



MANAGEMENT DISCUSSION & ANALYSIS
For the Year Ended October 31, 2019

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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 annual audited consolidated financial statements for the years ended October 31, 2019 and 2018 (the “Annual Financial Statements”). 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 February 28, 2020 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 February 28, 2020.

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 September 2018, the Company completed the acquisition of 30% of the voting shares of Global Satellite Integration Ltd. ("GSIL"), an arms' length private company incorporated under the laws of British Columbia, through the purchase of 42 units of GSIL for \$50,000 with each unit consisting of 1 Class A voting common share and 1 Class C non-voting common share of GSIL. GSIL is in the communication sector and provides a range of products from satellite phones to high speed broadband and internet.

In August 2019, Catherine Edwards resigned as a director of the Company.

Management is currently assessing opportunities in the mineral exploration sector and possible further opportunities with their investment in GSIL.

Subsequent Events

Subsequent to October 31, 2019, 50,000,000 warrants with an exercise price of \$0.05 per share expired unexercised.

SELECTED ANNUAL 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 consolidated financial statements for the years ended October 31, 2019, 2018 and 2017:

	Years ended October 31,		
	2019	2018	2017
	\$	\$	\$
Revenues	-	-	-
Operating expenses	(377,155)	(716,009)	(929,360)
Other items	(76,255)	(16,056)	(970,442)
Net loss	(453,410)	(732,065)	(1,899,802)
Comprehensive loss	(452,172)	(773,053)	(1,883,977)
Basic and diluted net loss per common share	(0.00)	(0.00)	(0.01)
Basic and diluted comprehensive loss per common share	(0.00)	(0.00)	(0.01)
Working capital deficiency	(1,398,690)	(1,030,495)	(579,508)
Total assets	88,098	171,754	96,324
Total long-term liabilities	-	-	-
Dividends per share	-	-	-

At October 31, 2019, the Company had not yet achieved profitable operation and has an accumulated deficit of \$11,630,508 (2018 - \$11,186,636). The net losses for the years ended October 31, 2019 and 2018 resulted in a net loss per share of \$0.00 and \$0.00, respectively.

At October 31, 2019 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 year ended October 31, 2019 totaled \$377,155 versus \$716,009 for the comparative period ended October 31, 2018. The table below details the major changes in operating expenditures for the year ended October 31, 2019 as compared to the corresponding year ended October 31, 2018.

Operating Expense	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Decrease of \$160,847	Decreased due to fewer consultants being used as management is currently assessing new opportunities for the Company.
Management fees	Decrease of \$60,000	Decreased due to less corporate activity incurred.
Professional fees	Decrease of \$31,885	Decreased due to less corporate activity incurred so decreased need for legal professional services.
Regulatory and shareholder services	Decrease of \$29,122	Decreased due to less corporate activity incurred so decreased need for shareholder communication.
Rent	Decrease of \$39,277	In October 2018, the Company's month-to-month office lease was taken over by another company who allowed the Company to continue using the office space rent free.

In addition to the above, the Company reported a net change in fair value of investments of \$1,238 and an impairment of related party loan of \$70,211.

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			
	October 31, 2019	July 31, 2019	April 30, 2019	January 31, 2019
	\$	\$	\$	\$
Net loss	(145,455)	(51,389)	(121,323)	(135,243)
Comprehensive loss	(144,217)	(51,389)	(121,323)	(135,243)
Comprehensive Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted Average Shares	191,751,470	191,751,470	191,751,470	191,751,470
	October 31, 2018	July 31, 2018	April 30, 2018	January 31, 2018
	\$	\$	\$	\$
Net loss	(166,122)	(154,543)	(217,816)	(193,584)
Comprehensive loss	(189,656)	(156,107)	(224,133)	(203,157)
Comprehensive Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted Average Shares	191,751,470	191,751,470	191,751,470	155,881,905

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 were no material variations during the quarters presented.

FOURTH QUARTER

The operating expenses for the quarter ended October 31, 2019 totaled \$77,342 which consisted mainly of the following: consulting fees of \$36,000, management fees of \$15,000, professional fees of \$21,415, and regulatory and shareholder services of \$3,104.

The operating expenses for the three months ended October 31, 2019 totaled \$77,342 versus \$159,362 for the three months ended October 31, 2018. The table below details the major changes in operating expenditures for the three months ended October 31, 2019 as compared to the corresponding period ended October 31, 2018.

Operating Expense	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Decrease of \$30,000	Decreased due to lower fees being incurred as management is currently assessing new opportunities for the Company.
Management fees	Decrease of \$30,000	Decreased due to lower fees being incurred as management is currently assessing new opportunities for the Company.

In addition to the above, the Company reported an increase of \$23,569 in net change in fair value of Investments, and an impairment of related party loan of \$70,211.

During the quarter ended October 31, 2019, cash decreased by \$2,828 with a bank indebtedness of \$2,429.

SUMMARY OF EXPLORATION ACTIVITIES

For the year ended October 31, 2019, the Company recovered \$5,006 (excluding write off) in exploration expenditures compared to incurring \$22,960 (excluding write off) in exploration expenditures for the corresponding year ended October 31, 2018.

The following is a breakdown of the changes in the material components of the Company's mineral properties expenditures for the year ended October, 2019 and 2018:

	Castle Project (Canada)	Mazama Copper Project (USA)	Total
	\$	\$	\$
Deferred costs			
General exploration expenditures recovery	-	(5,006)	(5,006)
	-	(5,006)	(5,006)
Recovery of costs	-	5,006	5,006
Write off	(7,220)	-	(7,220)
Change during the year ended October 31, 2019	(7,220)	-	(7,220)

	Castle Project (Canada)	Mazama Copper Project (USA)	Total
	\$	\$	\$
Acquisition costs	-	10,000	10,000
Deferred costs			
Consulting – geological	7,219	5,741	12,960
	7,219	15,741	22,960
Write off	-	(15,741)	(15,741)
Change during the year ended October 31, 2018	7,219	-	7,219

The total cumulative acquisition and deferred exploration costs to October 31, 2019 on the property currently held by the Company is summarized as follows:

	Castle Project (Canada)
	\$
Acquisition costs	185,800
Deferred costs	
Assays	39,238
Consulting – geological	214,678
Drilling	22,270
General exploration expenditures	240,948
Travel and accommodation	18,339
Subtotal	721,273
Mining tax credits	(110,088)
Impairment	(611,185)
Cumulative acquisition and deferred exploration costs at October 31, 2019	-

Discussion on Previous Projects

CASTLE PROJECT – British Columbia

The Castle Project is located in the Similkameen area of British Columbia: consisting of claim cell 1047582. This claim is 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.

In June 2018, the Company completed a National Instrument 43-101 report which compiled all the drill results from the 2011 drill program with the Aeroquest survey and delineate areas of interest in the northern section of the property such as the Christian zone. The report recommends a two-phased exploration program which management is currently evaluating.

During the year ended October 31, 2015, the Company impaired the Castle Project to a nominal value of \$1 as a result of the Company suspending all further exploration plans for this property. During the year ended October 31, 2018, the Company re-commenced exploration plans and incurred \$7,219 of exploration expenses in relation to obtaining the National Instrument 43-101 report.

As at October 31, 2019, the Company abandoned the property and recorded an impairment of \$7,220.

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 in February 2015 and February 2017 which resulted in the increase to the (1) total cash payments and (2) total share issuances. Furthermore, the minimum exploration expenditures deadlines were also extended due to the amendment

The Mazama Copper Project is located approximately 25 kilometers south of the Canadian/United States 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 had 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 19, 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 50,000	-	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	-
September 30, 2015	Paid 70,000		
July 30, 2016	-	Issued 500,000	-
March 7, 2017	-	Issued 500,000	-
May 28, 2017	Paid 10,000	-	-
May 28, 2017	95,000		
December 27, 2017	-	-	Incurred 150,000
December 27, 2018	-	-	175,000
TOTAL	260,000	6,000,000	450,000

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.

As at October 31, 2015, the Company impaired the Mazama Copper Project to a nominal value of \$1. All costs incurred on this property subsequent to October 31, 2015 have been impaired as management continues to believe the project to be impaired. This impairment is a result of delays in obtaining a drilling permit. The Company believes that the permit will be granted, but cannot estimate the time required for the permit review process to be completed.

As at October 31, 2017, the property had lapsed and as a result, the Company abandoned the option and recorded an impairment of \$59,349.

During the year ended October 31, 2018, the Company recorded an impairment of \$15,741 relating to the payment of unpaid acquisition costs paid to the optionors during the year. During the year ended October 31, 2019, the Company recorded a recovery of \$5,006 relating to the refund of a deposit.

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:

	October 31, 2019	October 31, 2018
Cash	-	195
Receivable	2,064	1,566
Prepaid expenses	884	2,104
Available-for-sale financial asset	26,361	25,123
Total current assets	29,309	28,988
Bank indebtedness	2,429	-
Demand loan payable	17,496	15,216
Accounts payables and accrued liabilities	821,615	619,595
Due to related parties	543,111	384,324
Promissory note	43,348	40,348
Total current liabilities	1,427,999	1,059,483
Working capital deficiency	(1,398,690)	(1,030,495)

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 October 31, 2019, the Company had cash of \$nil (2018 - \$195), bank indebtedness of \$2,429 (2018 - \$nil), and a working capital deficiency of \$1,398,690 (2018 - \$1,030,495).

During the year ended October 31, 2019, cash decreased by \$195 (2018 - increase of \$195). The decrease in cash in the current period was due to funding operating and administrative expenses. The increase in cash in the comparative period was attributed to the closing of the Company's private placement and funds received from related parties during the year which was partially offset due to funding operating and administrative expenses.

Management believes the Company will need to raise additional funds to meet anticipated administrative expenses and required exploration and development expenditures on its properties over the next 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

The Company has no commitments.

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 year ended October 31, 2019:

- Griffin Jones, CEO and director of the Company, provides management services to the Company. The Company incurred \$120,000 in management fees (2018 - \$180,000) to a Company wholly owned by Griffin Jones. As at October 31, 2019, \$522,518 (2018 - \$363,968) was included in due to related parties owing to companies owned by Mr. Jones for unpaid management fees and expenditure reimbursements.
- As at October 31, 2019, the Company had a receivable from Nadwynn Sing, CFO and director of the Company, of \$nil (2018 - \$237) which was included in due from related parties.
- Metrolink Solutions Inc., a private company of which Mr. Griffin Jones is a director, owes the Company \$nil (2018 - \$75,805) which is included in due from related parties.
- GSIL, a private company of which the Company has significant control, owes the Company \$3,000 (2018 - \$nil) which is included in due from related parties.
- As at October 31, 2019, the Company owed Paul Gray, a director of the Company, \$20,593 (2018 - \$20,593) for previously incurred consulting fees which was included in due to related parties.
- As at October 31, 2019, the Company owed Stephen Martin, a shareholder who owns more than 10% of the Company's outstanding shares, \$17,496 (2018 - \$15,216) for the demand loan payable which includes interest of \$7,996 (2018 - \$5,716). The demand loan bears interest at 24% per annum and has no specific date of repayment. During the year ended October 31, 2019, the Company recorded interest of \$2,280 (2018 - \$2,280) in relation to this loan.

Summary of related party transactions:

	For the years ended October 31,	
	2019	2018
	\$	\$
Financing fees	2,280	2,280
Management fees	120,000	180,000

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.

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 favorable 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.

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.

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.

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.

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.

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.

Investment in GSIL

GSIL is in the communication sector and provides a range of products from satellite phones to high speed broadband and internet. GSIL is subject to normal business risks associated to other company's operating in the communication sector. The income recorded from the Company's investment in GSIL should not be regarded as income cash flowing into the Company.

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.

CHANGES IN ACCOUNTING STANDARDS

The Company has adopted the following accounting standards effective November 1, 2018 which had no significant impact on the consolidated financial statements:

- IFRS 2, Share Based Payments
- IFRS 15, Revenue from Contracts with Customers
- IFRIC 22, Foreign Currency Transactions and Advance Consideration

On November 1, 2018, the Company adopted IFRS 9 *Financial Instruments* which replaced IAS 39, *Financial Instruments: Classification and Measurement*. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking ‘expected loss’ impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard retrospectively. IFRS 9 did not impact the Company’s classification and measurement of financial assets and liabilities as the Company has elected under IFRS 9 to account for its available-for-sale investment through other comprehensive income.

The following summarizes the significant changes in IFRS 9 compared to the current standard:

- IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company’s business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. The change did not impact the carrying amounts of any of the Company’s financial assets on the transition date. Prior periods were not restated and no material changes resulted from adopting this new standard.
- The adoption of the new “expected credit loss” impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no impact on the carrying amounts of our financial assets on the transition date given the Company transacts exclusively with large international financial institutions and other organizations with strong credit ratings and the investment in the available-for-sale financial asset is an investment in a publicly listed entity where the future cash flows from the investment equate to the entity’s share price.

NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS

The following pronouncements and amendments are effective for the Company’s annual periods beginning on or after November 1, 2019 unless otherwise stated. Adopting these standards is expected to have minimal or no impact on the consolidated financial statements.

- a) IFRS 16 – Leases: specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. Management has determined that this standard will not have an effect on the Company’s consolidated financial statements.
- b) IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. Management does not anticipate this standard having a material effect on the Company’s consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s consolidated financial statements.

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, trade payables, loans payable, and due from and to related parties approximates their carrying values. The Company's other financial instruments, being cash, reclamation bond, investments, and share subscriptions 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 major banks in Canada. The Company has deposited its cash with two major banks 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 ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when they become due. As at October 31, 2019, the Company had a bank indebtedness balance of \$2,429 and was required to settle liabilities of \$1,425,570. 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.
- (d) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is minimal interest rate risk as the Company's interest bearing debts are not subject to floating interest rates.
- (e) Commodity Price risk
The ability of the Company to explore and develop its exploration and evaluation assets 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.
- (f) 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 it has one property: the Castle Project, located in Canada. The Company is not exposed to foreign currency risk on its property.

The Company's investment 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 \$264. Additionally, for every £0.01 change in the price of GRIT shares, the Company will realize a £3,350 net change in fair value, before taxes, on its investment.

(g) 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 year ended October 31, 2019.

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 common shares without par value. Below is a summary of the common shares issued, stock options, and share purchase warrants as at October 31, 2019 and as at the date of this report:

	As at October 31, 2019	As at Date of this Report
Common shares	191,751,470	191,751,470
Stock options	4,850,000	4,850,000
Share purchase warrants	50,000,000	-

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
\$		
0.05	2,150,000	May 9, 2021
0.05	200,000	June 16, 2021
0.05	800,000	July 18, 2021
0.05	1,700,000	August 17, 2021
	4,850,000	

Warrants

The Company has no share purchase warrants outstanding as at the date of this report.

MANAGEMENTS RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's 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 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.

OTHER MD&A REQUIREMENTS

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

- SEDAR at www.sedar.com,
- the Company's audited consolidated financial statements for the years ended October 31, 2019 and 2018.

This MD&A has been approved by the Board of Directors of Blue River Resources Corp. on February 28, 2020.