

## CSE - FORM 7

### Monthly Progress Report – October 2019

**Name of CSE Issuer:** Bird River Resources Inc. ("Bird River", the "Issuer" or the "Company")

**Trading Symbol:** BDR

**Number of Outstanding Listed Securities:** 116,001,834 common shares

**Date:** November 8, 2019

#### **1. General Overview and Discussion**

Bird River is a Manitoba registered company which has been engaged in resource exploration and development for over 60 years. In recent years, the Company has focused on oil and gas exploration in southwestern Manitoba and Alberta by way of joint ventures with other established oil companies.

Bird River owns 100% of High Point Oil Inc. ("High Point"), a private Alberta company that specializes in the exploration and development of conventional light oil reserves that reside in the Devonian carbonate systems of Alberta. High Point has acquired, interpreted and completed the geological integration of approximately 260 square miles of 3D seismic and has acquired prospective mineral leases. To date, 26 prospective drilling locations have been identified in the Company's first focus area. Management anticipates additional opportunities will be identified and delineated as the interpretation of the growing seismic database progresses. The first three wells of the 2018 program were drilled and cased and first commercial production began on August 1, 2018. As of July 2019, High Point is now producing approximately 50 (25 net) barrels of oil equivalent per day ("boepd"), including a minor amount of natural gas. The amount of total fluid production has remained relatively stable but the basic sediment and water percentage ("BS&W") has increased to approximately 74%. Such increases are normal in this play type and may increase or decrease over time.

High Point also acquired an additional 5 wells in its area of focus, which include 1 oil well, 1 gas well and 3 shut in wells. The acquired shut-in wells are strategic to the Company's optimization of future drilling locations as well as to planned reservoir re-injection/re-pressurization schemes which will enhance ultimate oil recovery. The acquired wells provided significant equipment inventories which will be used in the equipping of future well completions. All of High Point's leases and effort are directed at areas of focus that contain proven, high volume light oil production.

This past December, High Point drilled a fourth well in central Alberta on a 50/50 basis with its partner. Well log and petrophysical analysis showed indication of oil and completion operations on this well began in January 2019. As a result of extreme cold weather covering Alberta from late January through early March, as a result completion operations were suspended. It was subsequently, determined that no commercial hydrocarbons were identified.

The Company holds joint venture interests in 12 oil wells near the towns of Sinclair, Pierson and Waskada in southwestern Manitoba, of which 10 are producing. The wells were developed in conjunction with Antler River Resources Inc. of Pierson which were drilled into the Bakken, Lodgepole and Spearfish formations. The Company also holds a 1% NSR in a nickel-platinum-palladium property in eastern Manitoba.

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**2. Activities of Management**

High Point has drilled three oil wells which are well numbers 11-36, 5-23 and well 4-5, all in the Huxley area of central Alberta. All wells have been drilled into the Nisku formation and were a joint venture (previously announced) with DEL Canada Partnership ("DEL"). Drilling of the fourth Huxley well, also in partnership with DEL has been completed and no commercial hydrocarbons have been identified.

Subsequent to the Company's third quarter end, the price received within Alberta for all blends of crude oil has improved as a result of changing world prices and actions taken by the Alberta government. During the three months period ended September 30 2019 average commodity prices decreased as compared to the previous quarter.

**3. New Exploration Activities**

None.

**4. Exploration Activities – Amended or Abandoned**

See items 1 and 2 above.

**5. New Business Relationships**

Not applicable.

**6. Expiry or Termination of Contracts or Financing Agreements**

Not applicable.

**7. Acquisition or Disposition of Assets**

None

**8. Acquisition or Loss of Customers**

Not applicable.

**9. New Developments or Effects on Intangible Assets**

None.

**10. Employee Hirings and Terminations**

Not applicable.

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## 11. Labour Disputes and Resolutions

Not applicable.

## 12. Legal Proceedings

On May 2, 2019 a statement of claim was filed against High Point Oil Inc. in the amount of \$296,157 by a supplier. High Point has been arguing with the vendor on both the amount of the claim and the quality of the services provided. High Point has filed a statement of defence and plans to vigorously defend this claim. No estimate of the outcome can presently be made. The full amount of the disputed invoice has been included in High Point's accounts payable and was therefore included in the second and third quarter consolidated interim financial statements.

## 13. Indebtedness Incurred or Repaid

The Company did not incur or repay any indebtedness other than in the normal course of operations.

## 14. Securities Issued and Options or Warrants Granted

Security	Number Issued	Details of Issuance	Use of Proceeds
n/a			

## 15. Loans to or by Related Parties

The Company does not have any loans to or by Related Parties other than in the normal course of operations.

## 16. Changes in Officers, Directors or Committee Members

There have been no changes during the month.

The current officers and directors of the Company are:

<u>Name</u>	<u>Position(s)</u>
Vincent Ghazar	Financial Consultant - High Point Oil Inc.
Jon Bridgman	Chief Executive Officer and Director
Donal Carroll, CPA (a)(b)	Director
Ty Pfeifer	President of High Point Oil Inc. and Director
Ed Thompson (a)(b)	Secretary-Treasurer and Director
John V Tokarsky	Chief Financial Officer
David Walters, MBA, CFA (a)(b)	Director

(a) Member of the Audit Committee

(b) Member of the Compensation Committee

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## 17. Trends Impacting the Company

Many risks are discussed below, but these risk factors should not be construed as exhaustive. There are numerous factors, both known and unknown, that could cause actual results or events to differ materially from forecast results.

### *Risk inherent in oil and gas*

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop, and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. Any future increase in the Company's reserves will depend not only on the Company's ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that further commercial quantities of oil and natural gas will be discovered or acquired by the Company. The Company's principal risks include finding and developing economic hydrocarbon reserves efficiently and being able to fund the capital program.

### *Marketing Risk*

Perhaps one of the most significant risks facing the oil and gas industry in Alberta at present is the ability to market its product effectively. Severe pipeline constraints have resulted in extreme reductions in value of all weights of crude oil and in natural gas. The Company is currently targeting light oil (which has not been as affected by these constraints) in an effort to mitigate this risk but there is no guarantee that such constraints will not have increasing adverse effects on light oil. This risk is almost impossible to predict as it is highly impacted by policy decisions of all levels of governments in Canada and indeed by world governments and the actions of the Organization of Petroleum Exporting Countries (or "OPEC"). The Company hopes to reduce the impact of the constraints on gas prices through investigating additional ways in which to monetize natural gas (see the discussions of the Cogeneration and Technology verticals above). This would increase the Company's exposure to risks associated with natural gas but may also increase opportunities available to the Company. There is no guarantee that the planned verticals of the company will be successful and warrant the Company putting additional resources into natural gas exploration and production.

### *Capital Risk*

The Company's need for capital is both short-term and long-term in nature. Short-term working capital will be required to finance accounts receivable, drilling deposits and other similar short-term assets, while the acquisition and development of oil and natural gas properties requires large amounts of long-term capital. In the short term, the Company anticipates that capital requirements will be funded by cash on hand and through internally generated cash flow. In the longer term it anticipates that capital requirements will be met through a combination of internal adjusted funds flow, debt and/or equity financing. There is no assurance that debt and equity financing will be available on terms acceptable to the Company to meet its capital requirements.

### *Interrelation of Business Components*

If any components of the Company's business plan are missing or incomplete, the Company may not be able to execute its' entire business plan.

### *Environmental Risks*

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial, and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil, or water may give rise to liabilities to governments and third parties and may require the Company's operating entities to incur costs to remedy such discharge. Although the Company intends to be in material compliance with current applicable environmental regulations, no assurance can be given that changes in environment laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects. The Company's involvement in the exploration for and development of oil and natural gas properties may result in the Company becoming subject to liability for pollution, blowouts, property damage, personal injury or other hazards. Prior to drilling, the Company obtains insurance in accordance with industry standards to address certain of these risks. However, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liability. In addition, such risks may not, in all circumstances, be insurable or, in certain circumstances, The Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such

uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that was not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations or prospects and will reduce income otherwise used to fund operations.

#### *Price Risk*

The Company's financial performance and condition are substantially dependent on the prevailing prices of oil and natural gas which are unstable and subject to fluctuation. Fluctuations in oil or natural gas prices could have an adverse effect on the Company's operations and financial condition and the value and amount of its reserves. Prices for crude oil fluctuate in response to global supply of and demand for oil, market performance and uncertainty and a variety of other factors which are outside the control of the Company including, but not limited, to the world economy and OPEC's ability to adjust supply to world demand, government regulation, political stability and the availability of alternative fuel sources. Natural gas prices are influenced primarily by factors within North America, including North American supply and demand, economic performance, weather conditions and availability and pricing of alternative fuel sources. Decreases in oil and natural gas prices typically result in a reduction of a Company's net production revenue and may change the economics of producing from some wells, which could result in a reduction in the volume of the Company's reserves. Declines in the prices of crude oil or natural gas could also result in delay or cancellation of existing or future drilling, development or construction programs or the curtailment of production. All of these factors could result in a material decrease in the Company's net production revenue, cash flows and profitability causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to the Company will in part be determined by the Company's borrowing base. A sustained material decline in prices from historical average prices could further reduce such borrowing base, therefore reducing the bank credit available. The Company may utilize financial derivatives contracts to manage market risk. All such transactions would be conducted in accordance with a risk management policy that has been approved by the Board of Directors.

#### *Legislative Risk*

Included in the above risks is legislative risk. However, the oil and gas industry internationally and particularly in Canada is becoming increasingly subject to public scrutiny. It is virtually impossible to predict how this scrutiny may result in new and unexpected legislation which may adversely affect the Company's ability to obtain capital, its valuations and/or its operations.

### *Technology Risk*

Technological advances are happening at ever increasing rates. The Company believes that there will be a market for its products for the foreseeable future. However, there is no guarantee that new technologies will not largely supplant the need for the Company's products in certain or all industries at some indeterminate point in the future.

### *Personnel Risk*

There is no guarantee that the personnel employed by the Company will continue to be employed in such a manner. They may experience health and or life changes that make this difficult. The Company mitigates against this risk by sufficiently documenting its actions such that an appropriately trained and skilled replacement employee should be functional within a reasonable time period. However, there is no guarantee that all knowledge or skill of existing or future employees would be retained should they depart the Company for any reason. The Company may retain the services of outside consultants from time to time.

### *Partnership Risk*

The Company has entered into joint venture partnerships with other companies and entities in an effort to help finance and minimize financial risk in the drilling and development of certain planned oil wells. There is no guarantee that the personnel employed by joint venture partners will continue to be employed in such a manner. They may experience health and or life changes that make this difficult. There is also no guarantee that the Company's joint venture partners will continue to operate as it has in the past.

## **Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the CSE that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CSE Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: November 8, 2019

"John V Tokarsky"

John V Tokarsky  
Chief Financial Officer

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report (YY/MM/DD)
Bird River Resources Inc.	October 2019	2019/11/08
Issuer Address		
5204 Roblin Blvd.		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Winnipeg, Manitoba R3R 0H1	(416) 531-0312	(877) 587-0777
Contact Name	Contact Position	Contact Telephone No.
John V Tokarsky	Chief Financial Officer	(416) 948-6606
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<a href="mailto:john@tokarskycorporate.com">john@tokarskycorporate.com</a>	<a href="http://www.birdriverresources.com">www.birdriverresources.com</a>	

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