BLUE RIVER RESOURCES LTD.

MANAGEMENT DISCUSSION & ANALYSIS
For the Three and Nine Months Ended July 31, 2015

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OVERVIEW

The purpose of this Management Discussion and Analysis ("MD&A") is to explain management's point of view of Blue River Resources Ltd.'s (the "Company") past performance and future outlook. This report also provides information to improve the reader's understanding of the Company's financial performance, trends and risks and should therefore be read in conjunction with the Company's condensed interim consolidated financial statements and notes thereto for the three and nine months ended July 31, 2015 (the "Financial Statements"), the annual audited consolidated financial statements for the year ended October 31, 2014 (the "2014 Annual Financial Statements") and the Company's annual management discussion and analysis (the "2014 Annual MD&A"). Additional information on the Company is available on SEDAR and at the Company's website, www.blueriv.com. All information contained in this MD&A is current as of September 29, 2015 unless otherwise stated.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A may contain forward-looking statements.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to the Company's future financial conditions, results of operations, plans, objectives, performance or business developments including, among other things, exploration and work programs, drilling plans and timing of drilling, plans for development and facilities construction and timing, method of funding and completion thereof, the performance characteristics of the Company's mineral properties, drilling results of various projects of the Company, the existence of mineral resources or reserves and the timing of development thereof, projections of market prices and costs, supply and demand for copper and other precious metals, expectations regarding the ability to raise capital and to acquire reserves through acquisitions and/or development, treatment under governmental regulatory regimes and tax laws, and capital expenditure programs and the timing and method of financing thereof. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained in this MD&A, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in the MD&A, or as otherwise expressly incorporated herein by reference as well as: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment, adverse weather conditions or otherwise; (2) permitting, access, exploration, expansion and acquisitions at our projects (including, without limitation, land acquisitions for and permitting of exploration plans) being consistent with our current expectations; (3) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (4) labour and materials costs increasing on a basis consistent with the Company's current expectations; (5) the availability and timing of additional financing being consistent with the Company's current expectations; and (6) the exchange rate between the Canadian dollar and the U.S. dollar being approximately consistent with current levels. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of copper or certain other commodities (such as diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration or development activities; employee relations; the speculative nature of copper exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the mineral resource industry; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of copper exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and copper bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada. These factors are not intended to represent a complete list of the factors that could affect the Company and readers should not place undue reliance on forward-looking statements in this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

The forward looking statements contained herein are based on information available as of September 29, 2015.

OVERALL PERFORMANCE

Blue River Resources Ltd. (the "Company") was incorporated on September 26, 2008 under the Business Corporations Act (British Columbia). The Company and its 100% owned subsidiary, Blue River Resources Inc. ("BRR Inc."), incorporated under the laws of the State of Wyoming, is in the business of acquisition, exploration and development of mineral properties in Washington State, USA.

Exploration Project

The Company is currently focused on continuing further exploration work on its Mazama Copper Property for the 2015 fiscal year.

In February 2015, the Company amended the terms of the Mazama Copper Project option agreement whereby various cash and work commitment deadlines were extended. Additionally, the total cash commitment was increased from $185,000 to $210,000 and the total share issuance requirement was increased from 5,000,000 to 5,500,000 common shares (refer to "Summary of Exploration Activities" for the amended terms). Pursuant to the amended option agreement, the Company issued 2,500,000 common shares valued at $112,500 on January 27, 2015.

For a more detailed description of the Company's interest in its exploration and evaluation assets and the terms and conditions of the underlying agreements, please refer to the section "Summary of Exploration Activities".

Investing

In November 2014, the Company sold 26,706 GRIT shares for proceeds of $11,846. Accordingly, the Company recognized a loss of $33,154 on this transaction.

In June 2015, the Company recovered the $15,000 reclamation bond that had previously been posted to the Company's written off Highland Valley Project.

Financings

In May 2015, the Company received a promissory note for $30,000 from an arm's length party which matures two years from the date of receipt and bears interest at 10% per annum, payable on maturity.

During the nine months ended July 31, 2015, a total of 1,300,000 stock options were exercised for proceeds of $79,000 of which $26,280 was included in receivables as share subscriptions receivable at July 31, 2015.

During the nine months ended July 31, 2015, the Company paid net funds to related parties of $23,712.

As at July 31, 2015, the Company had received $17,000 in share subscriptions relating to future financings.

Subsequent event

- In August and September 2015, a total of 200,000 stock options at $0.05 were exercised for gross proceeds of $10,000.

SELECTED QUARTERLY FINANCIAL DATA

The Company is a mineral exploration and development company, and currently has no producing properties or operating income. Accordingly, the Company has not recorded any revenues, and depends upon share issuances (through private placements and the exercise of stock options or warrants) to fund its exploration activities and administrative expenses. The following financial data is derived from the Company's condensed interim consolidated financial statements for the three and nine months ended July 31, 2015 and 2014:

	Three Months Ended July 31,		**Nine Months Ended July 31,**	
	2015	**2014**	**2015**	**2014**
	$	$	$	$
Revenues	-	-	-	-
Operating expenses	(87,481)	(224,788)	(223,948)	(840,886)
Other income (expenses)	9,714	(2,538)	(28,679)	125,385
Net loss	(77,767)	(227,326)	(252,627)	(715,501)
Comprehensive loss	(99,828)	(465,353)	(333,324)	(1,146,272)
Basic and diluted net loss per common share	(0.00)	(0.00)	(0.00)	(0.01)
Basic and diluted comprehensive loss per common share	(0.00)	(0.01)	(0.01)	(0.02)
Working capital (deficiency)	(598,422)	(257,634)	(598,422)	(257,634)
Total assets	854,911	1,049,951	854,911	1,049,951
Total long-term liabilities	-	-	-	-
Dividends per share	-	-	-	-

At July 31, 2015, the Company had not yet achieved profitable operation and has an accumulated deficit of $5,653,469 (July 31, 2014 - $5,140,301). The net losses for the three months ended July 31, 2015 and July 31, 2014 resulted in a net loss per share of $0.00 and $0.00, respectively.

At July 31, 2015 the Company has no continuing source of operating revenues to fund current expenditures. The Company has not paid any dividends on its common shares nor does it have any intention of paying dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities.

RESULTS OF OPERATIONS

As an exploration company, the Company has yet to generate any revenue since its inception from its planned operations and has, to date, incurred annual net losses from operating and other expenses.

The operating expenses for the three months ended July 31, 2015 totaled $87,481 versus $224,788 for the comparative period ended July 31, 2014. The table below details the major changes in operating expenditures for the three months ended July 31, 2015 compared to the corresponding period ended July 31, 2014.

Operating Expense	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Decrease of $43,600	Decreased as part of the Company's plans to reduce general operating costs.
Financing fees	Increase of $13,585	Increased due to the fair value associated with the warrants issued and accrued interest in connection with the promissory note.
Management fees	Decrease of $20,500	Decreased as part of the Company's plans to reduce general operating costs.
Professional fees	Decrease of $25,815	Decreased due to lower legal fees from less corporate activity.
Rent	Decrease of $27,955	Decreased as the Company recovered rent from a related company in the current period.
Share-based compensation	Decrease of $12,249	Decreased as the stock options granted in the current period had a lower fair value using the Black Scholes option pricing model.

The operating expenses for the nine months ended July 31, 2015 totaled $223,948 versus $840,886 for the comparative period ended July 31, 2014. The table below details the major changes in operating expenditures for the nine months ended July 31, 2015 as compared to the corresponding period ended July 31, 2014.

Operating Expense	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Decrease of $178,900	Decreased as part of the Company's plans to reduce general operating costs.
Financing fees	Increase of $13,585	Increased due to the fair value associated with the warrants issued and accrued interest in connection with the promissory note.
Management fees	Decrease of $41,272	Decreased due to management reducing their draws from the Company during the current fiscal period.
Professional fees	Decrease of $38,731	Decreased due to lower legal fees from less corporate activity.
Regulatory and shareholder services	Decrease of $10,570	Decreased as a result of less corporate activity.
Rent	Decrease of $43,117	Decreased as the Company recovered rent from a related company in the current period.
Share-based compensation	Decrease of $276,566	Decreased as there were significantly fewer stock options granted in the current period.
Telephone	Decrease of $15,850	Decreased as the Company recovered telephone charges from a related company in the current period.
Travel and related	Decrease of $21,848	Decreased as part of the Company's plans to reduce general operating costs.

In addition to the above, the Company reported the following variations for the nine months ended July 31, 2015 as compared to the nine months ended July 31, 2014:

- an impairment of $6,774 in connection with the Castle project to maintain a nominal carrying value of $1 whereas the Company recorded an impairment recovery of $131,011 in the comparative period; and
- a recognition of a $33,154 loss on the sale of its available-for-sale financial asset.

SUMMARY OF QUARTERLY RESULTS FOR THE LAST CONSECUTIVE EIGHT QUARTERS

Historical quarterly financial information derived from the Company's eight most recently completed quarters is as follows:

	Quarters Ended			
	July 31, 2015	**April 30, 2015**	**January 31, 2015**	**October 31, 2014**
	$	$	$	$
Net loss	(77,767)	(42,896)	(131,964)	(260,541)
Comprehensive loss	(99,828)	(89,258)	(144,238)	(286,480)
Comprehensive Loss Per Share	(0.00)	(0.00)	(0.00)	(0.01)
Weighted Average Shares	64,595,268	64,326,680	61,478,964	60,014,346
	July 31, 2014	**April 30, 2014**	**January 31, 2014**	**October 31, 2013**
	$	$	$	$
Net loss	(227,326)	(210,603)	(277,572)	(853,637)
Comprehensive loss	(465,353)	(403,347)	(277,572)	(853,637)
Comprehensive Loss Per Share	(0.01)	(0.01)	(0.01)	(0.03)
Weighted Average Shares	58,191,093	53,015,731	43,662,920	38,823,451

The variations in net loss from quarter to quarter are a result of the extent of the amount of administrative expenses needed, the amount of activity the Company is incurring on its exploration and evaluation assets, and the amount of write-downs and impairments recorded. The difference between the net loss and comprehensive loss is due to the change in the fair market value of the Company's available-for-sale financial asset.

There was no material variations during the quarters presented except for:

- the quarter ended October 31, 2013 included an impairment write-down of $589,825 on the Company's exploration and evaluation assets; and
- the quarters ended July 31, 2015, April 30, 2015 and January 31, 2015 had significantly lower net losses which were in connection with the Company's plans to reduce overall operating costs.

SUMMARY OF EXPLORATION ACTIVITIES

For the nine months ended July 31, 2015, the Company incurred $130,003 in acquisition and deferred exploration and development costs compared to $219,354 in acquisition and deferred exploration costs for the corresponding period ended July 31, 2014.

The following is a breakdown of the changes in the material components of the Company's deferred exploration and development costs, on a property by property basis, for the nine months ended July 31, 2015 and 2014:

<u>For the nine months ended July 31, 2015:</u>

	Castle Project (Canada)	**Mazama Copper Project (USA)**	**Total**
	$	**$**	**$**
Acquisition costs	-	112,500	112,500
Deferred costs			
Reallocation of exploration advances	5,778	(5,778)	-
Reallocation of exploration advances to sales taxes receivable	-	(494)	(494)
Exploration advance drawdown	(5,778)	-	(5,778)
Consulting - geological	6,774	17,001	23,775
Total costs incurred during the period	6,774	123,229	130,003
Impairment	(6,774)	-	(6,774)
Change during nine months ended July 31, 2015	**-**	**123,229**	**123,229**

<u>For the nine months ended July 31, 2014:</u>

	Castle Project (Canada)	**Highland Valley Project (Canada)**	**Mazama Copper Project (USA)**	**Total**
	$	**$**	**$**	**$**
Acquisition costs	-	-	222,500	222,500
Deferred costs				
Exploration advances	5,608	-	-	5,608
Exploration advance drawdown	(5,608)	-	(50,438)	(56,046)
Consulting - geological	5,296	-	42,686	47,982
General exploration expenditures	(690)	-	-	(690)
Total costs incurred during the period	4,606	-	214,748	219,354
Mining tax credits received	(110,088)	(25,529)	-	(135,617)
Impairment recovery	105,482	25,529	-	131,011
Change during nine months ended July 31, 2014	**-**	**-**	**214,748**	**214,748**

The total cumulative acquisition and deferred exploration costs to July 31, 2015 are summarized as follows:

	Castle Project (Canada)	Mazama Copper Project (USA)	Total
	$	$	$
Acquisition costs	1	417,611	417,612
Deferred costs			
Consulting – geological	-	118,929	118,929
General exploration expenditures	-	63,638	63,638
Exploration advances	-	125,000	125,000
Cumulative acquisition and deferred exploration costs at July 31, 2015	**1**	**725,178**	**725,179**

<u>Discussion on Current Projects</u>

MAZAMA COPPER PROJECT – Washington, USA

On February 25, 2013, the Company signed an option agreement to acquire a 100% beneficial right, title, and interest in and to a property located in Okanogan County, Washington State, USA. Certain terms of the agreement were later amended on February 25, 2015 resulting in total cash payments increasing from $185,000 to $210,000 and total share issuances increasing from 5,000,000 to 5,500,000 common shares. Furthermore, the minimum exploration expenditures deadlines were extended.

The Mazama Copper Project is located approximately 25 kilometers south of the Canadian/United Sates border in north-central Washington, 143 kilometres northeast of Seattle and 17 kilometers northeast of the town of Winthrop.

In order to exercise the outstanding option and earn the 100% interest in the property, the Company has agreed to make the following cash payments, share issuances and minimum exploration expenditures on or before the dates set forth in the table below:

Due Date	Cash Payments	Shares to be Issued	Minimum Exploration Expenditures
	$		$
May 25, 2013		Issued 500,000	-
June 20, 2013	Paid 5,000	-	-
July 20, 2013	Paid 10,000	Issued 500,000	-
August 20, 2013	Paid 20,000	-	-
August 25, 2013	-	Issued 500,000	-
November 25, 2013	-	Issued 500,000	-
February 25, 2014	-	Issued 500,000	-
May 25, 2014	-	Issued 500,000	-
June 20, 2014	Paid 10,000	-	Incurred 125,000
August 25, 2014	-	Issued 500,000	-
November 25, 2014	-	Issued 500,000	-
February 25, 2015	-	Issued 500,000	-
May 25, 2015	-	Issued 500,000	-
June 15, 2015	40,000	-	-
September 30, 2015	50,000	-	-
February 28, 2016	50,000	-	150,000
July 30, 2016	25,000	Issued 500,000	-
February 27, 2017	-	-	175,000
TOTAL	**210,000**	**5,500,000**	**450,000**

The $40,000 cash payment due June 15, 2015 was not made; however, the Company is currently in discussion with the optionor to further extend this payment.

The vendor retained a 3.0% net smelter return royalty (“NSR”) on any ore production from the property. The Company is eligible to purchase a 1% NSR at anytime by making a cash payment of $1,000,000 and an additional 1% for $2,000,000.

During the 2013 field season on the Mazama Copper Project, the Company conducted an orientation program, delineating existing road access, locating historic drill sites and exploration trenches, and confirming through mineralization and alteration a porphyry copper geological setting.

The Company also conducted geological mapping and sampling, with emphasis on porphyry mineralization/alteration and intrusive breccias, a LIDAR survey, topographic mapping and orthophotography. The Company also staked approximately 50% more claims than originally optioned from Mazama Minerals. These additional claims now encompass all the potential copper mineralized zones.

Subject to permitting, the exploration plans for the 2015 field season include a minimum 35 line km magnetometer survey and 1800 meters of diamond drilling, to confirm previously delineated areas of mineralization, as well as testing new potential areas of mineralization developed from the 2013 exploration program. The objective of the 2015 exploration program will also be to confirm and expand the historic copper mineralization located on the Mazama Copper project.

CASTLE PROJECT – British Columbia

The Castle Project is located in the Similkameen area of British Columbia: consisting of claim cells 530877, 616883, 616903, 616923, 616943,732882, 651164, 651203, 651223.

These claims are 100% owned by Blue River Resources Ltd.

The Castle Property is situated 12 kilometers north of the town of Princeton in South Western British Columbia within the Thompson Plateau and covers gently sloping hills reaching an elevation of 1,125 metres in the northeast and 1,075m in the southeast. Much of the Castle Property area is of grassy ranch land in the lower elevations to pine and aspen forests with scattered grassy patches in the higher elevations.

The Castle Property has been explored intermittently since the late 1950’s. Mineralization is found on the property in a series of trenches excavated in the mid 1980’s by Count Fleet Exploration and re-established by Blue River. The exposed mineralization consists primarily of malachite, chalcopyrite, pyrite and magnetite, with minor bornite and possibly chalcocite. The copper minerals are confined largely to a 150m wide zone trending west-northwest for 500m. Since acquiring the property, the Company carried out a soil geochemical survey, ground magnetometer and electromagnetic survey and re-established the known trenches over the mineralized area.

Exploration plans for the 2015 field season will include a ground IP geophysical survey directly to the north of previous drilling by the Company, to determine potential drill targets.

During the nine months ended July 31, 2015, the Company recorded an impairment of $6,774 on the Castle Project which is carried at a nominal carrying value of $1, as a result of the Company being unable to finance its current exploration plans.

Quality Assurance/Quality Control

Paul D. Gray, P. Geo. who is the Company’s Qualified Person as defined under NI 43-101 and director of the Company, has reviewed and approved the contents of the Discussion on Properties section.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares and the exercise of stock options and warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company's liquidity and capital resources are as follows:

	July 31, 2015	October 31, 2014
	$	$
Cash	-	5,584
Receivables	27,941	6,793
Prepaid expenses	3,225	3,488
Available-for-sale financial asset	86,547	201,033
Total current assets	**117,713**	**216,898**
Bank indebtedness	2,425	-
Accounts payables and accrued liabilities	409,057	344,345
Due to related parties	304,653	328,365
Total current liabilities	**716,135**	**672,710**
Working capital deficiency	**(598,422)**	**(455,812)**

The Company's operations consist of acquisition, maintenance, and exploration of mineral properties, including actively seeking joint venture partners to assist with exploration funding. The Company's financial success will be dependent on the extent to which it can discover new mineral deposits.

As at July 31, 2015, the Company had cash of $nil (July 31, 2014 – $15,495) and a working capital deficiency of $598,422 (July 31, 2014 –$257,634).

During the three months ended July 31, 2015, cash decreased by $5,991 whereas cash increased by $4,775 in the comparative period ended July 31, 2014. The decrease in cash during the three months ended July 31, 2015 was mainly attributable to payments made to a related party for an outstanding debt and the Company's operating activities; however, the total decrease was partially offset from recovery of funds related to the release of a reclamation bond.

Management believes the Company will be required to raise additional funds to meet anticipated administrative expenses and required exploration and development expenditures on its properties over the next fiscal year. See "Overall Performance".

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. See "Risks and Uncertainties".

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

COMMITMENTS

On March 7, 2014, the Company signed an Extension of Lease to extend the office lease agreement entered into on January 4, 2012. The extension extended the term for an additional two years and increased the required monthly lease payments to $1,703 effective February 1, 2014 to January 31, 2015 and $1,759 effective February 1, 2015 to January 31, 2016.

RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations. The following lists all material transactions with related parties during the nine months ended July 31, 2015:

- Griffin Jones, CEO and director of the Company, provides management services to the Company. The Company incurred $nil in management fees (July 31, 2014 - $36,750). As at July 31, 2015, $117,868 (October 31, 2014 - $93,882) was included in due to related parties.

- Nadwynn Sing, CFO and director of the Company, provides management services to the Company. The Company incurred $nil in management fees (July 31, 2014 - $6,000). As at July 31, 2015, a receivable balance of $237 (October 31, 2014 - $nil) was included in due to related parties.

- Metrolink Solutions Inc., a private company of which Mr. Griffin Jones is a director, made net advances of $12,838 (July 31, 2014 - $164,400) to the Company. The advances are non-interest bearing and unsecured. In addition, the Company recovered $60,300 (July 31, 2014 - $nil) of various administrative expenses from Metrolink during the nine month period. As at July 31, 2015, $166,428 (October 31, 2014 – $213,890) was included in due to related parties.

- As at July 31, 2015, the Company owed Paul Gray, a director of the Company, $20,593 (October 31, 2014 - $20,593) for previously incurred consulting fees which was included in due to related parties.

Summary of related party transactions:

	Nine months ended July 31,	
	2015	**2014**
	$	$
Management fees	-	42,750
Recovery of various office expenses	60,300	-
Loans from a company with a common director	12,838	164,400
	72,838	**207,150**

RISKS AND UNCERTAINTIES

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company’s control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company’s business actually occur, the Company’s assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company’s securities could decline and investors may lose all or part of their investment.

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company’s assets and the present stage of exploration, the following risks factors, among others, should be considered:

Exploration, Development and Operating Risks

The Company is in the process of exploring its properties and has not yet determined whether its properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

Fluctuating Mineral Prices

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

Regulatory, Permit and License Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

Financing Risks and Dilution to Shareholders

The Company has limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Optionors or the Company, as the case may be, does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any minerals on its properties without compensation for its prior expenditures relating to its properties.

Competition

The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Local Resident Concerns

Apart from ordinary environmental issues, the exploration, development and mining of the Company's properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Investment Realizable Value

There is no certainty that the financial assets (which include the GRIT common shares) will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value as at the date of this report.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, as well as the reported revenues and expenses during the reporting period. Based on historical experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the consolidated financial statements materially and involve a significant level of judgment by management.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates and assumptions as the basis for determining the stated amounts include the recoverability of mineral properties, determination of functional currency, valuation of share-based compensation and other equity based payments, the recognition and valuation of provisions for asset retirement obligations, and the recoverability and measurement of deferred tax assets and liabilities.

Economic recoverability and probability of future economic benefits of exploration and evaluation assets
Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Determination of functional currency
The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Valuation of share-based compensation
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

FUTURE ACCOUNTING PRONOUNCEMENTS

The following pronouncements and amendments are effective for the Company's annual periods beginning on or after November 1, 2015 unless otherwise stated. Adopting these standards is expected to have minimal or no impact on the consolidated financial statements.

a) IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The amendment is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 fair value of the Company's receivable, accounts payable and accrued liabilities, and due to related parties approximates their carrying values. The Company's other financial instruments, being cash, reclamation bonds, and available-for-sale financial asset, are measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's primary exposure to credit risk is on its cash accounts. Cash accounts are held with a major bank in Canada. The Company has deposited its cash with its bank from which management believes the risk of loss is low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when they become due. The Company is exposed to liquidity risk as it does not have significant cash to settle its liabilities. Liquidity risk is assessed as high.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and has two properties: the Castle Project, located in Canada; and the Mazama Copper Project, located in the United States. The Company is incurring all expenditures in Canadian dollars; as such, there is minimal foreign currency risk due to the Mazama property to the Company.

The Company's available for sale financial asset is trading on the London Stock Exchange in British pounds (£). Each 1% change in the Canadian dollar versus the British pound will result in a gain/loss of approximately $865. Additionally, for every £0.01 change in the price of GRIT shares, the Company will realize a £3,328 net change in fair value, before taxes, on its investment.

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Commodity price risk
The ability of the Company to explore and develop its mineral properties and the future profitability of the Company are directly related to the price of copper. The Company monitors copper prices to determine the appropriate course of action to be taken.

(d) Capital management

The Company considers its cash and share capital as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. There was no change in the Company's approach to capital management during the nine months ended July 31, 2015.

DISCLOSURE DATA FOR OUTSTANDING COMMON SHARES, OPTIONS, AND WARRANTS

Common Shares
The Company has one class of common shares and is authorized to issue an unlimited number of commons shares without par value. Below is a summary of the common shares issued, stock options, and share purchase warrants as at July 31, 2015 and the date of this report.

	As at July 31, 2015	**As at September 29, 2015**
Common shares	64,730,051	64,930,051
Stock options	8,597,500	8,397,500
Share purchase warrants	8,354,894	8,354,894

Stock Options

The Company has issued incentive options to certain directors, officers, and consultants of the Company. As of the date of this report, the following options are outstanding.

Exercise price	Number outstanding	Expiry date
$		
0.20	1,000,000	August 26, 2016
0.10	40,000	August 26, 2016
0.10	200,000	June 27, 2017
0.10	150,000	March 12, 2018
0.10	53,000	July 30, 2018
0.05	712,500	November 15, 2018
0.10	1,755,000	April 9, 2019
0.06	787,000	July 15, 2019
0.05	750,000	October 15, 2019
0.05	2,950,000	July 15, 2020
	8,397,500	

Warrants

A summary of the share purchase warrants outstanding as at the date of this report is as follows:

Exercise price	Number outstanding	Expiry date
$		
0.20	750,000	August 26, 2016
0.05	600,000	May 21, 2017
0.20	825,000	September 17, 2017
0.20	125,000	October 25, 2017
0.20	72,000	November 13, 2017
0.15	3,268,250	July 15, 2018
0.10	10,000	July 15, 2018
0.15	1,931,937	October 28, 2018
0.15	754,707	September 12, 2019
	8,354,894	

MANAGEMENTS RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's condensed interim consolidated financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors.

The Company maintains internal control systems designed to ensure that financial information is relevant and reliable and that assets are safeguarded.

Management recognizes its responsibility for conducting the Company’s affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the condensed interim consolidated financial statements and other financial information.

EVALUATION OF DISCLOSURE CONTROLS & PROCEDURES

Management has evaluated the effectiveness of its disclosure controls and procedures and has concluded that they are sufficiently effective to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

CORPORATE GOVERNANCE

The Company's Board and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board is comprised of 4 individuals, 2 of whom are neither executive officers nor employees of the Company and are unrelated in that they are independent of management. The Audit Committee is comprised of 3 directors, 2 of whom are independent of management.

OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found on or in:

- SEDAR at www.sedar.com,
- the Company's condensed interim consolidated financial statements for the three and nine months ended July 31, 2015; and
- the Company's audited consolidated financial statements for the year ended October 31, 2014.

This MD&A has been approved by the Board of Directors of Blue River Resources Corp. on September 29, 2015.