are presented below:

	Nine months ended April 30, 2021	Nine months ended April 30, 2020
Revenue from petroleum and natural gas sales	\$ 121,344	\$ 774,750
Royalties	(2,292)	(33,149)
Net revenue	119,052	741,601
Expenses:		
Operating costs	62,728	414,953
General and administrative	-	258,940
Depletion and depreciation	5,502	186,394
	68,230	860,287
Income (loss) before other income (expenses)	50,822	(118,686)
Other income (expenses):		
Finance income	-	58
Finance expense	(200)	(5,696)
Provision not required	87,246	-
Gain on disposition of subsidiary	19,281	-
	106,327	(5,638)
Net income (loss) from discontinued operations	157,149	(124,324)

## 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.

On February 23, 2021, the Corporation closed a non-brokered private placement financing of common shares in the capital of the Corporation (the “Common Shares”) for aggregate gross proceeds of \$700,000 at a price of \$0.10 per Common Share (the “Offering”). The Corporation intends to use the proceeds from the Offering for working capital and business development purposes. The securities issued pursuant to the Offering are subject to the statutory four month and one day hold period.

### SELECTED ANNUAL INFORMATION (\$)

	Year Ended July 31, 2020	Year Ended July 31, 2019	Year Ended July 31, 2018
Petroleum and gas sales revenue	12,716	36,255	34,786
Net loss from continuing operations per share (basic and fully diluted)	(212,309) (0.02)	(397,222) (0.04)	(1,067,751) (0.11)
Net loss from discontinued operations per share (basic and fully diluted)	(8,532,595) (0.88)	(295,361) (0.03)	(5,978) (0.00)
Non-current liabilities:	14,670	596,925	407,752
Total assets	4,159,755	10,107,069	11,151,727

### NET LOSS

The Corporation’s results for the three and nine months ended April 30, 2021 and 2020 are as follows:

<i>(dollars)</i>	Three Months Ended April 30,		Nine Months Ended April 30,	
	2021	2020	2021	2020
Net loss from continuing operations	(143,603)	(62,882)	(245,337)	(135,307)
Net income (loss) from discontinued operations	-	(257,253)	157,149	(124,324)
Net loss for the period	(143,603)	(320,135)	(88,188)	(259,631)

### Highlights for the third quarter ended April 30, 2021:

As at April 30, 2021, the Corporation does not have oil and gas operations and its vision is to pivot out of the oil and gas sector.

On February 23, 2021, the Corporation closed a non-brokered private placement financing of common shares in the capital of the Corporation (the “Common Shares”) for aggregate gross proceeds of \$700,000 at a price of \$0.10 per Common Share (the “Offering”).

In connection with the Offering, eligible finders received an aggregate of \$63,000 in cash and 630,000 broker warrants (each a “Broker Warrant”). Each Broker Warrant entitles the holder thereof to acquire a Common Share at a price of \$0.10 per Broker Warrant for a period of 24 months from the date of closing.

The Corporation intends to use the proceeds from the Offering for working capital and business development purposes. The securities issued pursuant to the Offering are subject to the statutory four month and one day hold period.

On March 3, 2021, the Corporation approved a grant of 1,250,000 incentive stock options (the “Options”) to officers and directors of the Corporation, pursuant to the terms of the Corporation’s stock option plan. The Options are exercisable for a period of three years, at an exercise price of \$0.235 per Option. The Options are subject to a four-month hold period and vest 1/6th over 18 months.

In connection with the completion of private placement as described above, eligible finders received an aggregate of \$63,000 in cash and 630,000 broker warrants. These broker warrants are exercisable at a price of \$0.10 per common share until February 23, 2023.

During the three months ended April 30, 2021, G&A expenses totaled \$72,648.

## PROPERTY AND EQUIPMENT

The Corporation does not have property and equipment.

## 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 April 30, 2021, the Corporation disposed of its oil and gas assets and its decommissioning liabilities are \$Nil (July 31, 2020 - \$14,670).

## SHARE CAPITAL

On February 23, 2021, the Corporation closed a non-brokered private placement financing of common shares in the capital of the Corporation (the "Common Shares") for aggregate gross proceeds of \$700,000 at a price of \$0.10 per Common Share (the "Offering").

In connection with the Offering, eligible finders received an aggregate of \$63,000 in cash and 630,000 broker warrants (each a "Broker Warrant"). Each Broker Warrant entitles the holder thereof to acquire a Common Share at a price of \$0.10 per Broker Warrant for a period of 24 months from the date of closing.

The Corporation intends to use the proceeds from the Offering for working capital and business development purposes. The securities issued pursuant to the Offering are subject to the statutory four month and one day hold period.

Total number of shares issued and outstanding as at April 30, 2021 is 16,666,861 (July 31, 2020 - 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"). Prior to the Consolidation, the Corporation had 116,002,334 pre-consolidation common shares issued and outstanding. These consolidated financial statements have been updated to reflect post consolidation common shares and warrants numbers.

In connection with the completion of private placement as described above, eligible finders received an aggregate of \$63,000 in cash and 630,000 broker warrants. These broker warrants are exercisable at a price of \$0.10 per common share until February 23, 2023.

On March 3, 2021, the Corporation approved a grant of 1,250,000 incentive stock options (the "Options") to officers and directors of the Corporation, pursuant to the terms of the Corporation's stock option plan. The Options are exercisable for a period of three years, at an exercise price of \$0.235 per Option. The Options are subject to a four-month hold period and vest 1/6th over 18 months.

## 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):

	June 25, 2021	April 30, 2021	July 31, 2020
Common shares	16,666,757	16,666,861	116,002,334
Warrants	630,000	630,000	-
Stock options	1,250,000	1,250,000	-

## **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. 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 described in Note 11 of the last annual financial statements.

## **MATERIAL TRANSACTIONS**

On May 27, 2021, the Corporation and Faraday Energy Inc. (“FEI”), a corporation existing under the laws of the Province of Quebec, announced that they have entered into a non-binding letter of intent dated May 26, 2021 (the “Letter of Intent”). The Letter of Intent outlines the proposed terms and conditions pursuant to which the Corporation and FEI will effect a business combination that will result in a reverse takeover of the Corporation by the shareholders of FEI (the “Proposed Transaction”).

FEI is a private corporation with two wholly-owned corporations, namely, Hydro-Abitibi Inc. and Renewable Energy Abitibi Inc. which operate two hydro-electric power plants called Centrale Hydro-Électrique La Sarre 1 (1,050 KWh) and Centrale Hydro-Électrique La Sarre 2 (2x 400KWh) (the “Power Plants”). The Power Plants have a combined output of approximately 1,850 KWh. The Power Plants are located on the La Sarre River, approximately 75 km north of Rouyn-Noranda and 700 km north of Toronto.

Pursuant to the Letter of Intent, the Proposed Transaction is expected to result in the Corporation acquiring all of the issued and outstanding shares of FEI for fair market value of FEI, to be determined pursuant to a valuation opinion to be prepared, which will be satisfied as follows (i) the initial CDN\$3 million of the value for FEI shall be paid in cash, and (ii) such additional amount of fair market value of FEI in excess of CDN\$3 million, will be paid in shares in the capital of the Corporation (“Bird River Shares”) at the deemed price of \$0.25 per Bird River Share. The Proposed Transaction is subject to certain conditions precedent, including, among other things, the completion of satisfactory mutual due diligence, execution of a definitive legal agreement, the completion of a private placement and receipt of all requisite approvals.

The President of Faraday Energy Inc., Mr. Martin Dallaire said, “the successful business combination with the Corporation will enable Faraday to expand in the green energy sector through the development and acquisition of renewable energy assets. The demand for clean renewable electricity is forecasted to grow substantially over the coming decades and our intentions are to be an active player in the sector”.

In conjunction with, and prior to the closing of the Proposed Transaction, the Corporation intends to complete a private placement of common shares for gross proceeds of CDN\$5 million at \$0.25 per Bird River Share.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Going concern**

The interim financial statements and related MD&A have been prepared in accordance with International Financial Reporting Standards (“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 nine months ended April 30, 2021, the Corporation recorded net loss of \$88,188 (year ended July 31, 2020 – net loss of \$8,744,904) and recorded cash used in operating activities of \$78,186 (year ended July 31, 2020 – cash generated from operating activities of \$58,483). The Corporation had a working capital surplus of \$542,842 as at April 30, 2021 (as at 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 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 interim consolidated 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 nine months ended April 30, 2021, the Corporation incurred consulting fees to its executive officers in the amount of \$76,500 (year ended July 31, 2020 - salaries, consulting fees, and director fees of \$160,775) which is included general and administrative expenses.

	Nine months ended April 30, 2021	Year ended July 31, 2020
Consulting fees to CEO	\$ 10,500	\$ 30,000
Consulting fees to former COO	10,000	41,375
Salaries to former CFO	-	13,000
Consulting fees to former CFO	5,000	4,400
Consulting fees to CFO	38,000	-
Management fees to a director	-	18,000
Consulting fees to a former director	13,000	52,000
Director fees	-	2,000
	<b>\$ 76,500</b>	<b>\$ 160,775</b>

### (b) Other related party transactions

During the nine months ended April 30, 2021, 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 April 30, 2021, included in trade payables and accrued liabilities are amounts owing to directors and officers of the Corporation in the amount of \$Nil,145 (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 April 30, 2021, 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 interim 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.