

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Bird River Resources Inc. (the “**Issuer**”).

Trading Symbol: BDR

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE “A”: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

The Company's Interim Financial Statements for the period ended October 31, 2020 are attached hereto as Schedule "A".

SCHEDULE "B": SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule "A".

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

Please refer to Note 8 on page 22 of the attached Schedule "A" for related party transaction disclosure.

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

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
N/A								

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
N/A						

Please refer to Notes 7 on page 21 of the attached Schedule "A".

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

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

The authorized share capital consists of an unlimited number of common voting shares.

- (b) number and recorded value for shares issued and outstanding,

Type of Shares	Number of Shares Issued and Outstanding
Common Shares	116,002,334 (and 9,666,861 after effecting the consolidation on November 17, 2020)

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Please refer to Notes 7 (c) and (d) on page 21 of the attached Schedule “A”.

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

There are no shares subject to escrow or pooling agreements or any other restriction on transfer.

- 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	Director and Chief Executive Officer
Edward Thompson	Director and Chief Financial Officer
Donal Carroll	Director
Martin Dallaire	Director
Thibaut Segéral	Director

SCHEDULE “C”: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

The Company’s Management’s Discussion & Analysis for the period ended October 31, 2020 is attached hereto as Schedule “B”.

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 CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated December 30, 2020.

Jon Bridgman
Name of Director or Senior Officer

signed "Jon Bridgman"
Signature

Director and Chief Executive Officer
Official Capacity

Issuer Details		For Quarter Ended	Date of Report
Name of Issuer Bird River Resources Inc.		October 31, 2020	YY/MM/D 2020/12/30
Issuer Address 5204 Roblin Blvd.			
City/Province/Postal Code Winnipeg, Manitoba, R3R 0H1		Issuer Fax No. () N/A	Issuer Telephone No. 1.877.587.0777
Contact Name Jon Bridgman		Contact Position Chief Executive Officer	Contact Telephone No. 1.877.587.0777
Contact Email Address jonbirdriver@gmail.com		Web Site Address www.birdriver.net	

Schedule "A"

Interim Financial Statements for the period ended October 31, 2020

Please see attached.

Condensed Interim Consolidated Financial Statements of

BIRD RIVER RESOURCES INC.

Three Months Ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

NOTICE OF DISCLOSURE OF NO AUDITOR REVIEW

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

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

The Corporation's independent auditor has not performed a review of these unaudited condensed interim consolidated 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

(Expressed in Canadian dollars)

	As at October 31, 2020	As at July 31, 2020
Assets		
	<i>(unaudited)</i>	
Current assets:		
Cash and cash equivalents	\$ 160,108	\$ 112,523
Accounts receivable (Note 9)	50,694	11,386
Prepaid expenses and deposits	-	-
	210,802	123,909
Assets classified as held for sale (Note 4)	-	4,035,846
Total current assets	210,802	4,159,755
Non-current assets:		
Deposits	-	-
Property and equipment (Note 5)	-	-
Total non-current assets	-	-
Total assets	\$ 210,802	\$ 4,159,755
Liabilities and Equity		
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 129,620	\$ 166,877
Deposit received (Note 4)	-	90,000
	129,620	256,877
Liabilities directly associated with assets classified as held for sale (Note 4)	-	3,945,846
Total current liabilities	129,620	4,202,723
Non-current liabilities:		
Decommissioning liabilities (Note 6)	14,870	14,670
Total liabilities	144,490	4,217,393
Equity:		
Share capital (Note 7)	10,273,404	10,273,404
Warrants (Note 7d)	-	-
Contributed surplus	881,424	881,424
Accumulated deficit	(11,088,516)	(11,212,466)
Total equity (deficit)	66,312	(57,638)
Total liabilities and equity	\$ 210,802	\$ 4,159,755

General business description and ability to continue as a going concern (Note 1)

Contingency (Note 11)

Subsequent events (Note 12)

See accompanying notes to unaudited condensed interim consolidated financial statements.

Approved on behalf of the Board of Directors:

(signed) "Jon Bridgman", Director

(signed) "Donal Carroll", Director

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

	Three Months Ended October 31, 2020	Three Months Ended October 31, 2019
Revenue from petroleum and natural gas sales	\$ 1,993	\$ 6,088
Royalties	(4)	(47)
Net revenue	1,989	6,041
Expenses:		
Operating costs	2,285	2,710
General and administrative	12,538	31,042
Depletion and depreciation (note 7)	-	-
	14,823	33,752
Loss from operations:	(12,834)	(27,711)
Other expenses:		
Finance expense	(200)	(363)
	(200)	(363)
Loss before income taxes	(13,034)	(28,074)
Net loss for the period from continuing operations	\$ (13,034)	\$ (28,074)
Net income (loss) for the period from discontinued operations (Note 4)	136,984	(18,268)
Net income (loss) for the period	123,950	(46,342)
Basic and diluted loss per share from continuing operations	\$ (0.00)	\$ (0.00)
Basic and diluted income (loss) per share from discontinued operations (Note 4)	\$ 0.01	\$ (0.00)
Weighted average common shares – basic	9,666,861	9,666,861
Weighted average common shares – diluted	9,666,861	9,666,861

See accompanying notes to unaudited condensed interim consolidated financial statements.

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Equity

Three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

	Number of shares	Share capital	Warrants	Contributed surplus	Accumulated deficit	Total equity
Balance, July 31, 2019	9,666,861	10,273,404	862,244	19,180	(2,467,562)	8,687,266
Net loss for the period	-	-	-	-	(46,342)	(46,342)
Balance, October 31, 2019	9,666,861	\$ 10,273,404	\$ 862,244	\$ 19,180	\$ (2,513,904)	\$ 8,640,924

	Number of shares	Share capital	Warrants	Contributed surplus	Accumulated deficit	Total equity
Balance, July 31, 2020	9,666,861	\$ 10,273,404	\$ -	\$ 881,424	\$ (11,212,466)	\$ (57,638)
Net income for the period	-	-	-	-	123,950	123,950
Balance, October 31, 2020	9,666,861	\$ 10,273,404	\$ -	\$ 881,424	\$ (11,088,516)	\$ 66,312

See accompanying notes to unaudited condensed interim consolidated financial statements.

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Cash Flows

Three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

	Three Months Ended October 31, 2020	Three Months Ended October 31, 2019
Operating activities:		
Net income (loss) for the period	\$ 123,950	\$ (46,342)
Adjustments for:		
Depletion and depreciation	-	32,683
Net finance expense	200	1,888
Changes in non-cash working capital	(76,565)	(297,721)
Net cash from (used in) operating activities	47,585	(309,492)
Investing activities:		
Additions to property and equipment	-	(216,403)
Changes in non-cash working capital	-	590,447
Net cash used in investing activities	-	374,044
Financing activities:		
Interest income	-	12
Net cash from (used in) financing activities	-	12
Change in cash and cash equivalents	47,585	64,564
Cash and cash equivalents, beginning of period	112,523	202,731
Cash and cash equivalents, end of period	\$ 160,108	\$ 267,295

Non-cash financing and investing activities
Cash flows from discontinued operations (Note 4)

See accompanying notes to unaudited condensed interim consolidated financial statements.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(*unaudited*)

1. General business description and ability to continue as a going concern

Bird River Resources Inc. ("Bird River" or the "Corporation") is a publicly listed entity incorporated under the laws of Manitoba on March 7, 1958. The address of the Corporation's corporate and registered office is: 5204 Roblin Blvd, Winnipeg, MB R3R 0H1. References to the Corporation throughout these unaudited condensed interim consolidated financial statements (the "consolidated financial statements") include Bird River Resources Inc. and its wholly-owned subsidiaries (see Note 3a).

Effective October 2, 2020, the Corporation disposed of its wholly-owned subsidiary, High Point Oil Inc., through a share purchase agreement. The Corporation's vision is to pivot out of oil and gas operations. As at July 31, 2020, the Corporation's principal business activities included the acquisition and exploration of resource properties with the primary focus on petroleum and natural gas properties. During 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on Bird River and its wholly-owned subsidiary, High Point through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. As a result, global equity markets and oil prices have experienced significant volatility and weakness. This has had a significant impact on the Corporation and has directly led, in part, to the disposal of High Point.

On November 17, 2020, the Corporation consolidated all of the Corporation's issued and outstanding common shares on the basis of twelve (12) to one (1). Subsequent to the consolidation, the Corporation is contemplating raising funds and then seeking a new opportunity. There are currently no opportunities at this time and no assurances can be made at this time regarding same.

The Corporation's shares are listed on the Canadian Securities Exchange and are traded under the stock symbol "BDR".

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

Going concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Corporation will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

During the three months ended October 31, 2020, the Corporation recorded net income of \$123,950 (year ended July 31, 2020 – net loss of \$8,744,904) and generated cash flows from operating activities of \$47,585 (year ended July 31, 2020 – cash generated from operating activities of \$58,483). The Corporation had working capital surplus of \$81,182 as at October 31, 2020 (as at July 31, 2020 – working capital deficit of \$132,968). The continued operations of the Corporation are dependent on its ability to generate future positive operating cash flows and obtain additional financing. Management is of the opinion that sufficient working capital can be obtained from external financing to settle the Corporation's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Corporation. The Corporation expects to repay its financial liabilities through future equity and debt financings.

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

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the expenses and the interim consolidated statement of financial position classifications used. Such adjustments could be material.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(*unaudited*)

2. Basis of presentation, significant accounting judgments and estimates

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Corporation's last annual audited financial statements as at and for the year ended July 31, 2020 and 2019 ("last annual financial statements"). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Corporation's financial position and performance since the last annual financial statements.

These consolidated financial statements were approved and authorized for issue by the Board of Directors on December 29, 2020.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies.

(c) Functional and presentation currency

These consolidated financial statements have been presented in Canadian dollars, which is the Corporation's functional currency. The functional currency of the subsidiaries is also Canadian dollars.

(d) Significant accounting judgments, estimates and assumptions

The timely preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, as at the reporting date and the reported amounts of revenues and expenses during the year. Accordingly, actual results may differ from these estimates. Estimates and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following discussion sets forth management's significant judgments, estimates and assumptions made in the preparation of these consolidated financial statements:

Critical judgments in applying accounting policies

The following are the critical judgments that management has made in the process of applying the Corporation's accounting policies and that have the most significant effect on the amounts recognized in these consolidated financial statements:

(i) *Going concern*

Management has applied judgements in the assessment of the Corporation's ability to continue as a going concern when preparing its consolidated financial statements for the three months ended October 31, 2020 and year ended July 31, 2020. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

(ii) *Identification of cash-generating units*

Property and equipment is aggregated into cash-generating-units ("CGUs") based on the ability to generate largely independent cash flows and are used for impairment testing. The classification of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructures and the way in which management monitors the Corporation's operations.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(*unaudited*)

(iii) Impairment of petroleum and natural gas assets

Judgments are required to assess when impairment indicators, or reversal indicators, exist and impairment testing is required. The recoverable amount of CGUs and individual assets is determined based on the higher of fair value less costs to sell or value-in-use calculations. The key estimates the Corporation applies in determining the recoverable amount normally include estimated future commodity prices, expected production volumes, future operating and development costs, discount rates, tax rates, and refining margins. In determining the recoverable amount, management may also be required to make judgments regarding the likelihood of occurrence of a future event. Changes to these estimates and judgments will affect the recoverable amounts of CGUs and individual assets and may then require a material adjustment to their related carrying value.

(iv) Joint operations

The Corporation is party to various joint interest, operating and other agreements in conjunction with its petroleum and natural gas activities. The revenues and expenses allocated between partners are governed by the terms of these agreements and are subject to interpretation and audit by the appropriate parties.

(v) Deferred taxes

Judgments are made by management to determine the likelihood of whether deferred tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit and loss in the period in which the change occurs.

(vi) Assets held-for-sale

Assets held-for-sale contains judgments that the assets and liabilities classified in this category meet the criteria as "assets held-for-sale". As at the end of the reporting period these assets are recorded at the lower of cost or fair value less cost to sell. There are estimates as to the fair value to be recovered through sale and the costs to sell.

Key sources of estimation uncertainty:

The following are the key estimates and their assumptions concerning the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing adjustments to the carrying amounts of the assets and liabilities.

(i) Reserves and depletion

Depletion and depreciation as well as the amounts used in impairment calculations are based on estimates of oil and natural gas reserves. The determination of future cashflow forecast and assessment of reported recoverable quantities of proved and probable reserves include estimates regarding production volumes, commodity prices, exchange rates, remediation costs, timing and amount of future development costs, and production, transportation and marketing costs for future cash flows. It also requires interpretation of geological and geophysical models in anticipated recoveries. The economical, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact the carrying values of the Corporation's petroleum and natural gas properties and equipment, the calculation of depletion and depreciation, the provision for decommissioning liabilities, and the recognition of deferred tax assets due to changes in expected future cash flows. The Corporation's petroleum and natural gas reserves are determined pursuant to National Instrument 51 -101, "Standard of Disclosures for Oil and Gas Activities", at least annually by independent reserve engineers.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(*unaudited*)

(ii) *Expected credit loss*

The Corporation makes estimates for expected credit loss in respect of accounts receivables based on IFRS 9 – Financial Instruments. The expected credit loss is estimated based on management’s assessment of the credit history with the customers, current relationships with them and also taking into consideration of forward-looking information. If actual credit losses differ from estimates, future earnings would be affected.

(iii) *Decommissioning liabilities*

The calculation of decommissioning liabilities and related accretion expense includes management’s estimates of current risk-free interest rates, future inflation rates, future restoration and reclamation expenditures and the timing of those expenditures. In most instances, removal of assets occurs many years in the future.

(iv) *Taxes*

The amounts recorded for deferred tax asset are based on management’s estimate as to the timing of the reversal of temporary differences and tax rates currently substantively enacted and the likelihood of tax assets being realized. The availability of tax pools and other deductions are subject to audit and interpretation by taxation authorities.

3. Significant accounting policies

The significant accounting policies below have been applied consistently to all years presented in these consolidated financial statements.

(a) *Basis of consolidation*

These consolidated financial statements for the three months ended October 31, 2020 and year ended July 31, 2020 include the accounts of the Corporation and its wholly-owned subsidiaries 2411181 Manitoba Ltd. and High Point Oil Inc. All significant inter-company transactions and balances have been eliminated on consolidation. 2411181 Manitoba Ltd. has no transactions.

(b) *Cash and cash equivalents*

All cash and short-term investments with original maturities of three months or less are considered cash and cash equivalents, since they are readily convertible to cash. These short-term investments are stated at cost, which approximates fair value.

(c) *Revenue*

The Corporation principally generates revenue from the sale of commodities, which include crude oil and natural gas. Revenue associated with the sale of commodities is recognized when title to the products passes to the purchasers based on volumes delivered at contracted delivery points and prices and are recorded gross of transportation charges incurred by the Corporation. The costs associated with the delivery, including transportation and production-based royalty expenses, are recognized in the same period in which the related revenue is earned and recorded. The Corporation considers its performance obligations to be satisfied and control to be transferred when all the following conditions are satisfied:

- The Corporation has transferred title and physical possession of the commodity to the buyer;
- The Corporation has transferred significant risks and rewards of ownership of the commodity to the buyer; and
- The Corporation has the present right to payment.

Revenue is measured based on the consideration specified in a contract with the customer. Payment terms for the Corporation’s commodity sales contracts are on the 25th of the month following delivery. The Corporation does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a result, the Corporation does not adjust its revenue transactions for the time value of money. Revenue represents the Corporation’s share of commodity sales net of obligations to other mineral interest owners.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(*unaudited*)

(d) Property and equipment

All costs directly associated with the development and production of petroleum and natural gas interests are capitalized as petroleum and natural gas interests and are measured at cost less accumulated depletion and depreciation and net impairment losses. These costs include expenditures for areas where technical feasibility and commercial viability have been determined. These costs include property acquisitions with proved and/or probable reserves, development drilling, completion, gathering and infrastructure, decommissioning liabilities and costs transferred from exploration and evaluation assets.

Costs of replacing parts of property and equipment are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Disposals of property and equipment are measured at fair value unless the transactions lack commercial substance or neither the fair value of the asset received nor the asset given up can be reliably estimated. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. Any gains or losses from the disposal of the property and equipment is measured as the difference between the asset's carrying value and the proceeds received on disposition.

Depletion and depreciation

Petroleum and natural gas interests are depleted using the unit-of-production method on an area-by-area basis by reference to the ratio of production in the period to the related proved and probable reserves, taking into account estimated future development costs. Production and reserves of natural gas are converted to equivalent barrels of crude oil on the basis of six thousand cubic feet of gas to one barrel of oil. Changes in estimates used in prior periods that affect the unit-of-production calculations, such as proved and probable reserve revisions, do not give rise to prior period adjustments and are dealt with on a prospective basis.

Well and production equipment and facilities are depleted using the unit-of-production method along with the related reserves when the assets have expected lives similar to the reserves of the related wells with little to no residual value.

The Corporation applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(e) Assets held for sale and discontinued operations

The Corporation classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property and equipment and intangible assets are not depreciated or amortised once classified as held for

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(*unaudited*)

sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
 - Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of loss and comprehensive loss.

Additional disclosures are provided in Note 4. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

(f) Decommissioning liabilities

Decommissioning liabilities are recognized for decommissioning and restoration obligations associated with the Corporation's exploration and evaluation assets and property and equipment. The best estimate of the expenditure required to settle the present obligation at the date of the consolidated statements of financial position is recorded on a discounted basis using the pre-tax risk-free interest rate at each reporting date. The future cash flow estimates are adjusted to reflect the risks specific to the liability. The value of the obligation is added to the carrying amount of the associated exploration and evaluation or property and equipment asset and is depleted or depreciated in accordance with the Corporation's policy for the particular asset. The provision is accreted overtime through charges to finance expenses, with actual expenditures charged against the accumulated obligation. Changes in the future cash flow estimates resulting from revisions to the estimated timing or amount of undiscounted cash flows or the discount rate are recognized as changes in the decommissioning provision and related asset. Actual decommissioning expenditures up to the recorded liability at the time are charged against the provision as the costs are incurred.

(g) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets are reviewed for indicators of impairment and facts and circumstances that suggest that the carrying amount exceeds the recoverable amount at each reporting date. If indicators of impairment exist, the recoverable amount of the asset is estimated to determine the amount of impairment.

For the purposes of assessing impairment, property and equipment are grouped into CGUs defined as the lowest levels for which there are separately identifiable independent cash inflows.

The recoverable amount of a CGU is the greater of its fair value less costs of disposal and its value in use. Fair value is determined to be the amount for which the asset could be sold in an arm's length transaction between knowledgeable and willing parties. Fair value less costs of disposal may be determined using discounted future net cash flows of proved and probable reserves using forecast prices and costs and including future development costs. These cash flows are discounted at an appropriate discount rate which would be applied by a market participant. Value in use is determined by estimating the present value of the future net cash flows to be derived from the continued used of the cash-generating unit in its present form.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

These cash flows are discounted at a rate based on the time value of money and risks specific to the CGU.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. An impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. Impairment losses are recognized in profit or loss in the period in which they are determined.

The fair value less costs of disposal values used to determine the recoverable amounts of property and equipment are classified as Level 3 fair value measurements as they are not based on observable market data.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

(h) Provisions and contingent liabilities

Provisions are recognized by the Corporation when it has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of that obligation. Provisions are stated at the present value of the expenditure expected to settle the obligation. The obligation is not recorded and is disclosed as a contingent liability if it is not probable that an outflow will be required, if the amount cannot be estimated reliably or if the existence of the outflow can only be confirmed by the occurrence of a future event.

(i) Taxes

Income taxes are comprised of current and deferred taxes. Income tax expense (recovery) is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss. Current taxes are the expected taxes payable on the taxable income for the year plus any adjustment to taxes payable in respect of previous years.

Deferred taxes are recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences including carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred taxes are not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). In addition, deferred taxes are not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

(j) Flow-through shares

Under Canadian income tax legislation, a corporation is permitted to issue shares whereby the Corporation agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. To account for flow-through shares, the Corporation allocates total proceeds from the issuance of flow-through shares between the offering of shares and the sale of tax benefits.

The total amount allocated to the offering of shares is based on the quoted price of the underlying shares. In situations where there is an absence of compelling evidence supporting a comparable value of the underlying shares, the Corporation allocates management's estimate of the prevailing flow-through premium in current market conditions at the time of issuance to the sale of tax benefits. The amount which is allocated to the sale of tax benefits is recorded as a liability and is reversed proportionately and recognized as after-tax income when the tax benefits are renounced. The tax effect of the renunciation is recorded at the time the Corporation makes the renunciation, which may differ from the effective date of renunciation and on renunciation the value of the tax assets renounced is recorded as a deferred tax expense.

(k) Loss per share

Loss per share is calculated by dividing loss by the weighted average number of common shares outstanding during the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments. In periods where a net loss is reported all outstanding options, warrants and other convertible instruments are excluded from the calculation of diluted loss per share, as they are all anti-dilutive.

(l) Share-based compensation

Share options granted to directors, officers, employees and consultants of the Corporation are accounted for using the fair value method under which compensation expense is recorded based on the estimated fair value of the option at the grant date using the Black-Scholes option pricing model.

Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Compensation cost is expensed over the vesting period with a corresponding increase in contributed surplus. When share options are exercised, the cash proceeds along with the amount previously recorded as contributed surplus are recorded as share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

The Corporation measures share-based payments to non-employees at the fair value of the goods or services received at the date of receipt of the goods or services. If the fair value of the goods or services cannot be measured reliably, the value of the options is measured using the Black-Scholes option pricing model.

(m) Financial instruments

The following table summarizes the classification of the Corporation's financial instruments under IFRS 9 Financial Instruments ("IFRS 9"):

Financial instrument	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(*unaudited*)

Financial assets

The classification of financial assets is based on the Corporation's assessment of its business model for holding financial assets and the contractual terms of the cash flows. The classification categories are as follows:

- Financial assets measured at amortized cost: assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at fair value through other comprehensive income ("FVOCI"): assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at fair value through profit or loss ("FVTPL"): assets that do not meet the criteria for amortized cost or FVOCI.
- Financial assets are initially measured at fair value and are subsequently measured at amortized cost using the effective interest method, or at FVOCI or at FVTPL.
- Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

Financial liabilities

The classification of financial liabilities is determined by the Corporation at initial recognition. The classification categories are as follows:

- Financial liabilities measured at amortized cost: financial liabilities initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in the consolidated statements of loss and comprehensive loss.
- Financial liabilities measured at FVTPL: financial liabilities measured at fair value with changes in fair value and interest expense recognized in the consolidated statement of loss and comprehensive loss.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss and comprehensive loss.

Impairment of financial assets

At each reporting date, the Corporation assesses whether a financial asset or group of financial assets is impaired under the expected credit loss ("ECL") model. Loss allowances are measured based on (i) ECLs that result from possible default events within the 12 months after the reporting date ("12-month ECL"), or (ii) ECLs that result from all possible default events over the expected life of a financial instrument ("lifetime ECLs").

For short-term trade and other receivables, the Corporation applies the simplified approach and has calculated ECLs based on lifetime ECLs. Where information exists, the Corporation establishes a loss rate based on historical normalized credit loss experience. The loss rate is based on the payment profiles and

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

aging of trade receivables and is adjusted to reflect current and forward-looking information on macroeconomic factors.

The amortized cost of the financial asset is reduced by impairment losses at an amount equal to the lifetime expected credit losses. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amounts of the assets and the loss is recognized in the consolidated statements of loss and comprehensive loss. When a trade receivable is uncollectible, it is written off against the allowance for doubtful accounts.

(n) Equity instruments

The Corporation's outstanding common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(o) Business combinations

Business combinations are accounted for using the acquisition method where the acquisition of companies and assets meet the definition of a business under IFRS.

The acquired identifiable net assets are measured at their fair value at the date of acquisition. Any excess of the purchase price over the fair value of the net assets acquired is recognized as goodwill. Following initial recognition, goodwill is recognized at cost less any accumulated impairment losses. Any deficiency of the purchase price below the fair value of the net assets acquired is recognized in profit or loss.

(p) Joint arrangements

A portion of the Corporation's exploration activities is conducted jointly with others whereby the Corporation enters into agreements that provide for specified percentage interests in petroleum and natural gas properties and exploration and evaluation assets. These joint arrangements are classified as either a joint operation or a joint venture depending on the rights and obligations of the parties to the arrangement. Joint operations are accounted for by recognizing the Corporation's share of any assets, liabilities, revenue and expenses of the joint operation and joint ventures are accounted for using the equity method.

(q) Changes to accounting policies

Effective August 1, 2019 (hereafter referred to as the "date of initial application"), the Corporation adopted IFRS 16 Leases as issued by the IASB in January 2016. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and lessor. The standard supersedes the requirements in IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Transition

The Corporation adopted IFRS 16 effective August 1, 2019 using a modified retrospective approach. The comparative information contained within these consolidated financial statements has not been restated and continues to be reported under previous lease standards. In addition, the following practical expedients were applied:

- The Corporation did not reassess whether a contract is, or contains, a lease at the date of initial application of IFRS 16 Leases. Instead, the Corporation applied IFRS 16 to all contracts that were previously identified as leases under IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease. Contracts that were not previously identified as containing a lease under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. As a result, the definition of a lease under

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(*unaudited*)

IFRS 16 has only been applied to contracts entered into (or changed) on or after the date of initial application.

- The Corporation elected not to recognize right-of-use assets and lease liabilities with a lease term of less than 12 months and low value assets, as permitted by IFRS16.

There was no right-of-use asset or lease liability recognized due to adoption of IFRS 16.

(r) New accounting standards issued but not yet effective

IAS 1 Presentation of Financial Statements

In October 2018, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in February 2019. The amendments clarify the definition of material and how it should be applied, as well as align the definition of material across IFRS standards and other publications. The amended definition of material states:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The Corporation applied IAS 1 prospectively and these amendments did not have a material impact on its consolidated financial statements.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

4. Assets and liabilities held for sale, and discontinued operations

Bird River and High Point held working interests in the Alberta PNG assets. During 2020, the directors decided to dispose of all of its interest in petroleum and natural gas ("PNG") assets and liabilities in Alberta (referred collectively to as "Alberta PNG assets"). Therefore, when the decision was made to dispose of High Point, the sale was to be made in such a way that all of the Alberta PNG assets in Bird River and High Point were to be disposed of.

Effective October 2, 2020, the Corporation disposed 100% interest in High Point, through a share purchase agreement (the "Share Purchase"), as well as all of the Alberta PNG assets held by Bird River.

Under the terms of the Share Purchase, the cash consideration of \$90,000 was received for the following assets and liabilities acquired by the purchaser:

- 100% of the Corporation's shareholdings in High Point;
- High Point's accounts payable and debts owed to the Corporation;
- Bird River's interest in three wells operated by High Point; and
- The Acquirer also assumed all liabilities in High Point.

Management determined that this transaction meets the definition of Assets Held for Sale and Discontinued Operations under IFRS as at July 31, 2020. Accordingly, the transaction has been presented as such.

The major classes of assets and liabilities classified as held for sale as at July 31, 2020 are, as follows:

Assets	July 31, 2020
Accounts receivable	\$ 275,221
Intercompany	2,181,098
Prepays	8,083
Property and equipment (Note 5)	1,571,444
Assets held-for-sale	4,035,846
Liabilities	
Accounts payable	(819,493)
CEBA loan	(40,000)
Intercompany	(2,181,098)
Asset retirement obligations (Note 6)	(905,255)
Liabilities associated with assets held-for-sale	(3,945,846)
Net assets directly associated with disposal group	\$ 90,000

Following the classification of these assets as "assets held-for-sale", a write-down of \$8,370,356 was recognised on July 31, 2020 to reduce the carrying amount of the property and equipment in the disposal group to their fair value less costs to sell. This was recognised in discontinued operations in the Consolidated statements of loss and comprehensive loss. As of July 31, 2020, amount of \$90,000 cash consideration was received and included in cash, cash equivalent and deposit received. Such restricted cash was held in escrow and was released upon closing of the sales on October 2, 2020.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

The results of the discontinued operations for the three months ended October 31, 2020 and 2019 are presented below:

	Three months ended October 31, 2020	Three months ended October 31, 2019
Revenue from petroleum and natural gas sales	\$ 118,235	\$ 152,867
Royalties	(2,277)	(7,549)
Net revenue	115,958	145,318
Expenses:		
Operating costs	60,718	75,279
General and administrative	-	54,099
Depletion and depreciation (note 7)	5,502	32,683
	66,220	162,061
Income (loss) before other income (expenses)	49,738	(16,743)
Other income (expenses):		
Finance income	-	12
Finance expense	-	(1,537)
Provision not required	87,246	-
Impairment of assets held for sale	-	-
	87,246	(1,525)
Net income (loss) from discontinued operations	136,984	(18,268)
Statement of cash flows		
	Three months ended October 31, 2020	Three months ended October 31, 2019
Net cash (used in) from operating activities	(297,045)	115,328
Net cash from (used in) investing activities	374,044	(278,691)
Net cash from financing activities	12	40,000
Net cash outflow (inflow)	\$ 77,011	\$ (123,363)

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

5. Property and equipment

	Petroleum and natural gas properties
	\$
Cost	
Balance, July 31, 2018	8,703,748
Additions	1,185,990
Decommissioning liability - change in estimates	175,911
Balance, July 31, 2019	10,065,649
Additions	278,688
Decommissioning liability - change in estimates	315,405
Transferred to assets held for sale (note 4)	(10,659,742)
Balance, July 31, 2020 and October 31, 2020	-

	Petroleum and natural gas properties
	\$
Accumulated depletion, depreciation and impairment	
Balance, July 31, 2018	131,512
Depletion and depreciation	238,406
Impairment loss	72,668
Balance, July 31, 2019	442,586
Depletion and depreciation	275,357
Impairment	8,370,356
Transferred to assets held for sale (note 4)	(9,088,299)
Balance, July 31, 2020 and October 31, 2020	-

	Petroleum and natural gas properties
	\$
Carrying value	
July 31, 2019	9,623,063
July 31, 2020	-
October 31, 2020	-

The Corporation had two CGUs: Alberta and Manitoba. As of July 31, 2020, the property and equipment within Alberta CGU were reclassified to assets held for sale as at July 31, 2020 and disposed on October 2, 2020 (see Note 4). For Manitoba CGU, management determined that the resources were not commercially viable; therefore, the entire CGU was impaired as at July 31, 2020 and 2019.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

6. Decommissioning liabilities

The Corporation's decommissioning liabilities result from its ownership interest in petroleum and natural gas assets including well sites and gathering systems. The total decommissioning liabilities are estimated based on the Corporation'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 are to be settled based on the economic lives of the underlying assets, which currently extend up to 15 years into the future and will be funded from general corporate resources at the time of abandonment.

The following table summarizes changes in decommissioning liabilities for the three months ended October 31, 2020 and year ended July 31, 2020:

	October 31, 2020	July 31, 2020
Decommissioning liabilities, beginning of period	\$ 14,670	\$ 596,925
Incurred	-	325,340
Accretion	200	7,596
Change in estimates	-	(9,936)
Transferred to assets held for sale (note 4)	-	(905,255)
Decommissioning liabilities, end of period	\$ 14,870	\$ 14,670

Changes in estimates and assumptions for the three months ended October 31, 2020 and year ended July 31, 2020 relate to both the change in discount rates used and revisions to abandonment and reclamation cost estimates and future abandonment dates of the Corporation's wells and facilities.

The following assumptions were used to estimate the decommissioning obligation at October 31, 2020 and July 31, 2020:

	October 31, 2020	July 31, 2020
Undiscounted cash flows	\$ 16,895	\$ 1,019,001
Risk free rate	1.40% - 1.55%	1.42% - 1.58%
Inflation rate	2%	2%
Expected timing of cash flows	1 to 15 years	1 to 15 years

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

7. 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:

During the three months ended October 31, 2020 and year ended July 31, 2020, no shares were issued. Total number of shares issued and outstanding as at October 31, 2020 is 116,002,334 (July 31, 2020 - 116,002,334). Effective November 17, 2020, the Corporation consolidated all of the Corporation's issued and outstanding common shares on the basis of twelve (12) to one (1) (the "Consolidation"). Following the Consolidation, the Corporation has 9,666,861 post-consolidation common shares issued and outstanding.

(c) Options

The Corporation has implemented a share option plan to allow the Corporation to grant options to directors, officers, employees and service providers. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors and officers of the Corporation. The maximum number of common shares which may be set aside for issue under the plan is 10% of the issued and outstanding common shares of the Corporation and would fluctuate to such number that would be 10% of the issued and outstanding common shares at any particular time at a price determined by the Board, provided that the Board has the right, from time to time, to increase such number subject to the approval of the shareholders of the Corporation. The maximum number of common shares which may be reserved for issuance to any one eligible participant is 5% of the common shares outstanding at the time of grant (calculated on a non-diluted basis) less the number of shares reserved for issuance to such person under any option to purchase common shares granted as a compensation or incentive mechanism.

As at October 31, 2020 and during the period, and as at July 31, 2020 and during the year, the Corporation had no options outstanding and none were issued during the period or the year respectively.

(d) Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2019	1,957,173	2.28
Warrants expired	(1,957,173)	(2.28)
Balance, July 31, 2020 and October 31, 2020	-	\$ -

As at October 31, 2020 and July 31, 2020, there are no warrants outstanding. The amount of warrants reserve was moved to contributed surplus upon the expiry of warrants.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

8. Related party transactions

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

(a) Key management personnel compensation

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

During the three months ended October 31, 2020, the Corporation paid salaries, consulting fees, and director fees to its executive officers in the amount of \$35,000 (year ended July 31, 2020 - \$161,275) which is included general and administrative expenses.

	Three Months Ended October 31, 2020	Year ended July 31, 2020
Consulting fees to CEO	\$ 7,500	\$ 30,000
Consulting fees to former COO	10,000	41,375
Salaries to former CFO	-	13,000
Consulting fees to former CFO	-	4,400
Management fees to a director	4,500	18,000
Consulting fee to a former director	13,000	52,500
Director fees	-	2,000
	\$ 35,000	\$ 161,275

(b) Other related party transactions

During the three months ended October 31, 2020, the Corporation paid relatives of a former director of the Corporation for IT administration, geo-technical support and wellsite geology in the amount of \$Nil (year ended July 31, 2020 - \$450). All amounts are included in general and administrative expenses. These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties. As at October 31, 2020, included in trade payables and other payables are amounts owing to directors and officers of the Corporation in the amount of \$12,000 (July 31, 2020 - \$33,645).

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(*unaudited*)

9. Financial instruments, risk management and capital management

The Corporation's financial assets consist of cash and cash equivalent, accounts receivable, and accounts payable and accrued liabilities. The estimated fair values of cash and cash equivalent, accounts receivable, and accounts payable and accrued liabilities approximate their respective carrying values due to the short period to maturity.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

The Corporation's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. The Corporation employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Corporation's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Corporation's risk management framework, management has the responsibility to administer and monitor these risks.

(a) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Corporation's financial instruments that subject to credit risk relate to cash in Canadian chartered banks and accounts receivable. The Corporation does not use any derivatives or similar instruments to mitigate its exposure to credit risk.

Substantially all of the Corporation's accounts receivable are due from marketers of the Corporation's petroleum and natural gas production, joint interest partners and government agencies, and are subject to normal industry credit risk.

Significant changes in industry conditions and risks that negatively impact partners' ability to generate cash flow will increase the risk of not collecting receivables. Management of the Corporation believes the risk is mitigated by the size and reputation of the companies to which they extend credit.

Accounts receivable due from joint interest partners are typically collected within one to three months of the joint interest bill being issued to the partners.

The Corporation attempts to mitigate the risk from joint interest receivables by obtaining partner approval of significant capital expenditures prior to expenditure and, in certain circumstances, may elect to cash call a joint interest partner in advance of the work. However, the receivables are from participants in the oil and natural gas sector and collection of the outstanding balances is dependent on industry factors such as commodity price fluctuations, escalation costs and the risk of unsuccessful drilling. The Corporation does not typically obtain collateral from oil and natural gas marketers or joint interest partners, however, the Corporation does have the ability to withhold production from joint interest partners in the event of non-payment.

Receivables from petroleum and natural gas marketers are generally collected on the 25th day of the month following production and sale. Management of the Corporation believes the risk is mitigated by the size and reputation of the companies to which they extend credit. The Corporation has not experienced any collection issues with its marketers.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

As at October 31, 2020 and July 31, 2020, the Corporation's accounts receivable (not including tax receivable) was comprised of the following:

	October 31, 2020	July 31, 2020
Due from High Point	\$ 39,819	-
	\$ 39,819	\$ -

Aging analysis of receivables are as follows:

	October 31, 2020	July 31, 2020
Current	\$ 39,819	\$ -
31 – 60 days	-	-
61 – 90 days	-	-
Greater than 90 days	-	-
	\$ 39,819	\$ -

No expected credit loss is recorded given the majority of the balance has been collected from the Corporation's former subsidiary subsequent to October 31, 2020.

At October 31, 2020, the Corporation and its subsidiaries' cash is held at one financial institution, which is a Canadian Chartered Bank, as well as a trust account. Management believes that the risk of loss is minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Corporation's ongoing liquidity is impacted by various external events and conditions, including commodity price fluctuations and the global economic downturn.

The Corporation expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flow, as well as through future equity and debt financings. The Corporation's accounts payable and accrued liabilities as at October 31, 2020 and July 31, 2020 are due within 30 to 60 days.

(c) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, interest rates and foreign exchange rates will affect the Corporation's profit or loss or the value of financial instruments. These risks are largely outside the control of the Corporation. The objective of the Corporation is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns. Market risks are as follows:

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

Commodity price risk

Commodity price risk is the risk that the fair value of the future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted not only by the relationship between the Canadian dollar and United States dollar, but also world economic events that dictate the levels of supply and demand. As at and during the three months ended October 31, 2020 and year ended July 31, 2020, the Corporation had no contracts in place to reduce its exposure to commodity price risk. As at October 31, 2020, an annual average change of 1% in crude oil prices would affect the Corporation's net income by \$Nil (July 31, 2020 - \$11,866).

Foreign currency risk

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

Interest rate risk

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

(d) Capital management

The Corporation considers its capital structure to consist of share capital, share options and warrants. When managing capital, the Corporation's objective is to ensure the Corporation continues as a going concern as well as to maintain optimal returns to shareholders and benefits for its other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of industrial minerals and petroleum and natural gas properties. The Corporation monitors its working capital and expected capital spending and issues share capital to manage its development plans. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the Corporation's operations. As at October 31, 2020, the Corporation had managed capital, being total equity on the statement of financial position of \$66,312 ((July 31, 2020 – (\$57,638)).

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

10. Income taxes

The Corporation has non-capital loss carry forwards of approximately \$2,852,016 (July 31, 2020 - \$2,839,182) which may be carried forward to apply against future years' income for Canadian income tax purposes, subject to the final determination by taxation authorities.

11. Contingencies

Effective October 2, 2020, the Corporation disposed 100% interest in High Point, through a share purchase agreement (the "Share Purchase"), as well as all of the Alberta PNG assets held by Bird River (Note 4). Pursuant to the transaction, the purchaser and High Point agreed to indemnify and save Bird River harmless against and in respect of any and all losses, damages, claims, costs of High Point including the contingencies described in Note 11 of the last annual financial statements.

BIRD RIVER RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2020 and 2019

(Expressed in Canadian dollars)

(unaudited)

12. Subsequent events

Effective November 17, 2020, the Corporation consolidated all of the Corporation's issued and outstanding common shares on the basis of twelve (12) to one (1) (the "Consolidation"). Prior to the Consolidation, the Corporation had 116,002,334 pre-consolidation common shares issued and outstanding. Following the Consolidation, the Corporation has 9,666,861 post-consolidation common shares issued and outstanding. These consolidated financial statements have been updated to reflect post consolidation common shares and warrants numbers.

Schedule “B”

Management’s Discussion & Analysis for the period ended October 31, 2020.

Please see attached.

 **Bird River Resources Inc.**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2020 & 2019

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with Bird River Resources Inc.'s ("Bird River" or the "Corporation") unaudited condensed interim consolidated financial statements as at and for the three months ended October 31, 2020 and 2019 and the notes thereto (the "interim financial statements").

The interim financial statements for the three months ended October 31, 2020 and 2019 include the accounts of the Corporation and its wholly owned subsidiaries 2411181 Manitoba Ltd. and High Point Oil Inc ("High Point" or the "Company"). All significant inter-company transactions and balances have been eliminated on consolidation.

The financial data presented herein, including comparative periods, have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". Accordingly, certain information and disclosure normally included in audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed.

The commentary is as of **December 29, 2020**. The reader should be aware that historical results are not necessarily indicative of future performance.

The MD&A contains forward-looking information and statements. Refer to the end of this MD&A for the Corporation's advisory on forward-looking information and statements.

Bird River is a publicly-listed entity incorporated under the laws of Manitoba on March 7, 1958. The address of the Corporation's corporate and registered office is: 5204 Roblin Blvd, Winnipeg, MB R3R 0H1. References to the Corporation throughout this MD&A include Bird River and its wholly-owned subsidiaries.

Effective October 2, 2020, the Corporation disposed of its wholly-owned subsidiary, High Point Oil Inc., through a share purchase agreement. The Corporation's vision is to pivot out of oil and gas operations.

As at July 31, 2020, the Corporation's principal business activities included the acquisition and exploration of resource properties with the primary focus on petroleum and natural gas properties. During 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on Bird River and its wholly-owned subsidiary, High Point through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. As a result, global equity markets and oil prices have experienced significant volatility and weakness. This has had a significant impact on the Corporation and has directly led, in part, to the disposal of High Point.

On November 17, 2020, the Corporation reported the consolidation of its common shares on the basis of one (1) new post-consolidation common share for twelve (12) pre-consolidation common shares. Effective November 17, 2020, with a record date of November 18, 2020, the common shares of the Bird River have commenced trading on the Canadian Securities Exchange on a consolidated basis. Prior to the Consolidation, the Corporation had 116,002,334 pre-consolidation common shares issued and outstanding. Following the Consolidation, the Corporation has approximately 9,666,861 post-consolidation common shares issued and outstanding.

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

The Corporation's shares are listed on the Canadian Securities Exchange and are traded under the stock symbol "BDR".

DISPOSITION OF HIGH POINT OIL INC.

Bird River and High Point held working interests in the Alberta PNG assets. During 2020, the directors decided to dispose of all of its interest in petroleum and natural gas (“PNG”) assets and liabilities in Alberta (referred collectively to as “Alberta PNG assets”). Therefore, when the decision was made to dispose of High Point, the sale was to be made in such a way that all of the Alberta PNG assets in Bird River and High Point were to be disposed of.

Effective October 2, 2020, the Corporation disposed 100% interest in High Point, through a share purchase agreement (the “Share Purchase”), as well as all of the Alberta PNG assets held by Bird River.

Under the terms of the Share Purchase, the cash consideration of \$90,000 was received for the following assets and liabilities acquired by the purchaser:

- 100% of the Corporation’s shareholdings in High Point;
- High Point’s accounts payable and debts owed to the Corporation;
- Bird River’s interest in three wells operated by High Point;
- The Acquirer also assumed all liabilities in High Point.

Management determined that this transaction meets the definition of Assets Held for Sale and Discontinued Operations under IFRS as at July 31, 2020. Accordingly, the transaction has been presented as such.

The major classes of assets and liabilities classified as held for sale as at July 31, 2020 are, as follows:

Assets	July 31, 2020
Accounts receivable	\$ 275,221
Intercompany	2,181,098
Prepays	8,083
Property and equipment (Note 5)	1,571,444
Assets held-for-sale	4,035,846
Liabilities	
Accounts payable	(819,493)
CEBA loan	(40,000)
Intercompany	(2,181,098)
Asset retirement obligations (Note 6)	(905,255)
Liabilities associated with assets held-for-sale	(3,945,846)
Net assets directly associated with disposal group	\$ 90,000

Following the classification of these assets as “assets held-for-sale”, a write-down of \$8,370,356 was recognised on July 31, 2020 to reduce the carrying amount of the property and equipment in the disposal group to their fair value less costs to sell. This was recognised in discontinued operations in the Consolidated statements of loss and comprehensive loss. As of July 31, 2020, amount of \$90,000 cash consideration was received and included in cash, cash equivalent and deposit received. Such restricted cash was held in escrow and was released upon closing of the sales on October 2, 2020.

The results of the discontinued operations for the three months ended October 31, 2020 and 2019 are presented below:

	Three months ended October 31, 2020	Three months ended October 31, 2019
Revenue from petroleum and natural gas sales	\$ 118,235	\$ 152,867
Royalties	(2,277)	(7,549)
Net revenue	115,958	145,318
Expenses:		
Operating costs	60,718	75,279
General and administrative	-	54,099
Depletion and depreciation	5,502	32,683
	66,220	162,061
Income (loss) before other income (expenses)	49,738	(16,743)
Other income (expenses):		
Finance income	-	12
Finance expense	-	(1,537)
Provision not required	87,246	-
Impairment of assets held for sale	-	-
	87,246	(1,525)
Net income (loss) from discontinued operations	136,984	(18,268)

Statement of cash flows

	Three months ended October 31, 2020	Three months ended October 31, 2019
Net cash (used in) from operating activities	(297,045)	115,328
Net cash from (used in) investing activities	374,044	(278,691)
Net cash from financing activities	12	40,000
Net cash outflow (inflow)	\$ 77,011	\$ (123,363)

OUTLOOK

Currently, the Corporation's vision is to pivot out of oil and gas operations. Prior business activities included the acquisition and exploration of resource properties with the primary focus on petroleum and natural gas properties. Effective October 2, 2020, the Corporation disposed of its wholly-owned subsidiary, High Point Oil Inc., through a share purchase agreement.

SELECTED ANNUAL INFORMATION (\$)

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

NET LOSS

The Corporation's results for the three months ended October 31, 2020 and 2019 are as follows:

<i>(dollars)</i>	Three Months Ended October 31,	
	2020	2019
Net loss from continuing operations	(13,034)	(28,074)
Net income (loss) from discontinued operations	136,984	(18,268)
Net income (loss) for the period	123,950	(46,342)

Highlights for the first quarter ended October 31, 2020:

For the three months ended October 31, 2020, oil production was generated at the Corporation's non-operated property at Sinclair in Manitoba.

Oil sales volumes during the three months ended October 31, 2020 was 0.5 boe/d.

During the three months ended October 31, 2020, gross revenues totaled \$1,993, royalty expense was \$4, and operating costs totaled \$2,285. The average price realized for oil was \$46.03.

During the three months ended October 31, 2020, G&A expenses totaled \$12,538.

PROPERTY AND EQUIPMENT

The Corporation has one CGU: Manitoba. For Manitoba CGU, management determined that the resources were not commercially viable; therefore, the entire CGU was impaired as at July 31, 2020 and 2019.

DECOMMISSIONING LIABILITIES

The Corporation's decommissioning liabilities result from its ownership interest in petroleum and natural gas assets including well sites and gathering systems. As at October 31, 2020, the Corporation's decommissioning liabilities are \$14,870 (July 31, 2020 - \$14,670).

SHARE CAPITAL

During the three months ended October 31, 2020 and year ended July 31, 2020, no shares were issued. Total number of shares issued and outstanding as at October 31, 2020 and July 31, 2020 is 116,002,334.

Effective November 17, 2020, the Corporation consolidated all of the Corporation's issued and outstanding common shares on the basis of twelve (12) to one (1) (the "Consolidation"). Following the Consolidation, the Corporation has 9,666,861 post-consolidation common shares issued and outstanding.

As at October 31, 2020 and July 31, 2020, there are no share options outstanding.

As at October 31, 2020 and July 31, 2020, there are no warrants outstanding.

A detailed description of the Corporation's Share capital and Share options is included in Note 7 to the interim financial statements.

SUPPLEMENT TO THE FINANCIAL STATEMENTS

The outstanding common shares, warrants, and stock options are summarized below (also see note 7 to the interim financial statements):

	December 29, 2020	October 31, 2020	July 31, 2020
Common shares	9,666,861	116,002,334	116,002,334
Warrants	-	-	-
Stock options	-	-	-

CONTINGENCY

Effective October 2, 2020, the Corporation disposed 100% interest in High Point, through a share purchase agreement (the "Share Purchase"), as well as all of the Alberta PNG assets held by Bird River (see Note 4 to the interim financial statements). Pursuant to the transaction, the purchaser and High Point agreed to indemnify and save Bird River harmless against and in respect of any and all losses, damages, claims, costs of High Point including the contingencies as described in Note 11 of the annual financial statements for the year ended July 31, 2020 and 2019.

MATERIAL TRANSACTIONS

Effective November 17, 2020, the Corporation consolidated all of the Corporation's issued and outstanding common shares on the basis of twelve (12) to one (1) (the "Consolidation"). Prior to the Consolidation, the Corporation had 116,002,334 pre-consolidation common shares issued and outstanding. Following the Consolidation, the Corporation has 9,666,861 post-consolidation common shares issued and outstanding.

LIQUIDITY AND CAPITAL RESOURCES

Going concern

The interim financial statements and related MD&A have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Corporation will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

During the three months ended October 31, 2020, the Corporation recorded net income of \$123,950 (year ended July 31, 2020 – net loss of \$8,744,904) and had cash flows from operating activities of \$47,585 (July 31, 2020 – cash flows from operating activities of \$58,483). The Corporation had working capital surplus of \$81,182 as at October 31, 2020 (July 31, 2020 – working capital deficit of \$132,968). The continued operations of the Corporation are dependent on its ability to generate future positive operating cash flows and obtain additional financing. Management is of the opinion that sufficient working capital can be obtained from external financing to settle the Corporation's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Corporation. The Corporation expects to repay its financial liabilities through future equity and debt financings.

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

The interim financial statements and related MD&A do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the expenses and the statement of financial position classifications

used. Such adjustments could be material.

RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

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

During the three months ended October 31, 2020, the Corporation paid salaries, consulting fees, and director fees to its executive officers in the amount of \$35,000 (year ended July 31, 2020 - \$161,275) which is included general and administrative expenses.

	Three Months Ended October 31, 2020	Year ended July 31, 2020
Consulting fees to CEO	\$ 7,500	\$ 30,000
Consulting fees to former COO	10,000	41,375
Salaries to former CFO	-	13,000
Consulting fees to former CFO	-	4,400
Management fees to a director	4,500	18,000
Consulting fee to a former director	13,000	52,500
Director fees	-	2,000
	\$ 35,000	\$ 161,275

(b) Other related party transactions

During the three months ended October 31, 2020, the Corporation paid relatives of a former director of the Corporation for IT administration, geo-technical support and wellsite geology in the amount of \$Nil (year ended July 31, 2020 - \$450). All amounts are included in general and administrative expenses. These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties. As at October 31, 2020, included in trade payables and other payables are amounts owing to directors and officers of the Corporation in the amount of \$12,000 (July 31, 2020 - \$33,645).

FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL MANAGEMENT

The Corporation is exposed to credit risk, liquidity risk, foreign currency risk and commodity price risk as a part of normal operations. A detailed description of the Corporation's financial instruments, risk management, and capital management is included in Note 9 to the interim financial statements.

CHANGES TO ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS

Changes to accounting policies

As at October 31, 2020, there are no new changes to accounting policies.

New Accounting Standards

IAS 1 Presentation of Financial Statements

In October 2018, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in February 2019. The amendments clarify the definition of material and how it should be applied, as well as align the definition of material across IFRS standards and other publications. The amended definition of material states:

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The Corporation applied IAS 1 prospectively and these amendments did not have a material impact on its consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The following discussion sets forth management's significant judgments, estimates and assumptions made in the preparation of these financial statements:

Critical judgments in applying accounting policies

The following are the critical judgments that management has made in the process of applying the Corporation's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) Identification of cash-generating units

Property and equipment is aggregated into cash-generating-units ("CGUs") based on the ability to generate largely independent cash flows and are used for impairment testing. The classification of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructures and the way in which management monitors the Corporation's operations.

(ii) Impairment of petroleum and natural gas assets

Judgments are required to assess when impairment indicators, or reversal indicators, exist and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of petroleum and natural gas reserves, production rates, future oil and natural gas prices, future costs, discount rates and other relevant assumptions.

(iii) Joint operations

The Corporation is party to various joint interest, operating and other agreements in conjunction with its petroleum and natural gas activities. The revenues and expenses allocated between partners are governed by the terms of these agreements and are subject to interpretation and audit by the appropriate parties.

(iv) Deferred taxes

Judgments are made by management to determine the likelihood of whether deferred tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit and loss in the period in which the change occurs.

Key sources of estimation uncertainty:

The following are the key estimates and their assumptions concerning the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing adjustments to the carrying amounts of the assets and liabilities.

(i) Valuation of accounts receivable

The valuation of accounts receivable is based on management's best estimate of the provision for doubtful accounts. During this review, historical experience, age of accounts receivable and the credit worthiness of the account are considered.

(ii) Reserves

The assessment of reported recoverable quantities of proved and probable reserves include estimates regarding production volumes, commodity prices, exchange rates, remediation costs, timing and amount of future development costs, and production, transportation and marketing costs for future cash flows. It also requires interpretation of geological and geophysical models in anticipated recoveries. The economical, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact the carrying values of the Corporation's petroleum and natural gas properties and equipment, the calculation of depletion and depreciation, the provision for decommissioning liabilities, and the recognition of deferred tax assets due to changes in expected future cash flows. The Corporation's petroleum and natural gas reserves were determined pursuant to National Instrument 51 -101, "*Standard of Disclosures for Oil and Gas Activities*", at least annually by independent reserve engineers, for the year ended July 31, 2019 and 2018.

(iii) Decommissioning liabilities

The calculation of decommissioning liabilities and related accretion expense includes management's estimates of current risk-free interest rates, future inflation rates, future restoration and reclamation expenditures and the timing of those expenditures. In most instances, removal of assets occurs many years in the future.

(iv) Share-based payments

The amounts recorded for share-based compensation expense relating to the fair value of share options issued are estimated using the Black-Scholes option pricing model including management's estimates of the future volatility of the Corporation's share value, expected forfeiture rates, expected lives of the share options (based on historical experience and general holder behaviour) and the risk-free interest rate (based on government bonds).

(v) Taxes

The amounts recorded for deferred tax asset are based on management's estimate as to the timing of the reversal of temporary differences and tax rates currently substantively enacted and the likelihood of tax assets being realized. The availability of tax pools and other deductions are subject to audit and interpretation by taxation authorities.

Risk Factors

In the normal course of business, the Corporation is exposed to a variety of actual and potential events, uncertainties, trends and risks. In addition to the risks associated with the use of assumptions in the critical accounting estimates, financial instruments, the Corporation's commitments and actual and expected operating events, the Corporation has identified the following events, uncertainties, trends and risks that could have a material adverse impact on the Corporation.

- The ability of the Corporation to continue as a going concern;
- The ability of the Corporation to maintain its cash resources;
- The ability of the Corporation to meet all of its obligations;
- The risks related to the various legal claims against the Corporation or its subsidiaries;
- Changing governmental policies, social instability and other political, economic or diplomatic developments in the countries in which the Corporation operates;
- Changes in taxation policies, taxation laws and interpretations thereof;
- Commodity price and foreign exchange rate risk; and
- Changes in environmental regulations and legislations.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements in place as at the date of this MD&A.

BASIS OF BARREL OF OIL EQUIVALENT

For the purposes of calculating unit costs, natural gas has been converted to a barrel of oil equivalent (boe) using 6,000 cubic feet ("6 mcf") equal to one barrel (6:1), unless otherwise stated. The boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method and does not represent a value equivalency; therefore, boe may be misleading if used in isolation. This conversion conforms to the Canadian Securities Regulators' National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

FORWARD LOOKING INFORMATION STATEMENTS

Certain statements in this MD&A constitute forward-looking information, including forward-looking information relating to the Corporation defending certain claims. Such forward-looking information is based on a number of risks, uncertainties and assumptions, which may cause actual results or other expectations to differ materially from those anticipated and which may prove to be incorrect. Undue reliance should not be placed on forward-looking information. Such forward-looking information reflects the Corporation's current beliefs and assumptions and is based on information currently available to the Corporation. This forward-looking information is also based on certain key expectations and assumptions, many of which are not within the control of the Corporation. There can be no assurances that the Corporation will be able to successfully complete its strategic plan on a timely basis or that the Corporation will be able to meet the goals and purposes of its business plan (including resolving various disputes in its favour) or fund its cash requirements. In particular, the Corporation has not been successful in its efforts to enhance its liquidity. Further, the Corporation's ability to defend claims may be restricted or limited for various reasons. Absolutely no assurance can be made that the Corporation will be able to meet its funding requirements or its other obligations, and nothing herein should be read as stating or inferring otherwise. The failure to meet or satisfy any of the foregoing is likely to have a material adverse impact on the Corporation and thereby significantly impair the value of security holders' interest in the Corporation. The reader is cautioned that the assumptions used in the preparation of forward-looking information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors and such variations may be material. Such risk factors include, but are not limited to those set out above as well as: risks related to the ability of the Corporation to continue as a going concern, risks related to the Corporation not being able to maintain its cash resources, risks related to the various legal claims against the

Corporation or its subsidiaries, as well as the risks associated with the oil and natural gas industry in general, such as commodity price and exchange rate fluctuations, government regulation, environmental risks, competition, changes in tax, royalty and environmental legislation, the impact of general economic conditions, risks associated with meeting all of the Corporation's obligations, and other factors, many of which are beyond the Corporation's control. Bird River Resources Inc. makes no representation that the actual results achieved during the forecast period will be the same in whole or in part as those forecasts. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. The forward-looking information included herein is made as of the date of this MD&A and Bird River Resources Inc. assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.