Kettle River Resources Ltd.

(An Exploration Stage Company)

Three months to July 31, 2015

Management Discussion & Analysis

September 28, 2015

KETTLE RIVER RESOURCES LTD.
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

This management's discussion and analysis is intended to supplement the unaudited interim financial statements and the financial condition and operating results of Kettle River Resources Ltd. (the Company or "Kettle River") for the three months ended July 31, 2015. The discussion should be read in conjunction with the unaudited interim financial statements of the Company and the notes thereto for three months ended July 31, 2015 and the year ended April 30, 2015. The unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and include the operating results of the Company. The Company adopted IFRS on May 1, 2011 with a transition date of May 1, 2010. Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This information is current to July 31, 2015.

Kettle River has continued its efforts to date with a sole business objective to identify evaluate and explore mineral properties having high potential for the discovery of economic mineral deposits. The goal would be to involve a major mining company in the early stages of a discovery for the creation of value for our shareholders. We remain a publicly traded company without any substantive operations, and thus, have realized no mining revenues to date. Kettle River was incorporated on October 17, 1980 pursuant to provisions of the British Columbia Company Act as Kettle River Mines Ltd. and within a short time changed its name to Kettle River Resources Ltd.

Our accompanying financial statements have been prepared using accounting principles generally accepted in Canada.

Forward-Looking Information

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Kettle River Resources Ltd. ("Kettle River" or the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to Kettle River. When used in this document, the words "anticipate", "believe", "estimate", "expect", "significant" and similar expressions, as they relate to Kettle River or its management are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and developments of the Company's exploration properties. Such statements reflect the current views of Kettle River with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, will be identified in the interim reports.

Activities on Mineral Projects

Kettle River's main objective is to make a mineral deposit discovery. Land holdings are mainly focused on exploration in Canada for gold in the Greenwood Mining District and diamonds in the Northwest Territories.

Exploration expenditures by property for the period ended July 31, 2015

	Greenwood Area	DHK - NWT	Silica Quarry 50%	Total
Amortization	$ 8	$ -	$ -	$ 8
Assessment, filing fees, membership	-	-	-	-
Direct charges – wages	275	-	-	275
Exploration costs	585	50	-	635
Storage (samples& equipment)	735	-	-	735
Property and Mineral taxes	1,169	-	-	1,169
Travel & accommodation	-	-	-	-
TOTAL:	$ 2,772	$ 50	$ -	$ 2,822

During the three month period ended July 31, 2015 a total of $585 (2014 - $6,559) was spent on mineral property activities as shown in the above table. DHK NWT costs represent all related exploration program costs plus its proportionate share of invoices to DHK.

FIRST QUARTER UPDATE: EXPLORATION ACTIVITIES

DHK Diamonds Inc: (DHK) Lac de Gras area – Northwest Territories

The DHK Company was formed together with two other junior companies to manage and explore three blocks (originally 208,000 acres) of prospective diamond property acquired in 1992 in the area of the first diamond discovery in the Canadian Northwest Territories. The property was optioned to Kennecott Canada Exploration Inc. (KCEI), carrying the DHK group's 35% interest through airborne surveys, till sampling, ground geophysics, and drill testing. Diamonds were found in most kimberlites tested. Only in the area of the Tli Kwi Cho (WO Block) did the diamond content indicate mine potential even though the 1994 bulk sampling was conducted with disappointing results. KCEI returned the property to DHK in 2000 retaining a 1% Gross Overriding Royalty (GORR). DHK entered into various agreements of varying interest, with Archon Minerals Ltd., BHP Billiton Diamonds Inc. and currently Peregrine Diamonds Ltd. The WI and DHK Claim Blocks were abandoned.

Exploration costs of $50 (2014 - $50) and $ Nil (2014 – $ Nil) for management and related expenses, and $ Nil (2014 - $ Nil) for administrative travel costs.

WO (DO27) Joint Venture – (Peregrine Diamonds Ltd., Archon Minerals Ltd., and DHK Diamonds Inc.)

The WO property is operated by Peregrine Diamonds Ltd. (Peregrine) where they currently (as of July 31, 2015) own 72.104%, Archon Minerals Ltd (Archon) owns 17.570%, and DHK owns 10.326%.

DHK is owned 43.37% each by Dentonia Resources Ltd. and Kettle River Resources Ltd. with Cosigo Resources Ltd. (formerly Horseshoe Gold Mining Inc.) owning 13.26%. The ownership of DHK is subject to change depending on cash call contributions of which there have been none in the past year. Kettle River continues to pay ongoing DHK administrative costs which are charged directly to Accounts Receivable. The balance to July 31, 2015 is $5,487 and includes our portion of $804 which once invoiced, will be adjusted for a net receivable of $4,683.

The interest in the WO joint venture is subject to change related to contribution of Peregrine cash calls. DHK has not recently contributed and has accepted dilution. DHK as of July 31, 2015 has a 10.326% (2014 - 10.334%) contributing interest in the WO Joint Venture operated by Peregrine Diamonds Ltd. ("Peregrine"). Should DHK reduce to less than a 4% participating interest, they revert to a 0.25% Gross Overriding Royalty.

A 2015 budget proposal is currently being prepared by Peregrine who expects it to be approximately $135,000 to include camp maintenance and possibly processing further inventory core.

Located 300 kilometers north-northeast of Yellowknife, the WO property hosts the diamondiferous DO27 and DO18 diamond deposits. Summary and high lights of the property can be viewed in the 2009 MD&A or on the Company or Peregrine Diamonds websites.

Monument Property (formerly DHK Claim Block) south shore of Lac de Gras:

Through an agreement dated October 24, 2003 DHK Diamonds Inc. holds a 1% gross overriding royalty on three leases (3,081.69 hectares), majority owned (57.49%) and operated by New Nadina Explorations Limited (New Nadina). The Monument property contains 12 known diamond bearing kimberlites plus one dike. Drilling has found several new kimberlites including Genie, Bling, the most recent are Trio, Gemini and Sparky kimberlites. The most recent discoveries were land based targets. Based on caustic fusion results, plans for taking larger samples will be made as well as future drill testing water-based targets during a winter program. Results are posted on the www.nadina.com website. A Land Use Permit has been granted subject to minor First Nations requirements.

The WO project is included with the LAC DE GRAS SURFICIAL MATERIALS AND PERMAFROST STUDY a two year program (April 1, 2014 to March 31, 2016) funded by a grant of $3.5 million to be managed by the Northwest Territories Geoscience Office (NTGO). There are five selected areas targeted for geoscience studies.

SILVER QUEEN – 100% New Nadina Explorations Limited (Kettle River former equity interest)

The Company disposed of its 1,782,582 free trading shares in New Nadina where the shares were mainly acquired during 1995-1997 where Kettle River operated and funded exploration at the Silver Queen property. This property was first known for its systems of historical vein production. In 2011 a copper, molybdenum, gold porphyry was discovered. Drilling in 2012-2013 expanded the size and depth. For information regarding the New Nadina Silver Queen and Itsit programs, visit www.nadina.com website and under properties select Silver Queen.

SASKATCHEWAN – 50%

The quarry lease covers an area of 54 acres, renewal lease application was accepted and lease valid until December 2019. To date no income has been received from the lease. For the period ended July 31, 2015 Saskatchewan JV expenses totaled $ Nil (2014 - $ Nil) were expended on research.

Greenwood Mining Division – Southern British Columbia

There are multiple properties within the Greenwood Area, grouped within claim blocks mostly representing historical workings. Current metal prices are reasons for revisiting these properties. The Company owns 100% interest of properties within the Greenwood Area. Within an approximate 44 square kilometer area the Company currently holds 75 Crown Grants, 1 Mineral Lease (Boston, Stafford Fr, Willamena Fr.), 28 Reverted Crown Grants covered by cell claims prospective for gold, silver and copper covered by mineral tenure. Properties are segregated by area for exploration, reporting and accounting purposes.

The largest holding is the Phoenix property that was acquired by Noranda Explorations Ltd. from Granby Mining Company in 1979 and in the mid 1990's by the Company. Prior to termination of the Greenwood Area Noranda joint venture, Noranda fulfilled reclamation requirements on these properties to the satisfaction of mining and environment ministries.

During the period $2,772 (2014 - $6,509) was expended on properties in the Greenwood Area.

The Company retains the services of consultant Linda Caron, M.Sc., P.Eng., a Qualified Person under NI 43-101 for specific exploration programs.

GREENWOOD MINING DIVISION – SOUTHERN BRITISH COLUMBIA – 100%

Greenwood Area Expenditure breakdown by property for the period ended July 31, 2015

	Phoenix	Rads	Bluebell	Tailings	Haas	Tam O'Shanter	Greenwood Area TOTAL
Amortization	$ 2	$ -	$ 2	$ -	$ -	$ 4	$ 8
Assessment/Recording	-	-	-	-	-	-	-
Direct charges – wages	150	100	-	25	-	-	275
Exploration costs	485	-	-	25	-	75	585
Storage (samples& equipment)	368		2	-		365	735
Property & Mineral taxes	820	-	349	-	-	-	1,169
Travel & Accommodation	-	-	-	-	-	-	-
TOTAL:	**$ 1,825**	**$ 100**	**$ 353**	**$ 50**	**$ -**	**$ 444**	**$ 2,772**

Specific work and programs related to above properties, descriptions and their history is available under exploration on the Company website www.kettleriver.com and SEDAR filings.

Phoenix Mine Area:

Of the 55 Crown Grants and a Mineral Lease tenure covering the Phoenix Mine Area, this former copper gold producer, surface title and various timber rights are held on approximately 350 acres.

During the period, costs of $1,825 were expended (2014 - $4,200), related mainly to storage $368 (2014 - $392), property and mineral taxes $820 (2014 - $2,850), exploration costs $485 (2014 - $854) and wage costs of $150 (2014 - $ Nil). In 2015 recording of work programs and generation of reports with wage costs accounted for $ Nil .

Phoenix Tailings property:

This Tremblay Tailings contains approximately five million tons of tailings produced from the Granby Phoenix operations during the late 1950's and early 1960's and cover approximately 50 acres of the 336 acre land package known as the Tremblay Farm. The site was reclaimed by Noranda to satisfy mining and environmental ministries in 1979. Reclamation included soil placement on tailings surface with hardy alfalfa/grass planted and a spillway channel constructed to accommodate runoff. Tests confirm there is no deleterious content in the tailings and an agreement is held with downstream property owners absolving liability in the event of a spill. The Company continues to monitor this property and explore the economic potential.

For further detail on the Twin Creek Tailings refer to the News Release dated August 1, 2012 related to the 43-101 reporting.

During the period costs of $50 (2014 - $1,231) relate mainly to exploration costs of $25 (2014 - $243), wage costs of $25 (2014 - $ Nil) and property taxes $ Nil (2014 - $988).

Bluebell-Summit (Oro Denoro) Property:

The property is mainly comprised of 20 Crown Grants where under surface title is held. Limited exploration was conducted and costs of $353 (2014 - $453) relate to core and sample storage, mineral property taxes, wage costs and amortization. Available data needs to be compiled to more easily evaluate potential for further exploration of the entire Eholt/Oro Denoro/Summit City mineral exploration holdings.

Tam O'Shanter:

On December 2, 2010, the TSX Venture Exchange accepted for filing an option agreement dated Oct. 28, 2010, (amended January 23, 2013) between Golden Dawn Minerals Inc. ("Golden Dawn") and Kettle River Resources Ltd. Golden Dawn had the option to acquire a 100-per-cent interest in the Tam O'Shanter prospect subject to cash compensation of $240,000, the issuance of 1.5 million common shares and work commitments of $2 million subject to a 3% NSR allowing a purchase up to 2% NSR for $3 million. This agreement was terminated on March 10, 2014 as at January 31, 2014 Golden Dawn was delinquent $155,000 in cash payments and the share issue consideration had not been fairly dealt with.

On July 9, 2015 the Company entered another Option Agreement with Golden Dawn that was terminated September 11, 2015 prior to TSX Venture Exchange approval. The terms of the second agreement allowed Golden Dawn to earn a 100-per-cent interest by making cash payments for a total of $150,000 within 120 days of TSX approval. The property was subject to a three-per-cent net smelter return (NSR) royalty retained by the Company and gave Golden Dawn the right to purchase two per-cent of the NSR for $2-million.

The Tam O'Shanter property is located west of Greenwood, BC in the historic Greenwood Mining District. The property consists of 46 units (3 located claims) and 7 Reverted Crown Grants located to the west of Greenwood. Prospecting and a review of compiled data led to further exploration in the area of the Wild Rose vein. Drilling and trenching took place in early 2004 consisting of 1,400 meters and intersected the Wild Rose Zone in seven of the eight drill holes.

Tam O'Shanter property costs of $444 (2014 - $625) relate mainly to amortization, storage and exploration expense.

Rads and Shickshock/Sailor Boy Property:

The property consists of 2 Reverted Crown Grants and 8 located claims for a total of 10 units. Costs for period of $100 (2014 – $ Nil) mainly related to wages.

Summary of quarterly reports

Period (Y/E)	Standard of preparation	Net Income or (Loss) for the quarter	Basic and diluted earnings (loss) per share for the quarter	Total Assets	Total Liabilities
1st Quarter 2016	**IFRS**	**(13,227)**	**0.00**	**19,402**	**466,202**
4th Quarter 2015	IFRS	26,901	0.00	22,418	455,991
3rd Quarter 2015	IFRS	(35,584)	0.00	91,163	661,623
2nd Quarter 2015	IFRS	(40,049)	0.00	97,938	685,031
1st Quarter 2015	IFRS	(20,396)	0.00	101,595	643,823
4th Quarter 2014	IFRS	(22,293)	0.00	112,870	617,531
3rd Quarter 2014	IFRS	(36,142)	0.00	293,554	592,975
2nd Quarter 2014	IFRS	105,086	0.00	281,160	559,234
1st Quarter 2014	IFRS	(48,756)	0.00	122,814	505,532

Discussion of Operations and Financial condition

The following discussion and analysis of financial conditions and results of operations should be read in conjunction with the Company's interim financial statements and related costs. The current period figures are for the three month period ended July 31, 2015.

For the current three months, the Company reported a net loss of $13,227 or $0.00 per share compared to a net loss of $20,396 or $0.00 per share in the previous year.

Operating expenses of $13,242 (2014 - $20,475) for the period, arising from general and administrative costs, $10,420 (2014 - $20,226) decreased from the previous year. During the current period, office and sundry expense decreased by $9,191, accounting, audit and legal decreased by $27, licenses, insurance and transfer agent fees decreased by $912, management, salary & wages increased by $1,364 while advertising promotion and printing remained the same.

Overall property exploration costs decreased to $2,822 from $6,559 during the same period in the previous year. Acquisition costs and exploration expenditures relating to mineral properties are written off as incurred. Payments received for exploration rights on the Company's mineral properties are treated as cost recoveries and are credited to reduce the cost of exploration expenditures related to the mineral claims with any excess, on an aggregate basis, recorded as income. Option payments are recorded as incurred. Ongoing reclamation and site restoration costs including site maintenance and care taking are expensed when incurred.

The Company had working capital deficiency of $452,260 as at July 31, 2015 and has accumulated losses of $14,495,753. Since inception, the Company has been successful in funding its operations and at July 31, 2015 had net issued shares of 27,716,711 for net proceeds of $13,141,642 averaging $0.471 per share. Kettle River shares last traded on September 18, 2015 at $0.005. There has been no change in the nature of or manner in which business is conducted or in business conditions which would affect the Company's financial results.

Risks

The Company is engaged in the exploration, development and exploitation of mineral resources for precious metals and diamonds. The properties of the Company are without a known body of commercial ore. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as property acquisition costs represent acquisition and holding cost, less amounts written off, and do not necessarily represent present or future values.

Management changes during the period

Directors and management as of the Annual General Meeting October 1, 2014: Ellen Clements, CEO, President and Director; John Jewitt, Director; Stephen Levano, Director; and Arlene Ashton, CFO and Secretary.

Financing Activities and Stock Options

Refer to the complete details in the July 31, 2015 Financial Statement.

Corporate Activities

On July 20, 2015: New Nadina Explorations Limited (TSX-V: NNA) ("New Nadina") and Kettle River Resources Ltd. (TSX-V: KRR) ("Kettle River") announced they entered into a letter of intent (the "LOI") pursuant to which it is contemplated that New Nadina will acquire all of the outstanding common shares of Kettle River (the "Transaction"). Upon completion of the Transaction, it is anticipated that approximately 27,716,711 common shares of New Nadina will be issued to former Kettle River shareholders to acquire Kettle River.

Appointment of Special Committees

The board of directors of each of New Nadina and Kettle River appointed an independent special committee to review, negotiate and recommend for approval (if appropriate) the proposed Transaction to their respective boards of directors. New Nadina and Kettle River have two directors in common, Ellen Clements and John Jewitt. The special committee of Kettle River is comprised of Stephen Levano and the special committee of New Nadina is comprised of William Meyer and David Huck. The Transaction is subject to the approval from the TSX Venture Exchange and shareholder approval of Kettle River.

News Release: "Update of New Nadina Explorations Limited and Kettle River Resources Ltd. Arrangement

August 17, 2015- New Nadina Explorations Limited ("New Nadina") (TSX-V:NNA) and Kettle River Resources Ltd. ("Kettle River") (TSX-V:KRR): Further to their joint news release dated July 20, 2015 New Nadina and Kettle River have executed a binding arrangement agreement (the "Arrangement") whereby New Nadina will acquire all of the outstanding common shares of Kettle River by way of a plan of arrangement under the Business Corporations Act (British Columbia). Upon completion of the Arrangement, it is anticipated that approximately 27,716,711 common shares of New Nadina will be issued to former Kettle River shareholders and as a result, Kettle River will become a wholly-owned subsidiary of New Nadina. Kettle River owns properties in the Greenwood Mining area in southern British Columbia, a fifty per cent interest in the Saskatchewan silica quarry and owns 43.37 per-cent of DHK Diamonds Inc, a privately owned company currently holding a participating 10.326% interest in the WO Diamond Joint Venture on the Northwest Territories.

Summary Terms of the Arrangement

Under the terms of the Arrangement, on the effective date of the Arrangement the shareholders of Kettle River will receive one (1) New Nadina common share for each Kettle River common share held (the "Share Exchange Ratio"). Based on the 27,716,711 common shares of Kettle River outstanding on the date hereof, Kettle River shareholders will receive under the Arrangement approximately 27,716,711 common shares of New Nadina representing approximately 24.7% of New Nadina's outstanding shares on completion of the Arrangement (based on New Nadina's 84,486,568 outstanding common shares on the date hereof).

The Arrangement has been reviewed by the independent special committees of both New Nadina and Kettle River, and was approved unanimously by the independent directors of both Kettle River and New Nadina. The directors and officers of Kettle River have also entered into voting support agreements with New Nadina under which they have agreed to vote all their Kettle River shares in favour of the Arrangement representing approximately 28% of the shares entitled to vote at the Kettle River annual general and special meeting, currently scheduled to be held on October 16, 2015.

The special committee and Board of Directors of Kettle River have received a Fairness Opinion from Stephen W. Semeniuk, CFA that the New Nadina share consideration is fair from a financial perspective, to the shareholders of Kettle River. The Board of Directors of Kettle River unanimously recommends that the shareholders vote in support of the Arrangement.

The special committee and Board of Directors of New Nadina received a Fairness Opinion from Ross Glanville & Associates that the New Nadina share consideration is fair from a financial perspective to the shareholders of New Nadina.

The acquisition of Kettle River by New Nadina is expected to be completed by way of a court approved plan of arrangement in British Columbia on November 6, 2015.

The Arrangement provides for customary deal protection mechanisms, including non-solicitation and right to match, in favour of New Nadina. Pending completion of the Arrangement, Kettle River will not issue any debt, equity or equity like securities without the prior written consent of New Nadina.

Closing Conditions
The closing of the Transaction will be subject to completion of several conditions, including:

- There shall have been no change, condition, event or occurrence which has or is reasonably likely to have a material adverse effect on Kettle River;
- The Transaction and plan of arrangement will be subject to approval by the shareholders of Kettle River voting as a single class, at an annual general and special meeting of shareholders; and
- Receipt of all necessary approvals to the Arrangement, including from the TSX Venture Exchange, and the approval of the Supreme Court of British Columbia after a hearing upon the fairness of the Arrangement.

No assurance can be given at this time that the proposed Arrangement will be completed, that the conditions to closing will be satisfied or that the terms of the Arrangement will not change materially from those described in this news release.

Kettle River security holders and New Nadina shareholders and all other interested parties are advised to read the proxy materials relating to the proposed Arrangement that will be filed by Kettle River with securities regulatory authorities in Canada when they become available. Anyone may obtain copies of these documents when available free of charge at the Canadian Securities Administrators' website at www.sedar.com, under Kettle River's profile.

This announcement is for informational purposes only and does not constitute an offer to purchase, a solicitation of an offer to sell the shares or a solicitation of a proxy."

Liquidity

The financial statements for the period ended July 31, 2015 have been prepared on the basis of accounting principles applicable to a going concern. This assumes that Kettle River will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Kettle River has incurred operating losses over the last several fiscal years, has limited financial resources, no source of operating cash flow and no assurances that sufficient funding, including adequate financing, will be available to further explore its mineral property projects and to cover the overhead costs necessary to maintain a public company in good standing. At July 31, 2015, Kettle River had working capital deficit of $452,260 compared to working capital deficiency of $439,061 at April 30, 2015.

Critical accounting estimates

The Company capitalizes all costs relating to the acquisition, exploration and development of its mineral properties. Should commercial production commence, these cost will be amortized. When a property is abandoned or when there is indication of impairment, all related costs are charged to operations. The Company compares the carrying value of its property, plant and equipment to estimated net recoverable amounts. Should the assets' carrying value exceed their estimated recoverable amount, all amounts related to the impairment are charged to operations.

The Company's financial assets and liabilities are cash and cash equivalents, receivables, reclamation bond, tax credits recoverable and accounts payable and accrued liabilities. The fair values of these financial instruments are estimated to be their carrying values due to their short-term nature. No reported value of fee simple holdings (surface tenure approximately 675 acres) or any timber value has been recorded on the balance sheet.

CICA Handbook section 3870 Stock-Based Compensation and Other Stock-Based Payments establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock based payments made in exchange for goods and services. Compensation expense is determined using Black-Scholes Option Pricing Model based on estimated fair values of all stock-based awards at the date of grant and is expensed to operations over each award's vesting period.

The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected stock price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Kettle River's general and administrative expenses and resource property costs is provided in the Company's Statement of Loss and Deficit and the Schedule of Resources Property Costs contained in its Audited Financial Statements for April 30, 2015 available on its SEDAR page at www.sedar.com

Transactions with Related Parties
Related party transactions are negotiated in the best interest of the Company at arms length basis market terms and are detailed in Note 7 of the Financial Statements.

A director is paid rental for providing storage facilities for exploration equipment and samples. Two directors are paid $200 each per month for telephone and office to offset expenses incurred in conducting company affairs of which one also provides geological consulting services and another director who acts as a consultant to the company and charges $50/hour. The Company provides office equipment use and administrative services to a company ("New Nadina Explorations Limited") with directors in common at fair market value for time and wages for support staff. Miscellaneous charges for telephone, postage, travel etc. are based on actual costs.

At July 31, 2015, there is a receivable from New Nadina Explorations Limited for $2,415 and from DHK Diamonds Inc. for $5,487. Advances from directors and shareholders are unsecured and bear no interest. As at July 31, 2015, $20,775 is owed to directors.

On January 20, 2009, a loan agreement was approved by the TSX Venture Exchange whereby a director would advance up to $75,000 to be secured by a first mortgage on the Company's property located at 1215 Greenwood Street, Greenwood, BC and bear interest at prime plus 3%. This loan has a term of 3 years and became due in January 2015. As at July 31, 2015, $411,900 had been advanced with no accrued interest on this amount. Current loan balance is $411,900.

During the year ending April 30, 2015, the loan debt was reduced by $178,600 (being fair and assessed market value) from the transfer of the building and land located at 1215 Greenwood Street in Greenwood, BC. The transfer was made to the loan holder's company who assumed the same amount payable.

Changes in Accounting Policies
The financial statements for the period ended July 31, 2015 followed the same accounting policies and methods of application used in the previous period presentation.

Investor relations
There were no particular investor relation activities undertaken or contracts entered into during the period. Investor relation functions were accomplished through directors whose duties include dissemination of news releases and provision of information as requested by interested parties.

Financial Instruments and Other Instruments
The Company's financial instruments consist of cash and cash equivalents, other amounts receivable, marketable securities, accounts payable and shareholders' and directors' loans. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

Outstanding share data
The Company is authorized to issue unlimited common shares without par value. As at July 31, 2015, there were 27,716,711 common shares issued.

Disclosure controls and procedures
As required by National Instrument 52-109, Management is responsible for the design, establishment and maintenance of disclosure controls and procedures over the public disclosure of financial and non-financial information regarding the Company and internal ability of its financial reporting to provide reasonable assurance regarding the integrity of the Company's financial information and reliability of its financial reporting. Management maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable.

The Company's Management, with the participation and under the supervision of its Chief Executive Officer (CEO) and Chief Financial Officer (CFO), have designed the disclosure controls and procedures to provide reasonable assurance that material information relating to the Company, is made known to them on a timely basis; and designed internal control over financial reporting to provide reasonable assurance regarding the reliability of the Company's financial reporting.

An evaluation of the effectiveness of the Company's disclosure controls and procedures was conducted as of January 31, 2009. Based on the results of that evaluation, the Company's CEO and CFO have concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective in providing reasonable assurance that the material information relating to the Company was made known to them on a timely basis and was processed and disclosed within the appropriate reports and time periods. The Company's Management believes that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. Due to inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. Accordingly, because of inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

There has been no change in the Company's internal control over financial reporting during the quarter ended July 31, 2015 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. However, the lack of segregation of duties between the management and Board of Directors consisting of the same parties creates the potential for the possibility of material weakness.

Approval

The Board of Directors of Kettle River has approved the disclosure contained in this report. A copy of this MD&A will be provided to anyone who requests it. Financial Statements of the Company are available on their website (under news) and at www.sedar.com.