

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Bird River Resources Inc. (the "Issuer")

Trading Symbol: BDR

Quarter Ended: January 31, 2019

SCHEDULE A: FINANCIAL STATEMENTS

The unaudited interim consolidated financial statements for the six month period ended January 31, 2019 are attached hereto as Schedule "A".

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Related party transactions

Reference is made to Note 12 in the unaudited interim consolidated financial statements attached hereto as Schedule "A"

2. Summary of securities issued and options granted during the period.

(a) summary of securities issued during the period

None (reference is made to Note 9 in the unaudited interim consolidated financial statements attached hereto as Schedule "A")

(b) summary of options granted during the period

None (reference is made to Note 10 in the unaudited interim consolidated financial statements attached hereto as Schedule "A")

3. Summary of securities as at the end of the reporting period.

Reference is made to Notes 9 and 10 in the unaudited interim consolidated financial statements attached hereto as Schedule "A"

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Jon Bridgman	Chief Executive Officer and Director
Donal Carroll	Director
Ty Pfeifer	Director
Edward Thompson	Secretary-Treasurer and Director
John V. Tokarsky	Chief Financial Officer
David Walters	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The interim management discussion and analysis for the six month period ended January 31, 2019 is attached hereto as Schedule "C".

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 Quarterly Listing Statement.
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 Exchange 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 Exchange Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: April 1, 2019

John V. Tokarsky
Name of Director or Senior Officer

(signed) John V. Tokarsky
Signature

Chief Financial Officer
Official Capacity

Issuer Details	For Quarter Ended	Date of Report
Name of Issuer	2019/01/31	YY/MM/D
Bird River Resources Inc.	2019/01/31	2019/04/01
Issuer Address		
1059 Selkirk Avenue		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Winnipeg, Manitoba R2X 0C2	(204) 589-2848	(204) 589-2848
Contact Name	Contact Position	Contact Telephone No.
John V. Tokarsky	Chief Financial Officer	(416) 948-6606
Contact Email Address	Web Site Address	
john@tokarskycorporate.com	www.birdriverresources.com	

BIRD RIVER RESOURCES INC.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS**

**FOR THE SIX MONTH PERIOD
ENDED JANUARY 31, 2019**

(UNAUDITED – PREPARED BY MANAGEMENT)

Notice to Reader

Under National Instrument 51-102, Part 4, paragraph 4.3(3)(a), if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at January 31 2019	As at July 31 2018
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 693,241	\$ 1,724,778
Trade receivables	427,550	560,078
Goods and services tax recoverable	64,449	204,541
Prepaid expenses and deposits	74,317	104,726
Total current assets	1,259,557	2,594,123
Non current assets:		
Property and equipment (Note 4)	9,301,961	8,296,375
Investment in Joint Arrangements (Note 5)	64,351	261,229
Total non current assets	9,366,312	8,557,604
Total assets	\$ 10,625,869	\$ 11,151,727
Liabilities and Equity		
Liabilities:		
Current liabilities:		
Trade Payables	\$ 1,161,405	\$ 1,382,737
Accrued liabilities	110,645	219,886
Flow-through liabilities (Note 7)	-	45,831
Total current liabilities	1,272,050	1,648,454
Non current liabilities:		
Decommissioning obligations (Note 8)	445,433	407,752
Deferred income taxes	465,000	1,065,000
Total liabilities	2,182,483	3,121,206
Equity:		
Share capital (Note 9)	10,273,404	10,273,404
Warrants (Note 9)	862,244	862,244
Share based payments reserve (Note 10)	16,493	10,713
(Deficit)	(2,708,755)	(3,115,840)
Total equity	8,443,386	8,030,521
Total liabilities and equity	\$ 10,625,869	\$ 11,151,727

Basis of Presentation and going concern assumption (Note 2)

Subsequent events (Note 15)

See accompanying notes to the consolidated interim financial statements

Approved by the Board:

"Jon Bridgman" Director

"Donal Carroll" Director

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Comprehensive Loss (unaudited) (Expressed in Canadian Dollars)

	three months ended		six months ended	
	January 31	January 31	January 31	January 31
	2019	2018	2019	2018
Revenue:				
Petroleum and natural gas revenue	\$ 178,406	\$ 5,138	\$ 812,193	\$ 9,489
	178,406	5,138	812,193	9,489
Expenses:				
Depletion	50,208	4,020	129,494	8,039
General and administrative (Note 11)	239,431	47,764	448,832	83,013
Production and operating - petroleum and natural gas	119,571	2,950	217,622	5,235
Royalties - petroleum and natural gas	8,829	-	48,806	-
Share based payments (Note 10)	2,890	2,890	5,780	3,093
	420,929	57,624	850,534	99,380
Income (loss) from operations	(242,523)	(52,486)	(38,341)	(89,891)
Other income (expenses):				
Accretion expense	(3,016)	-	(6,034)	-
Debt forgiveness	-	4,179	-	60,960
Interest income	1,399	-	2,507	-
	(1,617)	4,179	(3,527)	60,960
Net income before discontinued operations	(244,140)	(48,307)	(41,868)	(28,931)
Net income (loss) from discontinued operations (Note 16)	(196,878)	(3,747)	(196,878)	3,274
Net income before income taxes	(441,018)	(52,054)	(238,746)	(25,657)
Deferred income tax recovery net of flow-through premium	(690,824)	-	(645,831)	-
Net income and comprehensive income for the period	\$ 249,806	\$ (52,054)	\$ 407,085	\$ (25,657)
Basic and diluted income per share (Note 10)	\$ 0.002	\$ (0.002)	\$ 0.004	\$ (0.001)

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	six months ended	
	January 31	January 31
	2019	2018
Operating activities:		
Net (loss) and comprehensive (loss) for the period	\$ 407,085	\$ (25,657)
Adjustments for:		
Depletion	129,494	8,039
Depreciation	-	161
Share based payments	5,780	3,093
Deferred income tax expense net of flow through premium	(645,831)	-
Accretion expense	6,034	-
Net income (loss) from discontinued operations	196,878	-
Changes in non-cash working capital items:		
Trade receivables	132,528	8,834
Goods and services tax recoverable	140,092	(4,189)
Prepaid expenses and deposits	30,409	-
Inventory	-	8,930
Trade payables	(221,332)	(108,316)
Accrued liabilities	(109,241)	(57,982)
	71,896	(167,087)
Financing activity:		
Common shares issued	-	4,391,629
	-	4,391,629
Investing activity:		
Property and equipment	(1,103,433)	-
	(1,103,433)	-
Change in cash and cash equivalents	(1,031,537)	4,224,542
Cash and cash equivalents, beginning of the period	1,724,778	35,456
Cash and cash equivalents, end of the period	\$ 693,241	\$ 4,259,998

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Equity (unaudited)

(Expressed in Canadian Dollars)

	Share capital	Warrants	SBPR	Deficit	Total
Opening Balance, July 31, 2017	\$ 1,012,247	\$ -	\$ 1,840	\$ (1,102,906)	\$ (88,819)
Net loss				(2,012,934)	(2,012,934)
Shares issued in settlement of indebtedness	138,523				138,523
Shares issued for cash on private placements	4,764,210				4,764,210
Valuation of Warrants issued in private placements	(672,506)	672,506			-
Share issuance costs - cash	(397,796)				(397,796)
Share issuance costs - broker warrants	(140,491)	140,491			-
Shares issued for acquisition of High Point	5,467,965	49,247			5,517,212
Shares issued in settlement of M&A fee	272,878				272,878
Share based payments			8,873		8,873
Premium on flow-through shares issued	(171,626)				(171,626)
Balance, July 31, 2018	\$ 10,273,404	\$ 862,244	\$ 10,713	\$ (3,115,840)	\$ 8,030,521
Net income				407,085	407,085
Share based payments			5,780		5,780
Balance, January 31, 2019	\$ 10,273,404	\$ 862,244	\$ 16,493	\$ (2,708,755)	\$ 8,443,386

SBPR - Share based payments reserve

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

1. Nature of operations

Bird River Resources Inc. (the "Company" or "Bird River") is a publicly listed company incorporated under the laws of Manitoba on March 7, 1958. The mailing and office address of its executive office is: 1059 Selkirk Avenue; Winnipeg, Manitoba, R2X 0C2.

The Company's principal business activities include the acquisition and exploration of resource properties with the primary focus on petroleum and natural gas properties. In the past, the Company had also engaged in secondary activities, from time to time, involving the purchase or acquisition of certain industrial minerals, typically diatomaceous earth and bentonite, for distribution and re sale or for use in an abandoned water well sealing operation. This aspect of the Company was discontinued on April 30, 2018 when the related assets were sold (Note 16). The Company's shares are listed on the Canadian Securities Exchange under the symbol BDR.

2. Basis of preparation and summary of significant accounting policies

These condensed interim consolidated financial statements of the Company for the three month period ended January 31, 2019 (the "consolidated financial statements") have been prepared in accordance with IAS 34 Interim Financial Reporting.

These consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended July 31, 2018 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and using accounting policies consistent with those used in the Company's July 31, 2018 annual consolidated financial statements.

The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The consolidated financial statements were authorized for issue by the Board of Directors on April 1, 2019.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified as at fair value through profit or loss, which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Going concern of operations

The going concern assumption implies that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. However, there is doubt about the appropriateness of the use of the going concern assumption because the Company has experienced losses and negative cash flows from operations over a number of years.

The Company determined in its July 31, 2018 fiscal year that its exploration and evaluation assets contained reserves that were technically and economically feasible and accordingly its exploration and evaluation assets were reclassified to property and equipment at that time. However, the success of any development of these assets cannot be assured. Additional funds may be required, and the Company may not have sufficient funds to conduct the development required. The primary source of future funds available to the Company is through the sale of oil and through the sale of additional equity capital, which may dilute the interests of existing shareholders.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

assumption was not appropriate. If the going concern assumption was not appropriate, then adjustments may be necessary to the carrying value of assets and liabilities and the reported amounts of revenue and expenses.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- a) the recoverability of sundry receivables that are included in the statement of financial position;
- b) the recoverability of expenditures incurred on the Company's property interests;
- c) although the Company has taken steps to verify title to the resource properties in which it has an interest, these procedures do not guarantee the Company's title and such properties may be subject to prior agreements or transfers and title may be affected by undetected issues;
- d) the actual life and volume of petroleum reserves which impacts the calculation of depletion and decommissioning obligations;
- e) the inputs used in accounting for share based payment transactions;
- f) the actual cost and timing of well abandonment activities which impacts the decommissioning obligation
- g) the amount and timing of the reversal of temporary timing differences which impacts the calculation of deferred taxes; and
- h) management's judgment in determining the functional currency of the Company as Canadian Dollars.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries High Point Oil Inc. ("High Point") and 2411181 Manitoba Ltd. All significant inter-company transactions have been eliminated on consolidation.

Future accounting changes

Standards issued but not yet effective up to the date of issuance of these consolidated financial statements are listed below. This listing is of the standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of these new standards on its consolidated financial statements to be significant.

IFRS 9 Financial Instruments

IFRS 9, as issued, addresses the classification and measurement of financial assets and liabilities and requires any financial assets or liabilities to be classified into one of three measurement categories. The measurement categories are: (1) fair value through profit and loss; (2) fair value through other comprehensive income or loss; and (3) amortized cost. Investments in equity instruments must be measured at fair value through profit or loss; however, there is an irrevocable option to present the changes in fair value in other comprehensive income or loss. For financial liabilities, the majority of the requirements from IAS 39 have been retained. The main difference is where the fair value option is chosen for financial liabilities, the portion of the fair value change relating to an entity's own credit risk is recorded in other comprehensive income or loss as opposed to profit or loss. The standard is effective for annual periods beginning on or after January 1, 2018. This amendment was adopted by the Company on August 1, 2018 and the Company has

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

determined that there will be no material change to the consolidated financial statements other than enhanced disclosures.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires entities to follow a five step model for the recognition of revenue upon the transfer of control of a good or service to the customer. The five steps are: (1) contract is identified with the customer; (2) performance obligations are identified; (3) transaction price is determined; (4) transaction price is allocated; and (5) revenue is recognized when the performance obligation is satisfied. In addition, there are enhanced revenue disclosures to provide investors with a more comprehensive understanding of the nature, amount, timing and uncertainty of revenue and cash flows from contracts. This standard replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations on revenue recognition. This standard is effective for annual periods beginning on or after January 1, 2018. IFRS 15 was adopted by the Company on August 1, 2018. The Company has completed its review of sales contracts with customers and has determined that there will be no material change to the consolidated financial statements other than enhanced disclosures.

IFRS 16 Leases

IFRS 16 specifies how to recognize, measure, present and disclose information relating to leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has an insignificant value. Consistent with its predecessor, IAS 17, the new lease standard continues to require lessors to classify leases as operating or finance. This standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will be adopted by the Company on August 1, 2019 and the Company is currently reviewing contracts that are currently identified as leases and evaluating the impact of the standard on the consolidated financial statements.

3. Cash and cash equivalents

	January 31, 2019	July 31, 2018
Cash	\$ 673,241	\$ 1,343,976
Restricted Cash	20,000	380,802
Total Cash and Cash Equivalents	\$ 693,241	\$ 1,724,778

Cash and cash equivalents are deposited at established Canadian financial institutions.

Restricted cash at July 31, 2018 represented proceeds from the issuance of flow through shares less eligible amounts incurred in the amount of \$360,802 and a guaranteed investment certificate in the amount of \$20,000. The Company has made all required qualifying expenditures related to the flow through shares as of December 31, 2018 and accordingly the only remaining restricted cash is the \$20,000 guaranteed investment certificate which is security against the corporate credit card.

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

4. Property and equipment

Cost	Other equipment	Development and production assets (D&P)	Total
As at July 31, 2017	\$ 63,675	\$ 204,181	\$ 267,856
Transferred from Exploration and Evaluation		5,940,927	5,940,927
Additions	-	2,282,779	2,282,779
Disposals (Note 16)	(63,675)	-	(63,675)
As at July 31, 2018	-	8,427,887	8,427,887
Additions	-	1,135,080	1,135,080
As at January 31, 2019	\$ -	\$ 9,562,967	\$ 9,562,967

Accumulated depletion, depreciation and impairment	Other equipment	Development and production assets (D&P)	Total
As at July 31, 2017	\$ 62,195	\$ 123,791	\$ 185,986
Depletion and depreciation	161	7,721	7,882
Disposals (Note 16)	(62,356)	-	(62,356)
As at July 31, 2018	-	131,512	131,512
Depletion	-	129,494	129,494
As at January 31, 2019	\$ -	\$ 261,006	\$ 261,006

Carrying value	Other equipment	Development and production assets (D&P)	Total
As at July 31, 2018	\$ -	\$ 8,296,375	\$ 8,296,375
As at January 31, 2019	\$ -	\$ 9,301,961	\$ 9,301,961

5. Interests in joint arrangements

Many of the Company's oil and natural gas activities involve jointly owned assets. The consolidated financial statements include the Company's share of these jointly owned assets and a proportionate share of the relevant revenue and related costs. The relationships with jointly owned asset partners have been referred to as joint ventures in the remainder of these consolidated financial statements as is common in the Canadian oil and gas industry. In Manitoba, the Company participates in a joint venture with Antler River Resources Ltd. and other parties relating to twelve oil wells in southwestern Manitoba. The Company has earned approximately a 4% interest in the joint venture. In Alberta the Company participates in a joint venture with DEL Canada GP Ltd. and holds a 50% interest in the joint venture.

Investment in related technologies

The Company had joint ventures with Divestco Inc. to investigate alternative technologies that may have application to the oil and gas business.

Crypto Currency Test Project

The Company's total contribution to the proof of concept phase of this joint venture included the purchase of dedicated

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

computers (rigs) at a total capital cost of \$141,229. Subsequent to the end of the quarter the Company sold its interest in this operation to Divestco for \$64,351. Accordingly, the carrying value of this investment at January 31, 2019 has been written down to this amount. See Discontinued operations note 16.

Cogeneration Project

The Company's contribution to the Cogeneration joint venture to date has been \$120,000 which was used to undertake a feasibility and connection study with the transmission company. As a result of this study it was determined that the project would be required to be about 4 times bigger than originally planned with a total cost in the range of \$4.5 million rather than the original estimate of \$800,000. Based on this the Company has elected to withdraw from the project and has written the \$120,000 off in the current quarter. See Discontinued operations note 16.

Investment in Related Technologies	Crypto Currency Test Project	Cogeneration Project
Carrying value at July 31, 2018	\$ 141,229	\$ 120,000
Writedown to realisable value	76,878	120,000
Carrying value at January 31, 2019	\$ 64,351	\$ -

6. Exploration and evaluation assets

Manitoba

The Company previously held an exploration property known as the Ore Fault property located on the Bird River Greenstone Belt, 125 kilometers northeast of Winnipeg, Manitoba. On August 19, 2008 Marathon PGM acquired the balance of the Ore Fault property consisting of 19 claims which covers 446 hectares. Under the joint arrangement, Marathon had an option to earn 100% of the Ore Fault property once their interest reached 70%. Marathon exercised its option to require the Corporation to sell the remaining 30% interest in the property for a purchase price of \$1,450,000. The Company retains a 1% net smelter return ("NSR") royalty on the Ore Fault Property.

Central Alberta

During the year ended July 31, 2018, the Company commenced drilling in its Central Alberta area. The drilling resulted in significant recoverable reserves (see the Company's NI51-101F1 Statement of Reserves Data - available on SEDAR). As a result, all Exploration and Evaluation amounts related to Central Alberta have been moved to Property and Equipment where they will be properly depleted. Commercial production began August 1, 2018.

	Manitoba	Alberta	Total
Balance, July 31, 2016	\$ 35,127	\$ -	\$ 35,127
Writedowns	(35,127)	-	(35,127)
Balance, July 31, 2017	-	-	-
Exploration and evaluation assets of subsidiary	-	5,775,558	5,775,558
Costs incurred during the period	-	\$ 165,369.00	165,369
Transfers to Property and Equipment	-	(5,940,927)	(5,940,927)
Balance, July 31, 2018 and January 31, 2019	\$ -	\$ -	\$ -

During the period ended January 31, 2019, the Company has directly expensed exploration and evaluation costs in the amount of \$ nil (2017- \$ nil).

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

7. Flow Through Liability

A flow through share premium liability is recognized on the issuance of flow through shares (Note 9). The premium liability is derecognized through deferred income taxes when qualifying expenditures are renounced to the investor and incurred by the Company.

In December 2017, Bird River issued 8,067,000 Flow Through shares ("FTS") at the price of \$0.13 per FTS for gross proceeds of \$1,048,710 (Note 11). The FTS issued under the Private Placement were issued at an aggregate premium of \$104,871 (\$0.013 per FTS) to recognize the benefit of the tax deductions transferred to subscribers. Until the eligible expenditures are incurred by the Company, the premium resides as a 'flow through liability'. The eligible expenditures must be incurred by the deadline of December 31, 2018. As at December 31, 2018 all of these costs had been incurred. Accordingly, none of this amount remains as a liability.

In November and December of 2017, High Point completed a private placement, issuing 325,033 common shares on a flow-through basis ("FTS") for total gross proceeds of \$612,550 (\$1.885 average per FTS). The FTS issued under these Private Placement were issued at deemed premium of \$66,755 (\$0.21 per FTS) to recognize the benefit of the tax deductions transferred to subscribers. These transactions occurred prior to High Point becoming a subsidiary of the Company and are treated at the legal entity level for tax purposes but are combined here for consolidation purposes. Until the eligible expenditures are incurred by the Company, the premium resides as a 'flow through liability'. The eligible expenditures must be incurred by the deadline of December 31, 2018. As at July 31, 2018, all of these costs had been incurred. Accordingly, none of this amount remains as a liability.

8. Decommissioning obligations

The Company's decommissioning obligations result from its ownership interest in petroleum and natural gas properties. The total provision for decommissioning obligations is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years.

These obligations have been discounted using a pre-tax rate of 2.96% (2017 - 2.96%) reflecting the time value of money and the risks specific to the obligation. These obligations are to be settled based on the economic lives of the underlying assets, which currently extend up to 25 years (2017 - 25 years) into the future and will be funded from general corporate resources at the time of abandonment.

The total estimated undiscounted cash flows required to settle the obligations related to the Manitoba cash-generating unit (or "CGU") before considering salvage value, as at January 31, 2019 is approximately \$19,000 (July 31, 2018 - \$19,000).

The total estimated undiscounted cash flows required to settle the obligations related to the Central Alberta CGU before considering salvage value, as at January 31, 2019 is approximately \$499,500 (July 31, 2018 - \$459,500).

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

The Company's decommissioning obligations as at October 31, 2018 and July 31, 2018 were as follows:

	January 31, 2019	July 31, 2018
Manitoba cash-generating unit:		
Balance, beginning of the period/year	\$ 9,949	\$ 9,663
Accretion	147	286
Balance, end of the period	10,096	9,949
Alberta cash-generating unit:		
Balance, beginning of period/year	397,802	-
Provisions incurred	31,648	397,802
Accretion	5,887	-
Balance, end of year	435,337	397,802
Consolidated total, end of period/year	\$ 445,433	\$ 407,751

9. Share capital

(a) Authorized

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

(b) Changes in issued common shares are summarized below:

		Number of Common Shares	Amount
July 31, 2016	Balances	10,570,725	\$ 1,012,247
	Changes during the year	-	-
July 31, 2017	Balances	10,570,725	1,012,247
	Shares issued for debt extinguishment (i)	2,308,709	138,523
	Private placement (ii)	32,587,000	2,746,207
	Private placement (iii)	12,635,000	702,339
	Shares issued on acquisition of High Point Oil Inc. (iv)	57,900,900	5,790,090
	Warrant exchange		(49,247)
	Premium on flow-through shares		(66,755)
July 31, 2018 and January 31, 2019	Balances	116,002,334	\$ 10,273,404

- (i) During the year ended July 31, 2018, the Company issued 2,308,709 non flow through common shares at a value of \$0.06 per share for the extinguishment of debt in the amount of \$209,052 resulting in debt forgiveness in the amount of \$70,529.
- (ii) On December 22, 2017, the Company closed the first tranche of a private placement issuing 5,457,000 flow through common shares at a purchase price of \$0.13 per flow through common share and 27,130,000 units at a purchase price of \$0.10 per unit for total cash proceeds of \$3,422,410. Each unit consists of one non flow through

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional non flow through common share of the company at an exercise price of \$0.20 per warrant expiring on December 22, 2019. The fair value of the warrants issued as part of this private placement were valued using the Black Scholes pricing model resulting in a value of \$491,053 which is disclosed as a separate component of shareholders' equity. In addition, the Company issued 3,154,950 Broker warrants valued using the Black Scholes pricing model resulting in a value of \$114,209. Each Broker warrant entitles the holder to acquire one additional non flow through common share of the company at an exercise price of \$0.20 per warrant expiring on December 22, 2019. The amount recorded to share capital of \$2,746,207 represents gross proceeds of \$3,422,410 less the value of warrants issued of \$605,262 less flow through premiums of \$70,941.

- (iii) On December 29, 2017, the Company closed the second tranche of a private placement issuing 2,610,000 flow through common shares at a purchase price of \$0.13 per flow through common share and 10,025,000 units at a purchase price of \$0.10 per unit for total cash proceeds of \$1,341,800. Each unit consists of one non flow through common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional non flow through common share of the company at an exercise price of \$0.20 per warrant expiring on December 29, 2019. The fair value of the warrants issued as part of this private placement were valued using the Black Scholes pricing model resulting in a value of \$181,453 which is disclosed as a separate component of shareholders' equity (Note 12(c)). In addition, the Company incurred share issue costs in the amount of \$397,796 and issued 726,030 Broker warrants valued using the Black Scholes option pricing model resulting in a value of \$26,282. Each Broker warrant entitles the holder to acquire one additional non flow through common share of the company at an exercise price of \$0.20 per warrant expiring on December 29, 2019. The amount recorded to share capital of \$702,339 represents gross proceeds of \$1,341,800 less cash share issue costs of \$397,796 less the value of warrants issued of \$207,735 less flow through premiums of \$33,930.
- (iv) On February 9, 2018, the company issued 55,172,124 non flow through common shares at a deemed value of \$0.10 per share for a total value of \$5,517,212 for the acquisition of High Point and an additional 2,728,776 non flow through common shares as a deemed value of \$0.10 per share for a total value of \$272,878 for finders' fees related to the acquisition of High Point (Note 17).

(c) Income (loss) per share

The calculation of basic and diluted income (loss) per share is calculated by dividing the net income (loss) by the weighted average number of common shares outstanding during the periods:

	six months ended	
	January 31	January 31
	2019	2018
Income/(Loss) for the period	\$ 407,085	\$ (25,657)
Income per share - basic	\$ 0.004	\$ (0.001)
Income per share - fully diluted	0.004	(0.001)
Weighted average number of common shares - basic	116,002,334	32,208,695
Weighted average number of common shares - fully diluted	142,919,294	57,644,650

Basic and fully diluted income per share is the same because all outstanding warrants and shares were anti-dilutive in the relevant period. The calculation of fully-diluted income (loss) per share assumes all outstanding stock options were exercised and the underlying shares were issued and outstanding during the entire periods.

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

10. Share-based payments

(a) Outstanding options

The following table summarizes stock options outstanding as at January 31, 2019 and July 31, 2018:

	Number outstanding (#)	Note	Exercise price (\$)	Expiry date
Directors' options	100,000	(i)	0.10	3/14/2019
Director's options	100,000	(ii)	0.10	3/14/2019
Balance, July 31, 2017	200,000			
Director's options	1,300,000	(iii)	0.10	3/14/2019
Balance, July 31, 2018 and January 31, 2019	1,500,000			

- (i) On March 14, 2014, the Company issued 100,000 incentive stock options to a director of the Company. The exercise price is \$0.10 per common share and the options expire on March 14, 2019. These options have a vesting period of 18 months with 1/6 vesting every three months beginning April 1, 2014. These options were fully vested as at July 31, 2016.

The estimated fair value of stock options granted was estimated using the Black Scholes option pricing model on the date of grant with the following assumptions:

Expected stock price volatility	18.64%
Expected option life	5 years
Risk free interest rate	0.89%
Expected dividend yield	-
Stock price at grant	\$0.10
Exercise price	\$0.10

- (ii) On July 7, 2017, the Company issued 100,000 incentive stock options to a director of the Company. The exercise price is \$0.10 per common share and the options expire on March 14, 2019. These options have a vesting period of 18 months with 1/6 vesting every three months beginning August 1, 2017.

The estimated fair value of the stock options vested during the year in the amount of \$813 has been recorded as an expense.

The estimated fair value of stock options granted was estimated using the Black Scholes option pricing model on the date of grant with the following assumptions:

Expected stock price volatility	33.71%
Expected option life	1.67 years
Risk free interest rate	0.68%
Expected dividend yield	-
Stock price at grant	\$0.09
Exercise price	\$0.10

- (iii) On November 27, 2017, the Company issued 1,300,000 incentive stock options to directors and officers of the company. The exercise price is \$0.10 per common share and the options expire on March 14, 2019. These options have a vesting period of 18 months with 1/6 vesting every three months beginning December 1, 2017. The estimated fair value of the stock options vested during the year in the amount of \$8,060 has been recorded

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

as an expense.

The estimated fair value of stock options granted was estimated using the Black Scholes option pricing model on the date of grant with the following assumptions:

Expected stock price volatility	50%
Expected warrant life	1.33 years
Risk free interest rate	1.41%
Expected dividend yield	-
Stock price at grant	\$0.08
Exercise price	\$0.10

(b) Changes in stock options

A summary of the changes in stock option activity for the period ended January 31, 2019 and the year ended July 31, 2018 is as follows:

	31-Jan-19		July 31, 2018	
	Weighted average exercise price	Number of Options	Weighted average exercise price	Number of Options
Outstanding, beginning of period/year	\$ 0.10	1,500,000	\$ 0.10	200,000
Granted	0.10	-	0.10	1,300,000
Outstanding, end of period/year	\$ 0.10	1,500,000	\$ 0.10	1,500,000
Exercisable, end of period/year	\$ 0.10	1,283,335	\$ 0.10	816,669

The options outstanding at the end of the period have an exercise price of \$0.10 per share (year ended July 31, 2018 - \$0.10 per share) and had a weighted average remaining contractual life of 0.12 years as at January 31, 2019 (0.62 years as at July 31, 2018). Subsequent to quarter end all options have expired.

(c) Effects on profit or loss

The total estimated fair value of options vested and recognized as an expense for the period ended January 31, 2019 was \$5,780 (year ended July 31, 2018 = \$ 8,873).

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

11. General and administrative expenses

The general and administrative expenses incurred by the Company for the periods ended October 31, 2018 and 2017 were as follows:

	6 months ended	
	January 31 2019	January 31 2018
Salaries (Note 12)	\$ 201,053	\$ -
Management fees (Note 12)	36,000	20,500
Directors fees (Note 12)	2,500	-
Consulting fees	74,876	-
Office and other expense	20,590	20,862
Insurance and Health and Safety	8,375	-
Professional fees	11,527	23,000
Rent	50,395	3,200
Software usage fees	21,502	-
Share transfer and filing fees	15,814	11,977
Telecommunications	4,599	1,246
Travel	1,601	2,228
	\$ 448,832	\$ 83,013

12. Related party transactions

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

Key management includes the directors of the Company and the Executive Officers of both the Company and High Point.

During the period ended January 31, 2019, High Point paid salaries to its Executive Officers in the amount of \$168,000 (2017 - \$Nil). High Point also paid relatives of a director in the amount of \$58,775 (2017-\$Nil) for administrative, IT, geo-technical support and geological services.

During the period ended January 31, 2019, the Company paid contract based remuneration to its Executive Officers (or to companies controlled by them) in the amount of \$36,000 (2017 - \$7,000).

The Company also paid director's fees in the amount of \$2,500 (2017 - \$Nil) during the period ended January 31, 2019.

These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties and were reflected in the financial statements as follows:

	January 31 2019	January 31 2017
General and administrative (Note 11)	\$ 272,900	\$ 20,500
Property and Equipment	2,375	-
Accounts payable	13,400	17,500

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

13. Financial instruments

(a) Risk management and hedging activities

In the normal course of operations, the Company is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not meaningfully participate in the use of financial instruments to control these risks. The Company has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

Currency risk

The Company does not hold any assets or liabilities denominated in a foreign currency, therefore is not exposed to currency risk.

Price risk

The Company is exposed to price risk with respect to commodity prices of oil and gas. The Company monitors commodity prices in order to manage their exposure to these risks. An annual average change of 1% in crude oil prices would affect the reported net income by \$8,121 for the period ended January 31, 2019 (2017 - \$95).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company is exposed to credit risk on its financial assets. Cash is held with established Canadian financial institutions and the Company's other receivables are from Canadian government entities, from which management believes the risk of loss to be remote. The Company does not have any derivatives or similar instruments that mitigate the maximum exposure to credit risk.

The carrying amount of financial assets recorded in the consolidated interim financial statements of \$1,185,240 (July 31, 2018 - \$2,489,397) represents the maximum exposure to credit risk at the reporting date.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the Company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. It is management's opinion that it is unlikely that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. As at January 31, 2019, the Company had a working capital deficiency in the amount of \$12,493 (July 31, 2018 – \$945,669 surplus).

The contractual maturities of financial liabilities based on the earliest date on which payment can be required are as follows:

	Total amount (\$)	6 months or less (\$)	More than 6 months (\$)
As at January 31, 2019:			
Trade payables	1,161,405	1,161,405	-
Other payables	110,645	110,645	-
	<u>1,272,050</u>	<u>1,272,050</u>	<u>-</u>
As at July 31, 2018			
Trade payables	1,382,737	1,382,737	-
Accrued liabilities	219,886	219,886	-
	<u>1,602,623</u>	<u>1,602,623</u>	<u>-</u>

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

Interest rate risk

The Company is not exposed to any meaningful interest rate risk due to the short term nature of its interest generating assets.

(b) Sensitivity analysis

The Company had cash and cash equivalents subject to interest rate risk of \$693,241 (July 31, 2018 - \$1,724,778). A 1% change in the primary interest rate would affect the reported net income on an annualized basis by \$6,923 (2018 - \$17,248).

(c) Fair values, carrying amounts and changes in fair value

The fair values of the Company's financial instruments approximate their carrying value due to their short-term nature. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the consolidated interim statement of financial position, have been prioritized into three levels:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level two includes inputs that are observable other than quoted prices included in level one; and
- Level three includes inputs that are not based on observable market data.

The Company's financial instruments within the fair value hierarchy as at January 31, 2019 and July 31, 2018 were as follows:

	Level 1	Level 2	Level 3
January 31, 2019:			
Cash and cash equivalents	\$ 693,241	\$ -	\$ -
July 31, 2018:			
Cash and cash equivalents	1,724,778	-	-

(d) Collateral

The carrying value of financial assets the Company has pledged as collateral is \$20,000 being a guaranteed investment certificate as security of the Company's corporate credit card (2017 - \$Nil).

14. Capital management

The Company considers its capital structure to consist of share capital, stock options and warrants. When managing capital, the Company's objective is to ensure that the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral and petroleum and natural gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the company's management to sustain future development of the Company's operations. As at January 31, 2019, the Company had managed capital, being total equity on the consolidated interim statement of financial position of \$8,443,386 (July 31, 2018 - \$8,030,521).

A number of the properties in which the Company currently has an interest are in the development stage. As such, the

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

Company is dependent on external financing and operations to fund its activities. In order to carry out the planned development and pay for administrative expenses, the Company will spend its existing working capital, its net operating income and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the current or prior period. The Company is not subject to externally imposed capital requirements.

15. Subsequent events

Subsequent to the quarter end, the price received within Alberta for all blends of crude oil has improved significantly as a result of changing world prices and actions taken by the Alberta government. In the second quarter a critical lack of pipeline capacity caused prices to drop precipitously. The Company received an average of \$69 per barrel of oil sold in the first quarter. However, in November and December the Company only received \$28 and \$18 per barrel respectively. This price drop caused the government of Alberta to impose production cutbacks on all producers with more than 10,000 barrels of production per day. The Company is not impacted by the production limitations as it does not produce more than 10,000 barrels per day. However, the Company is significantly impacted by the price reductions. It does appear that the actions of the Alberta government along with a general improvement in price has worked as the second quarter average price recovered to \$32.10. February 2019 prices received were \$61.55. It is unknown how long the price improvement will last or how effective the actions of the Alberta government will be in improving prices received on a sustained basis. The low price in the second quarter has slowed the Company's development and may result in some planned projects being cancelled or delayed indefinitely.

Subsequent to the end of the quarter the Company sold its interest in its Crypto currency joint venture to its partner, Divestco, for \$64,351. Accordingly, the carrying value of this investment at January 31, 2019 has been written down to this amount. See notes 5 and 16.

16. Discontinued operations

Effective January 31, 2018, the Company sold the operations, inventory and related equipment of its environmental (industrial minerals) division. The gain on disposal of the assets is included in the net (loss) income from discontinued operations on the consolidated statements of loss and comprehensive loss.

It was determined that the Company would discontinue its interest in its Cogeneration and Crypto currency joint ventures and accordingly, the investment in these joint ventures was written down to the realizable amount (Note 5).

The net (loss) income from discontinued operations for the periods included in these financial statements is as follows:

	3 months ended		6 months ended	
	January 31 2019	January 31 2018	January 31 2019	January 31 2018
Industrial mineral sales	\$ -	\$ 4,758	\$ -	\$ 20,658
Production and operating expense - industrial minerals	-	\$ (8,425)	-	(17,223)
Depreciation	-	\$ (80)	-	(161)
Write down of Investment in Joint Arrangements (Note 5)	(196,878)	-	(196,878)	-
Income (loss) from discontinued operations	\$ (196,878)	\$ (3,747)	\$ (196,878)	\$ 3,274

BIRD RIVER RESOURCES INC.
Notes to Condensed Interim Consolidated Financial Statements (unaudited)
For the periods ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

17. Acquisition of High Point Oil Inc.

On February 9, 2018, Bird River entered into a share exchange agreement with the owners of High Point Oil Inc. of Calgary, Alberta. Pursuant to the share exchange agreement, Bird River acquired all of the issued and outstanding shares of High Point in exchange for Bird River issuing 55,172,124 non flow through common shares at a deemed value of \$0.10 per non flow through common share. In addition, the Company paid a finders' fee related to this acquisition in the amount of \$272,878 which was settled by the issuance of an additional 2,728,776 non flow through common shares of Bird River at a deemed value of \$0.10 per non flow through common shares. This acquisition was an arm's length transaction and as a result, High Point has become a wholly owned subsidiary of Bird River.

Details of the net assets of High Point as at the date of acquisition are as follows:

	Amount	Note
Consideration		
Common shares (55,172,124 at \$0.10 per share)	\$ 5,517,212	1
Fair value of net assets acquired		
Cash and Cash Equivalents	137,708	2
Accounts receivable	12,514	3
Prepaid expenditures	28,322	4
Exploration and Evaluation assets	5,775,558	5
Less:		
Trade payables	(370,135)	6
Flow-through share premium	(66,755)	7
Net assets acquired	\$ 5,517,212	

BIRD RIVER RESOURCES INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE SIX MONTH PERIOD ENDED JANUARY 31, 2019****INTRODUCTION**

This Management Discussion and Analysis ("MD&A") of Bird River Resources Inc. ("Bird River" or the "Company") is prepared with information as at April 1, 2019 and provides an analysis of the Company's performance and financial condition as at and for the six month period ended January 31, 2019 as well as an analysis of future prospects. The Board of Directors carries out its responsibility for review of this disclosure principally through its audit committee, comprised of independent directors. The audit committee reviews this disclosure and recommends its approval by the Board of Directors.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated annual financial statements of the Company for the years ended July 31, 2018 and 2017 together with the notes thereto. All amounts are in Canadian dollars unless otherwise specified. The financial statements, along with Certifications of Annual Filings, news releases and other information, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (ii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risks and Uncertainties". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

GENERAL OVERVIEW**Oil and Gas**

Bird River Resources Inc. is a junior natural resource exploration company incorporated in Canada. It is a reporting issuer in the provinces of Ontario and Manitoba with its common shares listed for trading on the Canadian Securities Exchange (CSE) under the trading symbol "BDR". The Company's Registered and Head Offices are located at 1059 Selkirk Avenue, Winnipeg, Manitoba, R2X 0C2. The Company's constating documents do not differ in any material fashion from Canadian corporate legislation with respect to corporate governance principles.

Bird River Resources Inc. has been engaged in the acquisition, exploration and development of mineral properties since its incorporation in 1958. It is currently in the oil and gas business in southwestern Manitoba and has been since 2009, mainly through joint ventures with experienced oil and gas exploration operators. Initially, the Company agreed to participate as to a five percent interest in the drilling of a three oil well drilling program near the towns of Sinclair and Pierson in southwestern Manitoba, all of which remain producing. Since then, the Company has participated in the drilling of additional wells in that area, most of which remain producing (see "Narrative Description of the Business - Oil and Gas Activities - Manitoba" below).

On February 9, 2018, the Company agreed to acquire all of the issued and outstanding shares of High Point Oil Inc. ("High

Point"), a private Alberta Company for consideration of the issuance of 55,172,124 common shares to the shareholders of High Point and the exchange of all of High Point's outstanding common share purchase warrants for 2,958,480 common share purchase warrants of the Company. The acquisition transaction closed on February 12, 2018. See "Acquisition of High Point Below". At the time of acquisition, High Point had identified 20 drilling targets and has now obtained eligibility to hold licenses for all types of wells, facilities and pipelines from the Alberta Energy Regulator. High Point commenced its 2018 drilling program in June of 2018 after spring breakup. As at the date of this M&A High Point has had commercial production from this drilling program since August 1, 2018. (see "Narrative Description of the Business – Oil and Gas Activities – Alberta" below).

Related Technologies

On December 12, 2017, the Company announced that it had retained API Consulting Inc. (operating as "API Garage") and its BlockX Labs division in the research and development of asset management platforms utilizing its private blockchain technology. Bird River's objective was to establish a wholly owned subsidiary or division which would investigate and commercialize the application of technologies such as blockchain to the oil and gas industry. BlockX was hired to investigate the manner in which blockchain could provide access to historical records such as seismic data for use by the oil and gas industry as well as other resource industries. This new asset management platform would be based on using proprietary blockchain technology owned by Bird River. This project was in the discovery phase and BlockX Labs was contracted to determine the feasibility of developing the platform for these uses. BlockX Labs anticipated that it would be able to deliver a report on their work by the end of 2017. BlockX is an arm's length private Company that has considerable experience in providing these kinds of services for clients in many industries. For their services, the Company agreed to pay API Consulting Inc. the consideration of the amount of \$50,000, consisting of the issuance of 250,000 common shares of the Company to API Consulting Inc. at the price of \$0.10 per common share and the payment of \$25,000 cash. To date, the Company paid the amount of \$25,000 cash and has reached other arrangements in lieu of the issuance of the 250,000 common shares. This project is presently on hold.

On March 26, 2018, the Company and Divestco Inc. (TSXV: DVT) announced a cogeneration joint venture (the "Cogen") which will convert natural gas to electricity via a boiler-turbine at a projected industry low cost of 1.4 cents per kilowatt hour (based on current natural gas spot prices). The Company's contribution to the Cogeneration joint venture to date has been \$120,000. Which was used to undertake a feasibility and connection study with the transmission Company. As a result of this study it was determined that the project would be required to be about 4 times bigger than originally planned with a total cost in the range of \$4.5 million rather than the original estimate of \$800,000. Based on this the Company has elected to withdraw from the project and has written the \$120,000 off in the current quarter.

On April 9, 2018, the Company and Divestco Inc. (TSXV: DVT) ("Divestco") announced a joint venture to create a high volume, cost-effective commercial cryptocurrency mining operation based in Calgary, Alberta using existing infrastructure. Currently, the Technology vertical is also investigating how Cryptocurrency mining could be used to monetize natural gas now stranded in Alberta due to lack of pipeline capacity. The Company's total contribution to the proof of concept phase of this joint venture included the purchase of dedicated computers (rigs) at a total capital cost of \$141,229. Subsequent to the end of the quarter the Company sold its interest in this operation to Divestco for \$64,351. Accordingly, the carrying value of this investment at January 31, 2019 has been written down to this amount.

Discontinued Operations

The Company formerly held an exploration property known as the Ore Fault Property, located in the Bird River Sill area of Manitoba approximately 125 km northeast of Winnipeg. This property was prospective for base and PGM metals. In 2008, the Company sold its working interest in this property for cash and now retains a 1% net smelter return royalty on this property (see "Narrative Description of the Company's Business – Discontinued Operations - Ore Fault Property" below).

The Company formerly operated an environmental division which distributed various industrial minerals and absorbent products for use in abandoned water well sealing operations, animal bedding, odor control and animal waste management. This division was sold effective April 30, 2018. (see "Narrative Description of the Company's Business – Discontinued Operations - Environmental Division" below).

The Company formerly had joint ventures in Cogeneration and Crypto currency mining. See above under related Technologies.

The Company currently has two active business segments, being Oil interests in Alberta and Oil interests in Manitoba.

As at January 31, 2019, the Company had an estimated consolidated working capital deficiency of approximately \$12,493 (July 31, 2018 - \$945,669). The Company expects its oil and gas operations to be sufficient to remedy this working capital deficiency and has currently allocated any surplus working capital it generates entirely towards development and expansion of its oil interests in Alberta.

NARRATIVE DESCRIPTION OF THE COMPANY'S BUSINESS

Oil and Gas Activities - Manitoba

In March 2009, the Company entered into a joint venture agreement with Antler River Resources Ltd. ("Antler") to invest \$35,000 for a 5% gross interest (4% net) in a three well oil drilling program. The wells are located near the towns of Sinclair and Pierson in southwestern Manitoba. All three wells are now producing. In December 2009 the Company participated in the drilling of a vertical well north east of Sinclair. The well commenced pumping in January 2010 and all four wells are still in production. Since then, the Company has participated in the drilling of additional wells in that area, most of which remain producing.

The following table summarizes the Company's Manitoba oil well holdings:

Well ID and Location	Dir	Location	Oper	Company's Interest	Formation	Status
LSD 6-13-7-29	V	W of Sinclair	ARR	5% well only	Bakken	P
LSD 14-15-8-28	V	E of Sinclair	ARR	5% well only	Bakken/Lodgepole	P
HZ 13-15-8-28	H	E of Sinclair	ARR	5% well only	Bakken/Lodgepole	P
HZ 11-26-1-28W	H	Pierson	AB	5% gross, 4% net	Spearfish	P
HZ 12-15-8-28W1	H	NE of Sinclair	ARR	5% gross, 4% net	Bakken	P
HZ 15-30-1-27	V		ARR		Spearfish	P
HZ 13-23-1-28W	H	E of Pierson	AB	5% gross, 4% net	Spearfish	NP
HZ 7-34-21-28	H		ARR	2.5% gross, 4% net	Bakken	P
HZ 3-15-8-28	H	E of Sinclair	RFM	2.5% gross, 2% net	Bakken	P
HZ 3-22-7-28	H	SW Manitoba	ARR	5% gross, 4% net	Mississippi MC3	P
HZ 4-5-2-27	H	SW Manitoba	ARR	4% profit, 5% costs	Bakken/Lodgepole	NP
HZ 16-16-7-28	H	E of Sinclair	ARR	2.5% gross, 2% net	Mississippi MC3	P

Legend

ARR	Antler River Resources Ltd.
AB	1885683 Alberta Ltd. (formerly held by Atikwa Resources)
RFM	Riflemen
H	horizontal
V	vertical
P	producing
NP	not producing

Historically, oil production in southwest Manitoba typically shows a decline in production rates from year to year; however, many wells have been known to produce over 25 years.

Oil and Gas Activities – Alberta

Acquisition of High Point

On February 12, 2018, the Company announced that it had entered into a definitive agreement with the owners of High Point to acquire all of the issued capital of High Point by way of a share exchange of common shares. Pursuant to the share exchange agreement dated February 9, 2018 among the Company, High Point, and the shareholders of High Point, the Company acquired all of the issued and outstanding shares of High Point. In consideration for the purchased shares, Bird River issued to the shareholders of High Point an aggregate of 55,172,124 common shares at a deemed value of \$0.10 per common share and the issuance of 2,958,480 common share purchase warrants of the Company in exchange for the outstanding warrants of High Point. The Acquisition was an arm's length transaction and High Point became a wholly-owned subsidiary of the Company. The share exchange did not result in a new controlling shareholder group.

Bird River engaged First Republic Capital Company ("FRCC") to act as its financial advisor in connection with one or more possible transactions, including any financings, joint venture, merger, or other business combination. In this capacity, FRCC assisted the Company in the analysis and review of the acquisition of High Point. Accordingly, the Company paid an M&A fee of 5% of the transaction value of the acquisition paid on closing by the issuance of 2,728,776 common shares of the Company to FRCC.

As a result of obtaining 100% of the shares of High Point, Bird River has accounted for this transaction by including High Point in its consolidated results. In consideration for the Purchased Shares, The Acquisition was an arm's length transaction and High Point has become a wholly-owned subsidiary of Bird River. The purpose of the transaction was to add additional assets and opportunity to Bird River's oil and gas operations.

Business of High Point

High Point is in the business of exploring for and producing oil and gas in Alberta. The current focus of this business is on light oil (primarily in the Nisku formation) due to continued strong market demand and pricing for this product. It is worth noting that as of the date of this report, although remaining stronger than heavier crude prices, even light oil prices have been hindered by the lack of pipeline capacity, See "Risks and Uncertainties" below. High Point acquires or purchases 3D seismic which it interprets to determine prospective locations which then allows it to acquire targeted lands upon which to drill.

High Point may venture into natural gas production if it can be proven to be economic. Conventional natural gas production is not presently economic in Alberta due to depressed natural gas prices resulting primarily from lack of pipeline capacity. High Point does not anticipate exploring for or producing heavier grades of crude oil in the foreseeable future due to the poor economics for this product.

The business objectives achieved by High Point during the period ended January 31, 2019 are as follows:

- Optimize production from existing wells. Water handling has been improved which will result in lower operating costs.
- Drilled and began completion of High Point's fourth Nisku well. The completion of this well was interrupted by extreme cold weather over all of Alberta in the latter part of January and into February. As the completion involves moving significant volumes of water it is much more economical and safer to postpone the completion until a warmer weather period. Additional log analysis obtained during the initial completion confirmed the presence of petroleum and also confirmed the likely presence of petroleum in another zone within the Nisku not yet perforated.
- Continued to expand upon High Points inventory of prospects
- Completed our second full quarter of production. 121 gross barrels of oil per day ("bopd") was averaged during this quarter down from the 196 bopd which was averaged during the first quarter. This decline was expected and was the result of the first quarter benefitting from flush production and very low water cuts. During the second quarter water cuts rose as high as 60% but seem to have stabilized at 50%. The Company's net share of this production was 50%.
- Achieved an average price per barrel of \$32.10 Canadian as compared to \$69.00 Canadian in the first quarter. This drastic decline in prices was the result of significant lack of pipeline capacity in Alberta. (See subsequent events).

The business objectives planned for High Point up to July 31, 2019 are as follows:

- Maintain a stabilized (post flush production) production level of 100 bopd (gross) 50 bopd net from existing wells.
- Use the data obtained from the January completion efforts re the 11-13 well to either finish the completion of the 11-13 well just drilled or recomplate other previously existing shut in wells which are already equipped. The decision as to which wells will be completed first is dependent upon the expected success of the operation and the existence of production equipment already on site.
- Use the cash flow generated by production to drill new wells or recomplate existing wells on a steady basis. Recent drastic fluctuations in oil prices in Alberta have caused the Company to decline to estimate the number of such wells or recompletions.
- If additional equity becomes available to drill up to 5 wells total in the 2019 fiscal year at approximately \$0.8 to \$0.95 million per well. The individual well cost is anticipated to be lower if a greater number of wells are drilled at a time or if partners participate in the wells.

NI 51-101 Disclosure

Chapman Petroleum Engineering Ltd., independent qualified reserves evaluators of Calgary, Alberta, prepared an independent evaluation of the Company's oil and natural gas properties effective July 31, 2018, which is contained in a report dated November 15, 2018 (the "2018 Reserves Report"). On February 12, 2018, the Company completed the acquisition (the "Acquisition") of High Point Oil Inc. ("High Point"). High Point was a wholly-owned subsidiary of the Company as at July 31, 2018 and its Alberta properties are covered in the 2018 Reserves Report. Bird River's previously owned Manitoba resource properties were not included in the above reserve report as they are not significant to the Company's future activities producing only 1 barrel of oil per day. Copies of the Company's recent Forms 51-101F1, 51-101F2 and 51-101F3 are available on SEDAR under the Company's profile on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Discontinued Operations

Environmental Division

The Company previously operated an environmental division which distributed various industrial minerals, including diatomaceous earth and bentonite. These industrial minerals were also used in the division's abandoned water well sealing operation. The well sealing service could generally be conducted from the early spring through to the early winter.

Effective January 31, 2018, the company sold the operations, inventory and related equipment of its environmental (industrial minerals) division.

It was determined that the Company would discontinue its interest in its Cogeneration and Crypto currency joint ventures and accordingly, the investment in these joint ventures was written down to the realizable amount (See related technologies aboe).

Accordingly, all related line items in the Consolidated Statements of Loss and Comprehensive Loss have been removed and replaced with a single line item called "Income (loss) from discontinued operations" as follows:

	3 months ended		6 months ended	
	January 31 2019	January 31 2018	January 31 2019	January 31 2018
Industrial mineral sales	\$ -	\$ 4,758	\$ -	\$ 20,658
Production and operating expense - industrial minerals	-	\$ (8,425)	-	(17,223)
Depreciation	-	\$ (80)	-	(161)
Write down of Investment in Joint Arrangements (Note 5)	(196,878)	-	(196,878)	-
Income (loss) from discontinued operations	\$ (196,878)	\$ (3,747)	\$ (196,878)	\$ 3,274

Quarry Lease

The Company held an 8 hectare Quarry Lease (QL-1530) located 85 km southwest of Winnipeg near Miami, Manitoba. This

lease hosts a narrow bed of bentonite that the Company previously used in a water well sealing operation. The Company allowed the lease to expire during the 2016 fiscal year.

Ore Fault Property

In 2004, the Company acquired the remaining 80% of 2411181 Manitoba Ltd. which owned the original Ore Fault Property (the "Property") located in the Bird River Sill area of southeastern Manitoba. In 2008, Marathon PGM Company acquired the remaining interest in the Property for the cash consideration of \$1,450,000. The Company retained and continues to retain a 1% net smelter return royalty (the "NSR") on all minerals and metals extracted from the Property.

Exploration and evaluation assets

Exploration and evaluation expenditures, which include petroleum and natural gas properties and mineral exploration properties, are defined as costs incurred after having obtained the legal right to explore the property and before the technical and commercial viability of extracting resources are demonstrated. At the time the Bird River acquired High Point it had not yet established technical and commercial viability of its Central Alberta project. Accordingly, the costs assigned to these assets were added to Exploration and Evaluation assets. As were additional costs incurred prior to the completion of High Point's spring and summer drilling program.

	Manitoba	Alberta	Total
Balance, July 31, 2016	\$ 35,127	\$ -	\$ 35,127
Writedowns	(35,127)	-	(35,127)
Balance, July 31, 2017	-	-	-
Exploration and evaluation assets of subsidiary	-	5,775,558	5,775,558
Costs incurred during the period	-	\$ 165,369.00	165,369
Transfers to Property and Equipment	-	(5,940,927)	(5,940,927)
Balance, July 31, 2018 and January 31, 2019	\$ -	\$ -	\$ -

- (i) During the year ended July 31, 2017 various leases expired resulting in write-downs of exploration and evaluation assets totaling \$35,127 relating to leases Northeast quarter 17-1-27, Northeast quarter 23-1-28 and Northeast quarter 30-1-27.
- (ii) During the year ended July 31, 2018, the technical and commercial viability of extracting resources was demonstrated for all Alberta oil wells. As a result, the company transferred the costs associated with these oil wells to property and equipment. The company assessed the recoverability of its investment based on an externally prepared reserve and economic evaluation report resulting in no impairment. Therefore the full amount of the carrying value of exploration and evaluation assets related to the Alberta oil wells have been transferred to property and equipment. Commercial production of the oil wells commenced in August 2018.
- (iii) The company previously held an exploration property known as the Ore Fault property located on the Bird River Greenstone Belt, 125 kilometers northeast of Winnipeg, Manitoba. On August 19, 2008 Marathon PGM acquired the balance of the Ore Fault property consisting of 19 claims which covers 446 hectares. Under the joint arrangement, Marathon had an option to earn 100% of the Ore Fault property once their interest reached 70%. Marathon exercised its option to require the company to sell the remaining 30% interest in the property for a purchase price of \$1,450,000. The company retains a 1% net smelter return ("NSR") royalty on the Ore Fault Property.

SUMMARY OF SELECTED ANNUAL FINANCIAL INFORMATION

The following is selected information from the Company's three most recently completed fiscal year-ends:

Annual Information	Year Ended July 31, 2018 (\$)	Year Ended July 31, 2017 (\$)	Year Ended July 31, 2016 (\$)
Total revenue (1)	34,786	31,215	43,877
Net income (loss) from discontinued operations (1)	(5,978)	16,627	10,868
Net loss and comprehensive loss	(2,012,934)	(183,757)	(244,043)
Loss per share - basic and fully-diluted	(0.03)	(0.02)	(0.02)
Total assets	11,151,727	150,918	304,356
Non-current financial liabilities	(1,472,752)	(9,663)	(9,385)
Working capital (deficiency)	945,669	(161,026)	(76,891)
Dividends declared	-	-	-

(1) Petroleum and natural gas only; restated to remove discontinued operations.

Total revenue during the three year period has stayed relatively constant.

Net income (loss) from discontinued operations relates to the industrial minerals division which was sold effective January 31, 2018. The loss in 2018 relates to selling the inventory for less than their carrying value and to reduced industrial minerals sales prior to the sale of the division.

The net loss and comprehensive loss for the year ended July 31, 2018 was \$2,012,934 as compared to \$183,757 for 2017 and \$244,043 for 2016. The primary causes of this increase in losses are: \$275,861 in acquisition fees paid by Bird River on Bird River's acquisition of High Point, \$188,800 in High Point salaries as the Company has not within the previous two years had full time employees, \$291,974 paid to various consultants and \$939,205 in deferred income tax expenses. The large deferred income tax expense is the result of the acquisition of High Point and the issuance of Flow Through shares. Both of these items resulted in assets being recorded at a higher value than their tax base, thus leading to deferred taxes.

The decrease of \$60,286 from 2016 to 2017 in the net loss for the year is primarily attributable to the decrease in general and administrative expenses due to lower professional fees and the decline in a write down of the remainder of Manitoba exploration and evaluation assets as the Company's remaining leases had expired.

Loss per share is up in 2018 due primarily to the factors affecting net loss as discussed above.

Total assets increased primarily due to \$4.5 million in funds being raised on private placements and due to \$5.5 million of assets being acquired as part of the High Point acquisition.

Working capital at the end of 2018 is higher due to funds raised in the above private placements not yet being fully expended on drilling and other expenditures. The cash balance at July 31, 2018 was \$1,724,778 (2017 - \$35,456).

The Company issued approximately 105 million shares in 2018 in various transactions resulting in a significant increase in shareholders equity.

SELECTED QUARTERLY INFORMATION

The following is selected information from the Company's eight most recently completed quarters:

Quarter Ended	Total Revenue ⁽¹⁾	Net Income (Loss)		Total Assets
		Total	Per Share	
	\$	\$	\$	\$
January 31, 2019	178,406	249,806	0.002	10,625,869
October 31, 2018	633,787	157,279	0.001	10,164,995
July 31, 2018	15,915	(882,468)	(0.008)	11,151,727
April 30, 2018	9,382	(1,104,810)	(0.010)	9,479,722
January 31, 2018	5,138	(52,054)	(0.002)	4,353,685
October 31, 2017	4,351	26,398	0.002	124,168
July 31, 2017	10,388	(117,403)	(0.011)	150,918
April 30, 2017	7,644	524	0.000	241,876

1. Petroleum and Natural Gas only. Restated to remove the effect of discontinued operations from net income (loss) from operations.

The quarter just completed was hampered by extremely low oil prices received and accordingly, net income before income taxes was a loss of \$441,018. This became a net income of \$249,806 after income taxes as a result of recovery of deferred tax and flow through premium in the amount of \$690,824. The quarter ended October 31, 2018 showed the first operating results of the Company's investment in Alberta properties with a full quarter of production. As a result, quarterly revenue was \$633,787, production and operating costs related to petroleum and natural gas were \$98,051, for a net of \$535,736. Associated with this increase was also an increase in depletion to \$79,286. The jump in these figures were the result of producing 18,021 barrels of oil (9,010 net). This level of production was achieved as a result of flush production from the Company's spring and summer 2018 drilling program. Subsequent to the first quarter of 2019, total fluid production has remained constant but the percentage of water has increased. Management cannot predict with certainty what the water percentages will be on a go forward basis but expects that they will average at least 100 gross bopd (50 bopd net) through the balance of the 2019 fiscal year.

As discussed in the "Narrative of the Company's Business – Discontinued Operations" section above, effective April 30, 2018, the company sold the operations, inventory and related equipment of its environmental (industrial minerals) division for proceeds of \$7,247 which resulted in a loss of \$5,978. Accordingly, the total revenue figures above have been adjusted to remove revenue received by the environmental division. Revenues have fluctuated as a result in production fluctuations as wells decline or improve as a result of workovers. Significant changes in the price received for oil has also impacted this variability.

The third and fourth quarters of 2018 showed a significant increase in net loss. This was mostly due to onetime costs related to the acquisition of High Point including: \$275,861 in acquisition fees paid by Bird River on Bird River's acquisition of High Point and \$291,974 paid to various consultants. The fourth quarter was also impacted by the recognition of deferred taxes of 939,205. This was due to the fact that the bump in value associated with the acquisition of High Point comes with no commensurate tax base. In addition, High Point is an operating oil company and as a result has a full time staff, this increased the final two quarters of the year by \$188,800 in High Point salaries which are included in the consolidated results over the final two quarters of 2018. Previously Bird River was strictly a non-operator and had no need of full time personnel.

Total assets increased significantly over the final 3 quarters of 2018. In the second quarter of 2018, total assets increased primarily as a result of \$4.5 million raised in private placements. In the third quarter, the Company acquired High Point resulting in \$5.8 million being added to exploration and evaluation assets. In the final quarter of the year, a 50% owned drilling program was well underway resulting in a commensurate increase in receivables from partners and accounts payable. In the first quarter of 2019, total assets dropped somewhat as cash on hand was used to reduce accounts payable also on hand at July 31, 2018.

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2019, the Company has working capital deficit the amount of \$12,493 (July 31, 2018 - \$945,669). The decrease in working capital was due to completion of the 2018 spring and summer drilling program, the drilling of the

Company's fourth well in November and December of 2018, ongoing operating and general and administrative costs and due to the poor revenues received for oil production in November and December of 2018. The Company continues to receive revenue from its interests in oil wells in Manitoba and began receiving revenue from Alberta wells on August 1, 2018. The Company incurs ongoing general operating expenses relating to the management of a public reporting issuer, such as office expenses, stock transfer, filing fees, stock exchange fees, and management and professional fees.

The Company reviews business propositions regularly seeking M&A and other opportunities that will enable the Company to grow its revenue and thereby increase shareholder value.

The Company's ability to raise funds for future development is largely tied to the Canadian capital markets and investor interest in resource exploration and development companies. Even though financial markets have improved in recent years, there continues to be ongoing concern about the demand for Canadian commodities and therefore availability of funding for junior resource companies.

The Company's financial performance is dependent on many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of oil and gas. Both prices and markets for oil and gas can be volatile, difficult to predict and respond to changes in domestic and international political, social and economic environments. See the discussion under the title "Subsequent events". In addition, the availability and cost of funds for exploration, development and production costs are difficult to predict. These circumstances and events could materially affect the financial performance of the Company.

DECOMMISSIONING OBLIGATIONS

The Company's decommissioning obligations result from its ownership interest in petroleum and natural gas properties. The total provision for decommissioning obligations is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years.

These obligations have been discounted using a pre-tax rate of 2.96% (2017 - 2.96%) reflecting the time value of money and the risks specific to the obligation. These obligations are to be settled based on the economic lives of the underlying assets, which currently extend up to 25 years (2017 - 25 years) into the future and will be funded from general corporate resources at the time of abandonment.

The total estimated undiscounted cash flows required to settle the obligations related to the Manitoba CGU before considering salvage value, as at January 31, 2019 is approximately \$19,000 (July 31, 2018 - \$19,000).

The total estimated undiscounted cash flows required to settle the obligations related to the Central Alberta CGU before considering salvage value, as at January 31, 2019 is approximately \$499,500 (July 31, 2018 - \$459,500).

The Company's decommissioning obligations as at January 31, 2019 and July 31, 2018 were as follows:

	January 31, 2019		July 31, 2018	
Manitoba cash-generating unit:				
Balance, beginning of the period/year	\$	9,949	\$	9,663
Accretion		147		286
Balance, end of the period		10,096		9,949
Alberta cash-generating unit:				
Balance, beginning of period/year		397,802		-
Provisions incurred		31,648		397,802
Accretion		5,887		-
Balance, end of year		435,337		397,802
Consolidated total, end of period/year	\$	445,433	\$	407,751

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's outstanding capital was as follows as at the dates indicated:

	July 31 2018 January 31, 2019 and April 1, 2019		July 31 2017	
	Basic	Fully Diluted	Basic	Fully Diluted
Common shares	116,002,334	142,919,294	10,570,725	10,770,725
Options	1,500,000	-	200,000	-
Warrants	25,416,960	-	-	-

TRANSACTIONS WITH RELATED PARTIES

Key management includes the directors of the Company and the Executive Officers of both the Company and High Point.

During the six month period ended January 31, 2019, the Company paid salaries to its Executive Officers in the amount of \$168,000 (2017 - \$Nil). High Point also paid relatives of a director \$58,775 (2017-\$Nil) for IT, administrative and geo-technical support and geological services.

During the period ended January 31, 2019, the Company paid contract based remuneration to its Executive Officers (or to companies controlled by them) in the amount of \$36,000 (2017 - \$24,000)

The Company also paid director's fees in the amount of \$2,500 (2017 - \$Nil) during the six month period ended January 31, 2019.

These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties and were reflected in the financial statements as follows:

	January 31 2019	January 31 2017
General and administrative (Note 11)	\$ 272,900	\$ 20,500
Property and Equipment	2,375	-
Accounts payable	13,400	17,500

CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ACCOUNTING POLICIES

Critical Accounting Estimates

Significant assumptions about the future that management has made could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- (a) the recoverability of accounts receivable that are included in the statement of financial position;
- (b) the recoverability of exploration and evaluation expenditures incurred on the Company's property interests;
- (c) although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title and such properties may be subject to prior agreements or transfers and title may be affected by undetected issues;
- (d) the estimated useful lives and residual value of property and equipment which are included in the financial statements and the related depreciation included in profit or loss;
- (e) the inputs used in accounting for share based payment transactions included in financial assets at fair value through profit or loss;
- (f) management's judgment in determining the functional currency of the Company as Canadian Dollars;
- (g) The actual cost and timing of well abandonment activities which impacts the decommissioning obligation;
- (h) The actual life and volume of petroleum reserves which impacts the calculation of depletion, and decommissioning obligations; and
- (i) The amount and timing of the reversal of temporary timing difference which impacts the calculation of deferred taxes.

Critical accounting judgments

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Restoration, rehabilitation and environmental obligations

Management's assumption of no material restoration, rehabilitation and environmental exposure, is based on the facts and circumstances that existed in the current and prior periods.

Going concern assumption

Going concern presentation of the financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Accounting policies

Reference is made to the Company's audited financial statements for a full discussion of its significant accounting policies.

RISKS AND UNCERTAINTIES

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 had hoped 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. During the quarter just completed the company elected to discontinue its joint ventures in these technologies. See related technologies above.

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.

FINANCIAL INSTRUMENTS

Risk management and hedging activities

In the normal course of operations, the Company is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not meaningfully participate in the use of financial instruments to control these risks. The Company has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

Currency risk

The Company does not hold any assets or liabilities denominated in a foreign currency, therefore is not exposed to currency risk.

Price risk

The Company is exposed to price risk with respect to commodity prices of oil and gas. The Company monitors commodity prices in order to manage their exposure to these risks. An annual average change of 1% in crude oil prices would affect the reported net income by \$8,121 for the six month period ended January 31, 2019 (2017 - \$95).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company is exposed to credit risk on its financial assets. Cash is held with established Canadian financial institutions and the Company's other receivables are from Canadian government entities, from which management believes the risk of loss to be remote. The Company does not have any derivatives or similar instruments that mitigate the maximum exposure to credit risk.

The carrying amount of financial assets recorded in this quarter's consolidated interim financial statements of \$1,185,240 (July 31, 2018 - \$2,489,397) represents the maximum exposure to credit risk at the reporting date.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the Company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. It is management's opinion that it is unlikely that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. As at January 31, 2019, the Company had working capital deficit in the amount of \$12,493 (July 31, 2018 - \$945,669).

The contractual maturities of financial liabilities total \$1,272,050 at January 31, 2019 (July 31, 2018 - \$1,602,623) are all six months or less.

Interest rate risk

The Company is not exposed to any meaningful interest rate risk due to the short term nature of its interest generating assets.

Sensitivity analysis

The Company had cash and cash equivalents subject to interest rate risk of \$693,241 (July 31, 2018 - \$1,724,778). A 1% change in the primary interest rate would affect the reported net income on an annualized basis by \$6,923 (2017 - \$17,248).

Fair values, carrying amounts and changes in fair value

The fair values of the Company's financial instruments approximate their carrying value due to their short-term nature. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the consolidated interim statement of financial position, have been prioritized into three levels:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level two includes inputs that are observable other than quoted prices included in level one; and
- Level three includes inputs that are not based on observable market data.

The Company's financial instruments within the fair value hierarchy as at January 31, 2019 and July 31, 2018 were as follows:

	Level 1	Level 2	Level 3
January 31, 2019:			
Cash and cash equivalents	\$ 693,241	\$ -	\$ -
July 31, 2018:			
Cash and cash equivalents	1,724,778	-	-

Collateral

The carrying value of financial assets the Company has pledged as collateral is \$20,000 (2017 - \$ nil).

CAPITAL MANAGEMENT

The Company considers its capital structure to consist of share capital, stock options and warrants. When managing capital, the Company's objective is to ensure the company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral and petroleum and natural gas properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the company's operations. As at January 31, 2019, the Company had net managed capital, being total equity on the consolidated statement of financial position, of \$8,443,386 (July 31, 2018 – \$8,030,521).

A number of the properties in which the Company currently has an interest are in the development stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay administrative expenses, the Company will use its existing working capital, funds from operations and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the current or prior year. The Company is not subject to externally imposed capital requirements.

DISCLOSURE AND INTERNAL FINANCIAL CONTROLS

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements and that (ii) the unaudited interim financial statements fairly present

in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of: (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

SUBSEQUENT EVENTS

Subsequent to the quarter end, the price received within Alberta for all blends of crude oil has improved significantly as a result of changing world prices and actions taken by the Alberta government. In the second quarter a critical lack of pipeline capacity caused prices to drop precipitously. The Company received an average of \$69 per barrel of oil sold in the first quarter. However, in November and December the Company only received \$28 and \$18 per barrel respectively. This price drop caused the government of Alberta to impose production cutbacks on all producers with more than 10,000 barrels of production per day. The Company is not impacted by the production limitations as it does not produce more than 10,000 barrels per day. However, the Company is significantly impacted by the price reductions. It does appear that the actions of the Alberta government along with a general improvement in price has worked as the second quarter average price recovered to \$32.10. February 2019 prices received were \$61.55. It is unknown how long the price improvement will last or how effective the actions of the Alberta government will be in improving prices received on a sustained basis. The low price in the second quarter has slowed the Company's development and may result in some planned projects being cancelled or delayed indefinitely.