KETTLE RIVER RESOURCES LTD.
(An exploration stage company)

MANAGEMENT DISCUSSION AND ANALYSIS

April 30, 2014 and 2013

FORM 51-102F1

KETTLE RIVER RESOURCES LTD.
FORM 51-102F1
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

August 20, 2014

Introduction

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 period changed its name to Kettle River Resources Ltd.

Our accompanying financial statements have been prepared using accounting principles generally accepted in Canada. Our fiscal year end is April 30th and all reported amounts are in Canadian dollars.

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.

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 in its properties within the Greenwood Area with no underlying royalties. The Company owns mineral title to an approximate 44 square kilometer area containing Crown Grants, Mineral Leases, and Reverted Crown Grants prospective for gold, silver and copper. Properties are segregated by area for exploration, reporting and accounting purposes.

The largest holding, the Phoenix property, was acquired from Noranda Explorations Ltd. and contained the Granby Mining Company holdings. Granby closed the mining operations 1977-79 and at that time, completed all reclamation requirements to the satisfaction of mining and environment ministries.

During the year $26,387 was expended on properties in the Greenwood Area. The Company received government assistance for mineral exploration expenditures from the previous year of $ Nil credited to the Phoenix property yielding net 2013 Greenwood area expenditures of ($ Nil).

A refund of $6,310 was received from the BC Mining Exploration Tax Credit from the 2013 exploration expenditures of $21,033.

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

Mineral Project Activity

Greenwood Area Expenditure breakdown by property for the year ended April 30, 2014

	Phoenix	Bluebell	Phoenix Tailings	Haas	Rads	Tam O'Shanter	Niagara	Greenwood Area, BC
Access Rights	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amortization	439	439	-	-	-	879	-	1,757
Assaying	29	-	-	-	-	-	-	29
Assessment, filing fees, membership	-	-	-	-	-	-	-	-
Direct charges – wages	4,950	1,000	1,000	-	950	2,200	-	10,100
Exploration costs	1,405	50	300	-	3,480	575	-	5,810
Field supplies	515	-	-	-	-	-	-	515
Legal and miscellaneous	-	-	-	-	-	-	-	-
Property costs & acquisition	884	-	400	-	-	-	-	1,284
Roadwork / Reclamation	-	-	-	-	-	-	-	-
Storage (samples& equipment)	1,482	-	-	-	-	1,482	-	2,964
Property and Mineral taxes	2,668	349	911	-	-	-	-	3,928
Travel and accommodation	-	-	-	-	-	-	-	-
subtotal:	12,372	1,838	2,611	-	4,430	5,136	-	26,387
Less: Government assistance	-	-	-	-	-	-	-	-
TOTAL	$ 12,372	$ 1,838	$ 2,611	$ -	$ 4,430	$ 5,136	$ -	$ 26,387

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 year, costs of $12,372 were expended (2013 - $14,916) related mainly to storage $1,482 (2013 - $1,492), property and mineral taxes $2,668 (2013 - $2,377) exploration costs $1,405 (2013 - $8,198) and wage costs of $4,950 (2013 - $1,550). A BCMETC Tax refund of $ Nil (2013 - $4,704) were received and credited to the property.

On June 12, 2014 a refund of $6,310 was received from the BC Mining Exploration Tax Credit from the 2013 exploration expenditures of $21,033.

Phoenix Tailings property:

The 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 material 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.

Costs of $2,611 (2013 - $13,860) during the year relate mainly to, exploration costs of $300 (2013 - $6,887) wage costs of $1,000 (2013 - $5,300), travel $ Nil (2013 – $719), property taxes $911 (2013 - $774) and perimeter fencing repairs $400 (2013 - $180).

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 $1,838 (2013 - $6,014) relate to core and sample storage, mineral property taxes, wage costs and amortization. Data is currently being compiled to more easily evaluate potential for further exploration of the entire Eholt/Oro Denoro/Summit City mineral exploration holdings.

<u>Tam O'Shanter</u>:

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. The last and deepest hole of the program encountered gold values at a vertical depth of 150m appears to be an extension of a zone at depth encountered in 1992 and 1995. The 80 meter distance between intercepts (previous gold values of 0.58 opt over 1.1m, 0.21 opt over 3m with recent values of 0.3 opt over 1m) represents a significant discovery as this type of apparent continuity of width and grade not previously observed.

Tam O'Shanter property costs of $5,136 (2013 - $5,222) relate mainly to amortization, storage and wage expense.

At January 31, 2014 Golden Dawn was delinquent $155,000 in cash payments since Nov 2011 and the share issue consideration was not been fairly dealt with. After much consideration, on March 10, 2014, the Board served a Default Notice allowing them thirty days to rectify the matter. The agreement was subsequently terminated.

The original option agreement dated Oct. 28, 2010 was accepted for filing by the TSX Venture Exchange on December 2, 2010 the terms of which are scheduled in the April 30, 2014 Company Financial Statement.

<u>Rads and Shickshock/Sailor Boy Property</u>:

The property consists of 2 Reverted Crown Grants and 8 located claims for a total of 10 units. During the period a geological mapping/sampling exploration program was completed by Linda Caron. Costs of $4,430 2013 – $3,849) mainly related to exploration work incurred in the current year.

Excerpt from report by consultant Linda Caron, M.Sc., P.Eng., a Qualified Person under NI 43-101:

> **CONCLUSIONS & RECOMMENDATIONS**
> "The Rad property is underlain in large part by the Triassic Brooklyn Formation, a favourable host rock for both copper-gold skarn mineralization and gold-bearing volcanogenic massive sulfide/oxide (Lamefoot-type) mineralization. No modern trenching and no drilling has been done on the property. Areas of anomalous copper, gold and zinc in rocks and in soils (from the 2005 and previous work programs) remain to be followed up, as do several chargeability anomalies.
>
> Skarn type mineralization has been the focus of essentially all the previous exploration on the property and this remains a viable target. Elevated copper values occur within massive magnetite-garnet skarn at the Shickshock occurrence but, where sampled, precious metal values were low. The depth extent of skarn mineralization is unknown and detailed mapping is needed to the east and south of the Shickshock occurrence, to understand the relationship between this zone and the Ike occurrence to the south and to see what role, if any, the Thimble Mountain fault plays in localizing gold mineralization in the skarn or elsewhere. Gold values to 15.4 g/t Au were returned from previous sampling at the Ike zone.
>
> Eocene-aged epithermal gold mineralization is also a viable exploration target on the property. Epithermal veining within limestone occurs in the vicinity of the Ike occurrence. Further work is warranted."

<u>DHK Diamonds Inc: (DHK) Lac de Gras area – Northwest Territories</u>

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 where 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.

The Company has increased its shareholdings in DHK Diamonds Inc. to 43.37% from 42.5% mainly due to contributing 50%(versus 42.5%) of funds to meet the DHK portion of operating expenses and WO JV cash calls.

The ownership of DHK is subject to change depending on cash call contributions. Due to lack of funding in DHK, Kettle River has been paying necessary bills on behalf of DHK subject to reimbursement or share issuance.

The Company reports contributions to budgets as exploration costs. During the year ended April 30, 2014 costs of $2,711 (2013 - $2,325) were incurred: Exploration costs of $496 (2013 - $375) and $2,100 (2013 – $1,950) for management and related expenses, and $115 (2013 - $ Nil) for administrative travel costs.

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

The WO property is now operated by Peregrine Diamonds Ltd. (Peregrine) where they currently (October 2011) own 71.952%, Archon Minerals Ltd (Archon) owns 17.533% and DHK owns 10.3141%. 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 interest in the WO joint venture is subject to change related to Peregrine cash calls to DHK. DHK has not contributed during the prior three years and the current interest has been reduced to 10.3141%. Peregrine's previous presented budgets for the WO project include Ground Geophysics, Project Supervision, Operations, Land Administration, Environmental/Reclamation, Drilling, Resource and Valuation program, and Community Relations. The ongoing programs determine future budgets in the search for further kimberlites. In 2014 there has been no exploration cash call and a credit has been awarded for a reduction in the 2013 expenditures.

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.

An updated report on Lac de Gras - WO has recently been completed and can be found on SEDAR under Peregrine Diamonds filings. Filing reference is July 24, 2014 titled "Technical report (NI 43-101)".

Pellatt Lake Property (Nunavut):

On December 13, 2013 the three leases at Pellatt Lake were allowed to lapse as a JV partner was not found and it was determined there was unlikely potential for economic diamonds considering previous exploration activity.

Kettle River acquired 100% of three mineral leases 4745, 4746 and 4747 totaling 3,142.38 hectares On Nov 12, 2010 from DHK and Peregrine Diamonds subject to a previous holding gross overriding royalty of 1%.

Required Annual lease payments were not made and the property forfeited. Costs of $100 (2013-$8,040) relate to mining lease annual payments and wage costs.

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 and most recently the Trio, Gemini and Sparky kimberlites. The most recent discoveries were made when drilling 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 and we are advised a JV Partner is being sought to conduct further exploration and testing on this property.

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

The Company owns 1,782,582 free trading shares of New Nadina. The Silver Queen property was first known for its systems of historical vein production. In 2011 a copper, molybdenum, gold porphyry was discovered. Drilling in 2012-2013 has 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 original Nipikamew silica sand quarry in Saskatchewan was allowed to expire Nov 30, 2009 and re-staked December 11, 2009 to more adequately cover the showing. The ground now covers the quarry production area and a new 5 year Quarry Lease has been approved by the Minister of Energy and Resources for Saskatchewan. The quarry production potential is dependant on market demand and economic viability continues to be reviewed. The property is approximately 54 acres and under the lease which currently expires in December 11, 2014 and is subject to an annual rental of $2 per acres.

To date, no income has been received from the sale of silica material. The Company continues to investigate avenues to develop the property.

Each partner records individual expenses as incurred. The Company feels there is potential to test and market the silica potential on this property. For the twelve month period ended April 30, 2014 Saskatchewan JV expenses totaled $200 (2013-$50) were expended on research.

Our Results of Operations

Selected Annual Information – Audited statements

Year ended April 30th	Standard of preparation $	Revenues from logging operations $	Income or (Loss) from Continued Operation and Net Income (loss) $	Basic and Fully diluted Earnings (Loss) per share from Continued Operation and Net Income (loss) $	Total Asset $	Total Liabilities $
2014	**IFRS**	**Nil**	**(157,105)**	**(0.01)**	**112,870**	**617,531**
2013	IFRS	Nil	(171,049)	(0.01)	155,088	458,642
2012	IFRS	Nil	(93,911)	(0.00)	276,449	279,668
2011	IFRS	Nil	(161,058)	(0.00)	265,929	163,385
2010	GAAP	Nil	(3,963)	(0.00)	211,861	45,072
2009	GAAP	Nil	(777,498)	(0.03)	316,969	48,173
2008	GAAP	Nil	(1,337,694)	(0.06)	1,146,712	36,041
2007	GAAP	Nil	(1,481,002)	(0.13)	215,426	766,899
2006	GAAP	Nil	(1,268,266)	(0.14)	369,542	20,792
2005	GAAP	Nil	(224,809)	(0.04)	290,768	16,548
2004	GAAP	295,437	(185,382)	(0.03)	349,599	48,647
2003	GAAP	283,655	(1,653,648)	(0.33)	309,072	52,291
2002	GAAP	Nil	(1,712,443)	(0.37)	1,939,187	51,258

Summary of quarterly reports

The following table sets out financial information for the last 8 quarterly reports of Kettle River. The 1st, 2nd and 3rd quarters are derived from unaudited quarterly financial statements prepared by management. The 4th quarter represents the April 30th audited year-end financial statements. Kettle Rivers interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and expressed in Canadian dollars.

Selected quarterly information

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
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
4th Quarter 2013	IFRS	(84,810)	0.00	155,088	458,642
3rd Quarter 2013	IFRS	24,809	0.00	268,133	441,657
2nd Quarter 2013	IFRS	(64,699)	0.00	249,193	392,636
1st Quarter 2013	IFRS	(46,349)	0.00	255,127	327,447
4th Quarter 2012	IFRS	(30,151)	0.00	276,449	279,668
3rd Quarter 2012	IFRS	33,579	0.00	359,112	259,011
2nd Quarter 2012	IFRS	(55,529)	0.00	363,434	267,544
1st Quarter 2012	IFRS	(41,810)	0.00	404,279	208,169

**** Amounts for this quarter include $155,000 amount due from Golden Dawn Minerals for outstanding option agreement payments. Please note that at the year end the option agreement with Golden Dawn was terminated, the monies uncollected and the outstanding option payment receivable reversed.**

Results of Operations

For the year ended April 30, 2014, the Company experienced a net loss of $(157,105) or ($0.01) per share compared to a loss of $171,049 or ($0.01) per share the previous year. Logging income from the Company's fee simple real estate holdings was $ Nil in both 2014 and 2013.

Operating expenses, arising from general and administrative costs, for the year were $131,142 as compared to $136,744 at April 30, 2013. Accounting, audit & legal fees increased to $33,140 from $26,953, travel and accommodation increased to $1,200 from $378, management costs decreased to $31,702 from $59,627. Office building expenses decreased to $4,721 from $5,926, office sundry increased to $31,940 from $22,117.

During the year, the Company received $ Nil in government assistance under the BCMETC Program (British Columbia Mining Expenditure Tax Credit) which was deducted from exploration costs. In the previous year $4,704 in BCMETC assistance was received and recorded. Actual exploration expenditures in 2014 were $29,398 compared to $54,276 in 2013.

There has been no change in the nature of or manner neither in which business is conducted nor in business conditions which would affect the Company's financial results.

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.

Fourth Quarter results

During the fourth quarter, the Company experienced a net loss of $(22,293) or ($0.00) per share compared to a net loss of $84,810 or ($0.00) per share the previous year as government assistance decreased to $ Nil from $4,704 and exploration expenditures increased to $5,626 from $4,493 in the previous year. Administration for the fourth quarter was $7,090 compared to ($24,721) for the year before. Auditing costs for 2014 compared to 2013 increased by $2,636, advertising decreased by $175, licensing increased by $6,948, management fees decreased by $8,411, office expenses also increased by $2,996.

Management

Current directors and officers are: Ellen Clements, John Jewitt and Stephen Levano. Ellen Clements is President and Chief Executive Officer and Arlene Ashton is Corporate Secretary and Chief Financial Officer.

Liquidity

The financial statements for the year ended April 30, 2014 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 April 30, 2014, Kettle River had working capital deficiency of $559,587 compared to working capital deficiency of $360,355 at April 30, 2013. Kettle River shares traded at $0.01 on April 29, 2014.

Financing Activity and Principal Purposes

The last financing was closed on October 5, 2007 and there has been no recent activity.

Risks and Uncertainties

The Company is in the business of acquiring, exploring and developing diamond and mineral properties, and is exposed to a number of risks and uncertainties that are common to other exploration companies in the same business. The industry is capital intensive at all stages and is subjected to variations in commodity prices, market sentiment, and various other risks. The Company currently has no other source of income other than management fees, and interest on cash balances. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties

Early Stage – Need for Additional Funds

Kettle River has no history of profitable operations and its present business is at an early stage. As such, Kettle River is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that Kettle River will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of Kettle River would result, and other persons would be required to manage and operate the Company.

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, 2014 available on www.sedar.com under the Company filings or on the Company website: www.kettleriver.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.

To an employee who is also a director, and on Oct. 24, 2005 appointed president, $6,000 per month which ended Dec 31, 2013. 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 space and management services to a company ("New Nadina Explorations Limited") with directors in common for a monthly consideration of $1,500 plus actual time and wages for support staff. Miscellaneous charges for telephone, postage, travel etc. are based on actual costs.

At April 30, 2014, there is a receivable from New Nadina Explorations Limited for $5,224 and from DHK Diamonds Inc. for $4,219. Advances from directors and shareholders are unsecured and bear no interest. As at April 30, 2014, $15,140 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 has been extended to January 2015. As at April 30, 2014, $561,000 had been advanced with accrued interest on this amount of $2,765. Current loan balance is $582,500.

Changes in Accounting Policies

The financial statements for the year ended April 30, 2014 followed the same accounting policies and methods of application used in the previous year presentation.

Asset Retirement Obligations

This new section requires recognition of a legal liability for obligations relating to retirement of property, plant, and equipment, and arising from the acquisition, construction, development, or normal operation of those assets. Such asset retirement cost must be recognized at fair value, when a reasonable estimate of fair value can be estimated, in the period in which it is incurred, added to the carrying value of the asset, and amortized into income on a systematic basis over its useful life. There is no material impact on the financial statements resulting from the adoption of Section 3110 either in the current or prior years presented.

Other

There were no special resolutions passed by shareholders during the period. Other than normal ongoing commitments relating to exploration of its properties or relating to these as defined under the Mines Act, the Company has no material commitment. There has been no material variations between financial results and information previously disclosed. 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. Steps have been taken to ensure that the Company conforms to the requirements of the new Business Corporations Act (British Columbia) (new BC Act") that came into effect on March 29, 2004.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, Growth Income Certificates (GIC), 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.

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.