

 **Bird River Resources Inc.**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED OCTOBER 31, 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 financial statements as at and for the three months ended October 31, 2021 and 2020, and the audited financial statements as at and for the year ended July 31, 2021 and 2020. The accompanying financial statements of Bird River have been prepared by management and approved by the Corporation's Board of Directors. 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 financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed.

The commentary is as of **December 29, 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 Resources Inc. 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. ("High Point"), through a share purchase agreement. The Corporation's vision is to pivot out of oil and gas operations.

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. As a result of the dispositions, the Corporation no longer had any subsidiaries and became a shell company.

As at October 31, 2021, the Corporation's principal business activity is to identify, evaluate and acquire any interest in a business or assets.

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 to the disposal of High Point.

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

High Point Oil Inc.

Bird River and High Point held working interests in the Alberta petroleum and natural gas ("PNG") asset and liabilities in Alberta (referred collectively to as "Alberta PNG assets"). During 2020, the directors decided to dispose of all of its interest in the 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 of 100% of its 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.

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").

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

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

OUTLOOK

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.

SELECTED ANNUAL INFORMATION (\$)

	Year Ended July 31, 2021	Year Ended July 31, 2020	Year Ended July 31, 2019
Petroleum and gas sales revenue	-	12,716	36,255
Net loss from continuing operations per share (basic and fully diluted)	(459,265) (0.04)	(212,309) (0.02)	(397,222) (0.04)
Net income (loss) from discontinued operations per share (basic and fully diluted)	157,149 0.01	(8,532,595) (0.88)	(295,361) (0.03)
Non-current liabilities:	-	14,670	596,925
Total assets	590,018	4,159,755	10,107,069

NET LOSS

The Corporation's results for the three months ended October 31, 2021 and 2020 are as follows:

	Three Months Ended October 31,	
<i>(dollars)</i>	2021	2020
Net loss from continuing operations	(79,264)	(13,034)
Net income (loss) from discontinued operations	-	136,984
Net income (loss) and comprehensive loss for the period	(302,116)	(8,744,904)

Highlights for the three months ended October 31, 2021:

As at October 31, 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 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.

On December 24, 2021, the Corporation announced that further to news releases dated May 27, 2021, August 10, 2021 and September 29, 2021, the Corporation and FEI have agreed to extend the expiration date of their non-binding letter of intent to March 31, 2022.

PROPERTY AND EQUIPMENT

As at October 31, 2021, the Corporation does not have property and equipment.

DECOMMISSIONING LIABILITIES

As at October 31, 2021, the Corporation does not have decommissioning liabilities.

SHARE CAPITAL

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

Issued

Common shares	Number of shares	Stated value
Balance, July 31, 2020	9,666,861	\$ 10,273,404
Issuance of common shares for cash	7,000,000	612,485
Share issue costs	-	(79,287)
Balance, July 31, 2021 and October 31, 2021	16,666,861	\$ 10,806,602

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

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 October 31, 2021 and July 31, 2021 is 16,666,861.

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.

As of July 31, 2021, 148,750 shares owned by the former CEO of the Company were held in escrow. The shares were fully released on September 30, 2021.

Options

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 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 with 50% vested immediately, 25% vested on the 6-month anniversary and the remaining 25% vested on the 18-month anniversary.

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, 2021	October 31, 2021	July 31, 2021
Common shares	16,666,757	16,666,861	16,666,861
Warrants	630,000	630,000	630,000
Stock options	1,250,000	1,250,000	1,250,000

CONTINGENCIES

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 (Note 4). Pursuant to the transaction, the purchaser and High Point agreed to indemnify and save Bird River harmless against any and all losses, damages, claims, costs of High Point including the contingencies described below:

During the year ended July 31, 2019, High Point was served with a Statement of Claim issued by the Court of Queen's Bench of Alberta that named High Point 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. High Point's accounts payable and accrued liabilities as at July 31, 2019 has included payable balance of \$296,157. During 2020, High Point 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 High Point'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 financial statements. As at July 31, 2020, High Point recorded \$296,157 and \$42,452 in accounts payable and accrued liabilities of which \$232,174 remains outstanding.

During December 2019, High Point 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 High Point. On March 30, 2020, High Point was served with a Statement of Claim issued by the Court of Queen's Bench of Alberta that named High Point as the defendant. The Statement of Claim sought an interest and related revenue in certain High Point's assets. No final settlement was done on the disposition date.

During December 2019, the former CEO and CFO of High Point, have expressed formal grievances concerning their former employment. On January 7, 2020, High Point received legal letters from the former CEO and CFO. No final settlement was done on the disposition date.

On February 7, 2020, High Point was served with a Statement of Claim issued by the Court of Queen's Bench of Alberta that named High Point as the defendant. The Statement of Claim sought a transfer of

certain High Point's assets and payment of all revenues from the Assets to a private corporation controlled by various former High Point's management (the "plaintiff"). During March 2020, High Point's legal counsel filed in the Court of Queen's Bench of Alberta, a Statement of Defence and a Counterclaim against the plaintiff. No final settlement was done on the disposition date.

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.

On December 24, 2021, the Corporation announced that further to news releases dated May 27, 2021, August 10, 2021 and September 29, 2021, the Corporation and FEI have agreed to extend the expiration date of their non-binding letter of intent to March 31, 2022.

LIQUIDITY AND CAPITAL RESOURCES

Going concern

The interim financial statements 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 three months ended October 31, 2021, the Corporation recorded net loss of \$79,264 (year ended July 31, 2021 – \$302,116) and recorded cash used in operating activities of \$33,872 (year ended July 31, 2021 – \$185,457). The Corporation had a working capital surplus of \$435,123 as at October 31, 2021 (July 31, 2021 – \$491,214). 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.

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.

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

These 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 statement of financial position classifications used. Such adjustments could be material.

RELATED PARTY TRANSACTIONS

In addition to related party balances and transactions separately presented or disclosed, the interim financial statements include the following transactions with related parties in the normal course of operations:

Key management personnel compensation

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

During the three months ended October 31, 2021, the Corporation incurred consulting fees to its executive officers in the amount of \$16,500 (year ended July 31, 2021 - \$97,650) which is included general and administrative expenses.

	Three Months Ended October 31, 2021	Year Ended July 31, 2021
Consulting fees to CEO	\$ 4,500	\$ 15,000
Consulting fees to former COO	-	10,000
Salaries to former CFO	-	3,000
Consulting fees to former CFO	-	5,000
Consulting fees to CFO	12,000	50,000
Management fees to a director	-	1,650
Consulting fees to a former director	-	13,000
	\$ 16,500	\$ 97,650

As at October 31, 2021, included in trade payables and accrued liabilities are amounts owing to directors and officers of the Corporation in the amount of \$1,500 (July 31, 2021 - \$1,729).

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

There are currently no changes to accounting policies that impact the Corporation's financial statements.

New Accounting Standards issued but not yet effective

There are currently no new accounting standards issued but not yet effective that impact the Corporation's 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, 2020 and 2019.

(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.