Bird River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED JULY 31, 2022 & 2021

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 financial statements (the "audited financial statements") as at and for the years ended July 31, 2022 and 2021 and the notes thereto.

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 4, 2022**. 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"). As a result of the dispositions, the Corporation no longer had any subsidiaries and became a shell company.

As at July 31, 2022, the Corporation's principal business activity is to identify, evaluate and acquire any interest in a business or assets.

ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

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 the 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 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 (see also Material Transactions section on page 5).

SELECTED ANNUAL INFORMATION ($)

	Year Ended July 31, 2022	Year Ended July 31, 2021	Year Ended July 31, 2020
Petroleum and gas sales revenue	-	-	12,716
Net loss from continuing operations	(242,339)	(459,265)	(212,309)
per share (basic and fully diluted)	(0.01)	(0.04)	(0.02)
Net income (loss) from discontinued operations	-	157,149	(8,532,595)
per share (basic and fully diluted)	-	0.01	(0.88)
Net loss for the year	(242,339)	(302,116)	(8,744,904)
Non-current liabilities:	-	-	14,670
Total assets	392,970	590,018	4,159,755

NET LOSS

The Corporation’s results for the years ended July 31, 2022 and 2021 are as follows:

	Year Ended July 31,	
(dollars)	**2022**	**2021**
Net loss from continuing operations	(242,339)	(459,265)
Net income from discontinued operations	-	157,149
Net loss for the year	(242,339)	(302,116)

Highlights for the year ended July 31, 2022:

As at July 31, 2022, the Corporation does not have oil and gas operations and its vision is to pivot out of the oil and gas sector.

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 affect 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 April 13, 2022, the Corporation announced that, further to previous news releases, the Corporation and FEI have agreed to extend the expiration date of their non-binding letter of intent to May 5, 2022.
Both parties continue to be committed to the transaction and are pursuing completion in the near future.

PROPERTY AND EQUIPMENT

As at July 31, 2022, the Corporation does not have property and equipment.

DECOMMISSIONING LIABILITIES

As at July 31, 2022, 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 2022	16,666,861	$ 10,806,602

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.

Total number of shares issued and outstanding as at July 31, 2022 and 2021 is 16,666,861.

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.

Share 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.

The Corporation recorded share-based compensation of $57,933 for the year ended July 31, 2022 (2021 - $213,901).

Warrants

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.

The fair value of the 630,000 warrants granted on February 23, 2021 was $87,515.

SUPPLEMENT TO THE FINANCIAL STATEMENTS

The outstanding common shares, warrants, and stock options are summarized below (also see note 6 to the financial statements):

	November 4, 2022	July 31, 2022	July 31, 2021
Common shares	16,666,861	16,666,861	16,666,861
Warrants	630,000	630,000	630,000
Stock options	1,250,000	1,250,000	1,250,000

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 affect 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 April 13, 2022, the Corporation announced that, further to previous news releases, the Corporation and FEI have agreed to extend the expiration date of their non-binding letter of intent to May 5, 2022.

Both parties continue to be committed to the transaction and are pursuing completion in the near future.

LIQUIDITY AND CAPITAL RESOURCES

Going concern

These 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 year ended July 31, 2022, the Corporation recorded net loss of $242,339 (2021 – $302,116) and recorded cash used in operating activities of $200,233 (2021 – $185,457). The Corporation had a working capital surplus of $306,808 as at July 31, 2022 (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 is seeking an opportunity to acquire an interest in a business. The Corporation's ability to continue as a going concern may be dependent on the successful completion of this or another similar transaction.

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 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 year ended July 31, 2022, the Corporation incurred consulting fees to its executive officers in the amount of $66,000 (2021 - $97,650) which is included general and administrative expenses.

	Year Ended July 31, 2022	Year Ended July 31, 2021
Consulting fees to CEO	$ 18,000	$ 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	48,000	50,000
Management fees to a director	-	1,650
Consulting fees to a former director	-	13,000
	$ 66,000	**$ 97,650**

As at July 31, 2022, included in accounts payable and accrued liabilities are amounts owing to directors and officers of the Corporation in the amount of $2,503 (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 8 to the 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) 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.

(ii) Going concern

The 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. Please see Note 1 on page 6 of the audited financial statements for the years ended July 31, 2022 and 2021 for further details.

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) 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).

(ii) 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.

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.