KETTLE RIVER RESOURCES LTD.
(An exploration stage company)

MANAGEMENT DISCUSSION AND ANALYSIS

April 30, 2015 and 2014

FORM 51-102F1

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

August 13, 2015

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 are a publicly traded company without any substantive operations, and thus, have realized no mining revenues. 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

Land holdings are 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. Modern exploration tools are reasons for revisiting these properties. The Company owns 100% interest (other than those currently under option) of properties within the Greenwood Area. Where the Company 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 acquired from Noranda Explorations Ltd. through a joint venture to own 100% by the mid 1990's. These properties included those previously owned by the Granby Mining Company. Prior to acquisition, all reclamation requirements on these properties was completed to the satisfaction of mining and environment ministries.

During the year $17,993 was expended on properties in the Greenwood Area. The Company received a BC Mining Exploration Tax Credit for mineral exploration expenditures from previous years of $11,746 credited to the Phoenix property yielding net 2015 Greenwood area expenditures of ($6,247). This refund is $6,310 for the 2013 year end and $5,436 for 2014.

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, 2015

	Phoenix	Bluebell	Phoenix Tailings	Haas	Rads	Tam O'Shanter	Niagara	Greenwood Area, BC
Access Rights	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amortization	375	375	-	-	-	749	-	1,499
Assaying	-	-	-	-	67	-	-	67
Assessment, filing fees, membership	-	-	-	-	-	-	-	-
Direct charges – wages	-	-	-	-	-	-	-	-
Exploration costs	8,152	91	350	25	500	400	-	9,518
Field supplies	-	-	17	-	-	-	-	17
Legal and miscellaneous	-	-	-	-	-	-	-	-
Property costs & acquisition	442	-	-	-	-	-	-	442
Roadwork / Reclamation	-	-	-	-	-	-	-	-
Storage (samples& equipment)	1,095	28	-	-	-	1,067	-	2,190
Property and Mineral taxes	2,849	349	988	-	-	-	-	4,186
Travel and accommodation	74	-	-	-	-	-	-	74
subtotal:	12,987	843	1,355	25	567	2,216		17,993
Less: Government assistance	(11,746)	-	-	-	-	-	-	(11,746)
TOTAL	$ 1,241	$ 843	$ 1,355	$ 25	$567	$ 2,216	$ -	$ 6,247

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:

There are 55 Crown Grants and a Mineral Lease tenure covering the Phoenix Mine area. The Crown Grant titles of this former copper gold producer includes undersurface and surface with various timber rights on approximately 400 acres.

During the year, costs of $12,987 were expended (2014 - $12,372) related mainly to storage $1,095 (2014 - $1,482), property and mineral taxes $2,849 (2014 - $2,668), exploration costs $8,152 (2014 - $1,405) and wage costs of $ Nil (2014 - $4,950). A BCMETC Tax refund of $11,746 (2014 - $ Nil) was received and recorded to reduce property expenditures.

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 336.5 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 planted with hardy alfalfa/grass and a spillway channel was 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 $1,355 (2014 - $2,611) during the year relate mainly to, exploration costs of $167 (2014 - $300), wage costs of $ Nil (2014 - $1,000), travel $ Nil (2014 – $ Nil), property taxes $988 (2014 - $911), and perimeter fencing repairs of $200 (2014 - $400).

Bluebell-Summit (Oro Denoro) Property:

The property is mainly comprised of 20 Crown Grants where undersurface title is held. Limited recent exploration has been conducted and costs of $843 (2014 - $1,838) relate to core and sample storage, mineral property taxes, wage costs and amortization. Data is being compiled to more easily evaluate potential for further exploration of the entire Eholt/Oro Denoro/Summit City mineral exploration holdings.

Tam O'Shanter:

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 $2,216 (2014 - $5,136) relate mainly to amortization, storage and wage expense.

On July 9, 2015 the Company announced an Option Agreement on the Tam O'Shanter property between the Company and Golden Dawn Minerals Inc. ("Golden Dawn"). The terms of the agreement allow 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 is subject to a three-per-cent net smelter return (NSR) royalty retained by the Company and gives Golden Dawn the right to purchase two per-cent of the NSR for $2-million.

A previous agreement with Golden Dawn dated December 2, 2010 with various amendments on this same property was terminated March 14, 2014.

Haas Creek Talc (Deadwood – west of Greenwood) Costs of $ 25 (2014 – $ Nil) were incurred during the period.

Rads and Shickshock/Sailor Boy Property:

The property consists of 2 Reverted Crown Grants and 8 located claims for a total of 10 units. During year ending 2014 a geological mapping/sampling exploration program was completed by Linda Caron. During year ending 2015 no work was done on these mineral tenures. Costs of $567 (2014 – $4,430) 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."

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

DHK Diamonds Inc. (DHK) is a private company where Kettle River owns 43.37% of the shares. It was formed in 1992 with two other junior companies and registered in the Canadian Northwest Territories to manage and explore prospective diamond property.

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. Due to lack of funding in DHK, Kettle River continues to pay ongoing DHK administrative costs which are charged directly to Accounts Receivable. The balance to April 30, 2015 is $5,487 and includes our portion of $804 which once invoiced, will be adjusted for a net receivable of $4,683.

The Company reports contributions to budgets as exploration costs. During the year ended April 30, 2015 costs of $(8,274) (2014 - $2,711) were incurred: Exploration costs of $(8,274) (2014 - $496) and $ Nil (2014 – $2,100) for management and related expenses, and $ Nil (2014 - $115) for administrative travel costs. The DHK $8,274 credit represents current year expenditures of $195 and ($8,469). The reversal of $8,469 corrects a 2011 adjusting journal entry made to adjust Kettle River expenditures made on behalf of DHK

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

DHK Diamonds Inc. first optioned the diamonds properties to Kennecott Canada Exploration Inc. (KCEI). Diamonds were found in the area of the Tli Kwi Cho (WO Block) where a 1994 bulk sampling was conducted. The property was returned to DHK who entered into various farm-out agreements where currently Peregrine Diamonds Ltd. is the operator.

The WO property, as of April 2015, is owned 72.104% by Peregrine Diamonds Ltd. (Peregrine), Archon Minerals Ltd (Archon) owns 17.57% and DHK owns 10.326%.

A July 15, 2014 report on Lac de Gras - WO has been completed and can be found on Peregrine Diamonds website at http://www.pdiam.com/s/LacdeGras.asp or filed on SEDAR dated July 24, 2014.

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.

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.

Currently we are 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.

Pellatt Lake Property (Nunavut):

On December 13, 2013 Kettle River allowed the three leases at Pellatt Lake to lapse and property was forfeited. A JV partner had not been found and it was determined there was unlikely potential for economic diamonds considering previous exploration activity. Kettle River had 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%.

Costs of $ Nil (2014-$100 relate to mining lease annual payments and wage costs).

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

The Company, as of April 30, 2015, disposed of its 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 Quarry Lease has been renewed and approved by the Minister of Energy and Resources for Saskatchewan. The property is approximately 54 acres and under the lease which currently expires in December 2019. To date, no income has been received from the lease and is subject to an annual rental of $2 per acres. The quarry production potential is dependant on market demand and economic viability continues to be reviewed. 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, 2015 Saskatchewan JV expenses totaled $ Nil (2014-$200) were expended on research.

Our Results of Operations

Selected Annual Information – Audited statements

Year ended April 30th	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 $
2015	**Nil**	**(8,683)**	**(0.00)**	**22,418**	**455,991**
2014	Nil	(157,105)	(0.01)	112,870	617,531
2013	Nil	(171,049)	(0.01)	155,088	458,642

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)	Net Income or (Loss) for the quarter	Basic and diluted earnings (loss) per share for the quarter	Total Assets	Total Liabilities
4th Quarter 2015	**26,901**	**0.00**	**22,418**	**455,991**
3rd Quarter 2015	24,861	0.00	91,163	661,623
2nd Quarter 2015	(40,049)	(0.00)	97,937	685,031
1st Quarter 2015	(20,396)	(0.00)	101,595	643,823
4th Quarter 2014	(22,293)	(0.00)	112,870	617,531
3rd Quarter 2014	(36,142)	(0.00)	293,554	592,975
2nd Quarter 2014	105,086	0.00	281,160	559,234
1st Quarter 2014	(48,756)	(0.00)	122,814	505,532

**** Amounts for this quarter include $155,000 amount due from Golden Dawn Minerals for outstanding option agreement payments. Please note that on March 14, 2014 this option agreement was terminated, the monies uncollected and the outstanding option payment receivable reversed.**

Results of Operations

For the year ended April 30, 2015, the Company experienced a net loss of $8,683 or ($0.01) per share compared to a loss of $157,105 or ($0.01) per share the previous year. Logging income from the Company's fee simple land holdings was $ Nil in both 2015 and 2014.

Operating expenses, arising from general and administrative costs, for the year were $58,627 as compared to $131,142 at April 30, 2014. Accounting, audit & legal fees decreased to $20,509 from $33,140, travel and accommodation decreased to $463 from $1,200, management costs decreased to $22,131 from $49,702. Office building expenses increased to $6,080 from $4,721, office sundry decreased to $2,430 from $31,940.

During the year, the Company received $11,746 in government assistance under the BCMETC Program (British Columbia Mining Expenditure Tax Credit) which was used to reduce exploration costs. In the previous year $ Nil in BCMETC assistance was received and recorded. Actual exploration expenditures in 2015 were $9,719 compared to $29,398 in 2014.

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 income of $26,901 or $0.00 per share compared to a net loss of $(22,293) or ($0.00) per share the previous year as government assistance increased to $5,436 from $ Nil and exploration expenditures decreased to $773 from $5,626 in the previous year. Administration for the fourth quarter was $25,568 compared to $16,682 for the year before. Auditing costs for 2015 compared to 2014 decreased by $3,003, and licensing decreased by $1,923. The company reported a gain on disposal of the office building and land of $130,755 and reported the forgiveness of debt for the interest expense cancelled by a creditor in the amount of $10,954 which relates to loan interest charged during the prior year.

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.

Proposed Transactions

"New Nadina Explorations Limited to Acquire Kettle River Resources Ltd.

On July 20, 2015: New Nadina Explorations Limited (TSX-V: NNA) ("New Nadina") and Kettle River Resources Ltd. (TSX-V: KRR) ("Kettle River") are pleased to announce that they have 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.

Summary Terms of the LOI

Under the terms of the LOI, the Transaction will be effected by a plan of arrangement under the *Business Corporations Act* (British Columbia) whereby New Nadina will acquire from the shareholders of Kettle River, 100% of the outstanding common shares of Kettle River and Kettle River will as a result become a wholly-owned subsidiary of New Nadina. Following the closing of this purchase, New Nadina will own 27,716,711 common shares of Kettle River representing approximately 100% of Kettle River's outstanding common shares. The proposed Transaction structure remains to be finalized by the parties pursuant to the LOI.

New Nadina will issue to each shareholder of Kettle River one (1) common share in the capital of New Nadina in exchange for one (1) Kettle River common share held by such shareholder. No fractional shares of New Nadina will be issued, and fractions will be rounded down to the nearest lower whole share. Based on the 27,716,711 common shares of Kettle River outstanding on the date hereof, Kettle River shareholders (not including New Nadina) would receive approximately 27,716,711 common shares of New Nadina under the Transaction, representing approximately 24.7% of New Nadina's outstanding shares on completion of the Transaction (based on New Nadina's 84,486,568 outstanding common shares on the date hereof). All stock options of Kettle River shall be converted into stock options of New Nadina without modification to the exercise price or term.

The LOI provides for customary deal protection mechanisms, including non-solicitation and right to match, in favour of New Nadina. Until December 31, 2015, Kettle River and New Nadina will negotiate exclusively with one another and work together to finalize definitive agreements as soon as reasonably possible and 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:

- completion of due diligence satisfactory to each party by August 14, 2015;
- execution of a formal definitive agreement based on the terms of the LOI and containing other customary terms for a transaction of this nature by August 14, 2015;
- the Transaction and plan of arrangement will be subject to approval by the shareholders of Kettle River at an annual and special meeting of shareholders; and
- receipt of all necessary approvals to the Transaction, including from the TSX Venture Exchange, and the approval of the Supreme Court of British Columbia after a hearing upon the fairness of the Transaction.

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

Appointment of Special Committees

The board of directors of each of New Nadina and Kettle River has 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. "

Liquidity

The financial statements for the year ended April 30, 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 April 30, 2015, Kettle River had working capital deficiency of $439,061 compared to working capital deficiency of $559,587 at April 30, 2014. Kettle River shares last traded at $0.005 on August 11, 2015.

Financing and Investing Activities

The most recent equity financing by the company was on October 5, 2007 and there has been none since.

All investments in marketable securities were disposed of in the current period resulting in a realized loss of $93,944.

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 possible sale of mineral properties. The Company will rely or the sale of properties and equity financing to fund its ongoing operations and activities.

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.

A director, who became president on Oct. 24, 2005 was paid $6,000 per month prior to Dec 31, 2013. This director also receives 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. The Company up to March 31, 2015 provided office space and administrative 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, 2015, there is a receivable from New Nadina Explorations Limited for $4,352 and from DHK Diamonds Inc. for $5,487. Advances from directors and shareholders are unsecured and bear no interest. As at April 30, 2015, $18,900 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 was extended to January 2015. On agreement with the holder, interest backdated to January 1, 2014 of $10,984 was forgiven and interest is no longer charged on this loan.

During the year, the Company transferred its office building and land located in Greenwood, BC to a company owned by the President for $178,600, being the fair market value at the date of transfer. The $178,600 value of the transfer was used to reduce the outstanding loan. As at April 30, 2015, $406,900 had been advanced. This loan bears no interest and as of August 7, 2015 the loan balance is $411,900.00.

Changes in Accounting Policies

The financial statements for the year ended April 30, 2015 followed the same accounting policies and methods of application used in the previous year presentation.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC which are not yet effective during the year ended April 30, 2015. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

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, Guaranteed Investment Certificates (GIC), other amounts receivable, investments, accounts payable, due to related parties and loan payable. 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 April 30, 2015 and August 13, 2015, there were 27,716,711 common shares issued.

The Company has established a share purchase option plan whereby the Board of Directors may from time to time grant options to directors, officers, employees or consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of options is determined by the Board of Directors and shall not be lower than the allowable discounted closing market price of the shares on the business day immediately prior to the grant date and subject to the approval of the TSX Venture Exchange. The options vest as determined by the Board of Directors.

As at April 30, 2015 there are 1,375,000 (2014 - 1,375,000) options outstanding and exercisable.

As of July 20, 2015 the 1,375,000 options that were outstanding expired.

Off Balance sheet arrangements:

The Company has no off balance sheet arrangements.

Approval

The Board of Directors of Kettle River has approved the disclosure contained in this report. A copy of this report 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.