
BITTERROOT RESOURCES LTD.
CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2008
(Unaudited - Prepared by Management)

BITTERROOT RESOURCES LTD.
(UNAUDITED - PREPARED BY MANAGEMENT)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-109 Part 4 Subsection 4.3(3) (a), if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The unaudited interim financial statements of the Company as at April 30, 2008, and for six months ended April 30, 2008 and 2007, were prepared by, and are the responsibility of the Company's management.

The Company's independent auditor did not perform a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BITTERROOT RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED - PREPARED BY MANAGEMENT)

	April 30 2008	October 31 2007
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	3,426,538	3,094,703
Accounts receivable - other	85,207	335,826
Prepaid expenses	1,328	2,656
	<hr/>	<hr/>
	3,513,073	3,433,185
Reclamation Deposit	13,300	13,300
Resource Properties (Note 3)	11,793,559	10,520,700
Equipment (Note 4)	16,488	18,954
	<hr/>	<hr/>
	15,336,420	13,986,139

LIABILITIES

Current Liabilities		
Accounts payable and accrued liabilities	70,628	307,802
Future Income Taxes (Note 8)	393,165	393,165
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	463,793	700,967

SHAREHOLDERS' EQUITY

Share Capital (Note 5)	18,316,748	17,107,923
Contributed Surplus	2,333,958	2,236,730
Deficit	(5,778,079)	(6,059,481)
	<hr/>	<hr/>
	14,872,627	13,285,172
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	15,336,420	13,986,139

APPROVED BY THE DIRECTORS

(Signed) Michael S. Carr
Michael S. Carr, Director

(Signed) George W. Sanders
George W. Sanders, Director

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(UNAUDITED - PREPARED BY MANAGEMENT)

	Three Month Period Ended April 30 2008	Three Month Period Ended April 30 2007	Six Month Period Ended April 30 2008	Six Month Period Ended April 30 2007
	\$	\$	\$	\$
Expenses				
Amortization	1,233	1,506	2,467	2,453
Foreign exchange (gain) loss	(883)	1,138	(11,449)	(746)
Interest and bank charges	941	749	1,681	1,454
Management fees	24,000	24,000	48,000	48,000
Office, printing and travel	34,149	27,970	56,394	44,759
Professional fees	31,622	49,770	54,860	71,854
Property investigation	15,517	-	15,517	-
Regulatory fees	8,807	9,288	8,807	9,993
Shareholder information	6,965	12,621	11,052	15,500
Stock-based compensation	63,892	82,322	63,892	478,114
Transfer agent fees	9,321	2,864	11,681	5,096
Loss Before Other Items	(195,564)	(212,228)	(262,902)	(676,477)
Other Items				
Interest income	19,240	35,567	42,628	62,077
Write-off of resource property	(7,724)	(634)	(11,816)	(1,278)
Recovery of resource properties written-off	-	7,573	-	7,573
	11,516	42,506	30,812	68,372
Loss Before Income Taxes	(184,048)	(169,722)	(232,090)	(608,105)
Future income tax recovery	-	-	513,492	702,221
Net Earnings (Loss) For The Period	(184,048)	(169,722)	281,402	94,116
Deficit, beginning of period	(5,594,031)	(5,135,387)	(6,059,481)	(5,399,225)
Deficit, End Of Period	(5,778,079)	(5,305,109)	(5,778,079)	(5,305,109)
Basic And Diluted Earnings (Loss) Per Share				
	(0.00)	(0.00)	0.01	0.00
Weighted Average Number Of Shares Outstanding				
	53,860,465	48,024,508	53,408,042	47,062,567

The accompanying notes are an integral part of these financial statements.

BITTERROOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED - PREPARED BY MANAGEMENT)

	Three Month Period Ended April 30 2008	Three Month Period Ended April 30 2007	Six Month Period Ended April 30 2008	Six Month Period Ended April 30 2007
	\$	\$	\$	\$
Operating Activities				
Net earnings (loss) for the period	(184,048)	(169,722)	281,402	94,116
Items not involving cash				
Amortization	1,233	1,506	2,467	2,453
Write-off of resource properties	7,724	634	11,816	1,278
Stock-based compensation	63,892	82,322	63,892	478,114
Future income tax recovery	-	-	(513,492)	(702,221)
	(111,199)	(85,260)	(153,915)	(126,260)
Changes in non-cash working capital				
Accounts receivable - other	148,457	(324,178)	250,619	(281,128)
Prepaid expenses	664	633	1,328	3,336
Accounts payable and accrued liabilities	(7,072)	(205,942)	(237,174)	(112,278)
	142,049	(529,487)	14,773	(390,070)
	30,850	(614,747)	(139,142)	(516,330)
Financing Activity				
Share issuances	1,671,817	156,440	1,692,817	3,700,193
Investing Activities				
Purchase of equipment	-	(9,294)	-	(9,294)
Resource property expenditures, net of recoveries	(189,254)	(723,480)	(1,221,840)	(1,590,374)
	(189,254)	(732,774)	(1,221,840)	(1,599,668)
Increase During The Period	1,513,413	(1,191,081)	331,835	1,584,195
Cash and cash equivalents, beginning of period	1,913,125	4,178,988	3,094,703	1,403,712
Cash And Cash Equivalents, End Of Period	3,426,538	2,987,907	3,426,538	2,987,907

Supplemental cash flow information (Note 9)

BITTERROOT RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED APRIL 30, 2008
(UNAUDITED - PREPARED BY MANAGEMENT)

1. Basis of Presentation

These interim financial statements have been prepared using the same accounting policies as used in the financial statements for the year ended October 31, 2007 and should be read in conjunction with the audited annual financial statements.

2. Continuing Operations

Bitterroot Resources Ltd. (the "Company"), incorporated in British Columbia, is a public company listed on the TSX Venture Exchange.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of resource properties.

At April 30, 2008, the Company was in the process of exploring its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for resource properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof.

The Company incurred a gain of \$281,402 for the six month period ended April 30, 2008 (2007 - \$94,116), and had a deficit of \$5,778,079 at April 30, 2008 (October 31, 2007 - \$6,059,481) which has been funded primarily by the issuance of equity. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing, and generating revenues sufficient to cover its operating costs.

These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated balance sheets.

BITTERROOT RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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3. Resource Properties

	GK Property B.C., Canada	Mineral Creek B.C., Canada	North Brenda Property B.C., Canada	SPN Property B.C., Canada	Big Southeaster B.C., Canada	Michigan Lands Michigan, USA	Total
	\$	\$	\$	\$	\$	\$	\$
Balance – October 31, 2007	2,187,153	2,413,847	1,529,512	222,295	1,399,680	2,768,213	10,520,700
Deferred cost during the period:							
Acquisition costs	-	-	-	13,000	-	-	13,000
Claims, leases and permits	9,269	54,305	-	7,625	48,420	943	120,562
Consulting and professional	91,593	18,774	99,944	7,325	70,098	97,236	372,583
Drilling	411,589	-	9,672	-	196,288	6,140	624,919
Field supplies	2,860	3,799	1,631	800	526	189	9,805
Fuel	11,329	-	993	-	8,633	-	20,955
Geochemistry	22,320	599	10,737	6,993	32,986	-	73,635
Geophysics	-	-	94,255	-	-	5,689	100,244
Ground transportation	5,139	1,538	2,818	-	2,862	1,696	14,053
Other	3,247	2,567	8,046	417	2,797	30,173	58,404
Recovery of costs	-	-	-	-	-	(224,684)	(224,684)
Room and board	13,342	1,219	-	-	4,832	461	19,854
Stock-based compensation	15,279	1,389	15,279	-	1,389	-	33,336
Travel and freight	5,879	-	2,046	15	2,159	1,426	11,525
Trenching	24,668	-	-	-	-	-	24,668
	616,514	84,190	245,721	36,175	370,990	(80,731)	1,272,859
Balance – April 30, 2008	2,803,667	2,498,037	1,775,233	258,470	1,770,670	2,687,482	11,793,559

Title to resource properties involves certain inherent risks due to difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Company has investigated title to its resource properties and to the best of its knowledge, title to its properties are in good standing.

(a) Michigan, U.S.A.

(i) Mineral Rights, Michigan, U.S.A.

The Company owns a 100% interest in mineral rights covering approximately 363 square miles in the Upper Peninsula of Michigan, U.S.A. On approximately 106 square miles, the vendor retains a 2% net smelter return royalty (NSR) and the Company has the option to purchase one half of the total 2% NSR royalty by paying \$1,000,000 U.S. on or before December 31, 2048.

On February 18, 2003, the Company entered into an option agreement with Cameco Corporation whereby the Company granted to Cameco the option to acquire a 65% interest in certain Michigan mineral rights. To earn this interest Cameco has incurred \$600,000 of exploration expenditures and must incur an additional \$1,000,000 of exploration expenditures within this area prior to June 30, 2009. The company will receive inflation adjusted payments of \$60,000 (received) per year until the option is exercised. Cameco and Bitterroot also jointly retain the right to acquire 50 percent of each other's interest in an adjoining 184 square mile area of interest by refunding 100 percent of any land acquisition cost incurred.

BITTERROOT RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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3. Resource Properties *(Cont'd)*

(a) Michigan, U.S.A. *(Cont'd)*

(ii) State Leases

At April 30, 2008, the Company held leases covering approximately 8,734 acres of State of Michigan mineral rights. State leases are subject to a sliding scale production royalty ranging from 2% to 10.5%, or to a net smelter returns royalty, the terms of which are negotiated on a case-by-case basis. In order to maintain the leases in good standing, the Company must make aggregate rental payments of \$259,117 through February 28, 2014. Minimum rental payments due in the next five years are as follows:

	\$
2008	29,764
2009	29,964
2010	30,164
2011	24,604
2012	48,007

During the six month period ended April 30, 2008, the Company incurred exploration expenditures of \$143,953 relating to the Michigan properties and received and/or accrued recoveries of \$224,684.

(b) GK Property, B.C., Canada

During the year ended October 31, 2003, the Company was granted an option to acquire a 100% interest in the GK Property located east of the town of Beaverdell, British Columbia. In order to earn this interest, the Company has issued 300,000 common shares at a value of \$85,000, and is required to pay \$30,000 (paid) by June 15, 2006, \$30,000 by June 15, 2007 (paid) and \$25,000 by June 15, 2008. The vendors will also retain a 2% net smelter returns royalty, of which the Company can purchase half by paying \$1,000,000.

During the six month period ended April 30, 2008, the Company incurred expenditures of \$616,514 relating to the GK property.

(c) Mineral Creek Property, B.C., Canada

On May 1, 2005, the Company entered into an option agreement with Mineral Creek Ventures Inc. whereby the Company can earn an initial 55% interest in the Mineral Creek Property which is located near Port Alberni, B.C. During the year, the Company earned a 55% interest in the property by completing exploration expenditures of \$1,200,000, issuing 450,000 common shares and making cash payments totaling \$160,000 within a three-year period. The Company can subsequently earn an additional 20% interest in the property by completing further exploration expenditures of \$800,000, issuing 200,000 common shares and making a cash payment of \$50,000 per year, totaling \$100,000 within the following two years. In addition, the Company owns a 75% interest in four adjoining mineral claims.

During the six month period ended April 30, 2008, the Company incurred acquisition and exploration expenditures of \$84,190 relating to the Mineral Creek property.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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3. Resource Properties *(Cont'd)*

(d) Spences Bridge Project, B.C., Canada

On January 17, 2006, the Company acquired 14 claim blocks covering 6,030 hectares located in the Spences Bridge gold belt in southwestern British Columbia.

At October 31, 2007, management of the company determined that the majority of the claims were not economically viable. Consequently, all project costs were written off.

(e) North Brenda Property, B.C., Canada

On April 4, 2006, the Company entered into an agreement to acquire a 100% interest in the North Brenda molybdenum/copper/gold property in southwestern British Columbia.

In order to earn a 100% interest in the property, the Company paid \$10,000 and has issued 50,000 common shares at a value of \$29,500 to the vendors. Prior to the first anniversary, the Company completed \$50,000 of exploration expenditures and issued an additional 50,000 common shares to the vendors at a fair value of \$33,500. Prior to the second anniversary, the Company is required to issue an additional 50,000 common shares (issued). Prior to the third anniversary, the Company is required to issue common shares with a value of \$50,000. The vendors will also retain a 2% net smelter returns royalty, of which the Company can purchase half by paying \$1,000,000.

During the six month period ended April 30, 2008, the Company incurred acquisition and exploration expenditures of \$245,721 relating to the North Brenda property.

(f) SPN Property, B.C., Canada

On December 29, 2006, the Company entered into an agreement to acquire a 100% interest in the SPN claims, which are located approximately 20 kilometres southeast of Barriere, B.C. In order to earn a 100% interest, the Company paid \$10,000 and issued 50,000 common shares at a value of \$30,000. Prior to the first anniversary, the Company completed \$50,000 of exploration expenditures and issued an additional 50,000 common shares. Prior to the second anniversary, the Company is required to issue an additional 50,000 common shares. Prior to the third anniversary, the Company is required to issue common shares with a value of \$50,000. The vendor will also retain a 2% net smelter return royalty, of which the Company can purchase half by paying \$1,000,000.

During the six month period ended April 30, 2008, the Company incurred acquisition and exploration expenditures of \$36,175 relating to the SPN property.

(g) Big Southeaster Property, B.C., Canada

On June 1, 2006, the Company entered into an agreement to acquire a 100% interest in the Big Southeaster property which adjoins the south side of the Mineral Creek property.

In order to earn a 100% interest in the claims, the Company has paid \$10,000 and has issued 50,000 shares at a value of \$24,500. Prior to the first anniversary, the Company issued 50,000 shares at a value of \$29,500. Prior to the second anniversary, the Company is required to issue an additional 50,000 common shares and complete \$50,000 of exploration expenditures. Prior to the third anniversary, the Company is required to issue common shares with a value of \$50,000. The vendors will also retain a 2% net smelter return royalty, of which the Company can purchase half by paying \$1,000,000.

During the six month period ended April 30, 2008, the Company incurred acquisition and exploration expenditures of \$370,990 relating to the Big Southeaster property.

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4. Equipment

	April 30 2008		October 31 2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computer hardware	9,396	7,821	1,575	1,853
Furniture and fixtures	8,350	1,908	6,442	7,157
Leasehold improvements	5,655	5,327	328	365
Field equipment	28,095	19,952	8,143	9,579
	51,496	35,008	16,488	18,954

5. Share Capital

(a) Authorized

The authorized share capital consists of 100,000,000 common shares without par value.

(b) Common Shares Issued

	Number Of Shares	Value \$
Balance - October 31, 2007	52,927,955	17,107,923
Issued for cash		
Pursuant to private placements	5,097,000	1,804,950
Resource property option payments	50,000	13,000
Mineral claim payments	50,000	16,500
Share issue costs	-	(112,133)
Future income taxes on expenditures renounced to shareholders	-	(513,492)
Balance - April 30, 2008	58,124,955	18,316,748

During the six month period ended April 30, 2008:

- (i) The Company received \$21,000 pertaining to a private placement issued the previous year.
- (ii) The Company issued 5,097,000 flow-through common shares priced at \$0.35 per share for gross proceeds of \$1,783,950. The securities are subject to a hold period expiring July 14, 2008.

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5. Share Capital *(Cont'd)*

(c) Warrants

The following share purchase warrants (convertible to an equivalent number of common shares) were outstanding April 30, 2008:

Number Of Warrants	Exercise Price	Expiry Date
	\$	
123,998	0.75	June 7, 2008
2,300,000	0.80	November 17, 2008
2,060,714	0.50	October 5, 2009
4,484,712		

6. Stock Option Plan And Stock-Based Compensation

The Company, in accordance with the policies of the TSX Venture Exchange, has a stock option plan in place under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years.

Pursuant to the option plan, options granted in respect of investor relations activities are subject to vesting restrictions such that one-quarter of the options vest three months from the date of grant and in each subsequent three-month period thereafter such that the entire option will have vested twelve months after the award date. Vesting restrictions may also be applied to certain other options grants, at the discretion of the directors.

The following stock options were outstanding and exercisable at April 30, 2008:

Number Of Options	Exercise Price	Expiry Date
	\$	
125,000	0.15	September 20, 2008
480,000	0.61	January 29, 2009
670,000	0.53	May 24, 2009
180,000	0.53	July 5, 2009
500,000	0.39	March 17, 2010
1,125,000	0.53	April 4, 2011
950,000	0.70	January 11, 2012
100,000	0.99	April 14, 2012
585,000	0.35	September 14, 2012
350,000	0.36	February 7, 2013

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7. Related Party Transactions

The following is a summary of related party transactions and balances for the three month period ended January 31, 2008 and 2007, not disclosed elsewhere in the financial statements:

Management fees of \$48,000 (2007 - \$48,000) were incurred from a company controlled by a director in common. These fees were recorded at their exchange amount, which is the amount agreed upon by the transacting parties on terms and conditions similar to non-related entities.

8. Income Taxes

The tax effects of temporary differences that give rise to significant portions of the future tax assets and liabilities at April 30, 2008 are presented below:

	\$
Net operating loss carry-forwards	488,640
Capital loss carry-forwards	41,869
Resource properties	(1,053,417)
Equipment	11,242
Share issuance costs	118,501
Total future income tax asset (liability)	(393,165)
Valuation allowance	-
Net future income tax liability	(393,165)

The Company has approximately \$1,432,000 of losses for tax purposes which may be used to reduce income taxes of future years and will expire as follows:

	\$
2008	106,000
2009	104,000
2010	114,000
2014	179,000
2015	242,000
2026	273,000
2027	414,000
	1,432,000

The Company also has certain allowances in respect of resource development and exploration costs of \$4,665,099 which, subject to certain restrictions, are available to be offset against future taxable income.

BITTERROOT RESOURCES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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9. Supplemental Disclosures With Respect To Cash Flows

	April 30 2008	October 31 2007
	\$	\$
Cash paid during the period for income taxes	-	-
Cash paid during the period for interest	-	-

The significant non-cash transactions for the six month period ended April 30, 2008, were as follows:

- (a) The Company issued 50,000 shares in respect of option payments for resource properties, with a fair value of \$13,000.
- (b) The Company issued 50,000 shares in respect of mineral claim payments, with a fair value of \$16,500.
- (c) The company issued 350,000 stock options in accordance with its stock option plan. These options had a fair value of \$97,227.

10. Segmented Information

(a) Industry Information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of resource properties.

(b) Geographic Information

The Company's property and equipment in geographic locations are as follows:

	April 30 2008	October 31 2007
	\$	\$
Canada	9,122,565	7,771,441
U.S.A.	2,687,482	2,768,213
	11,810,047	10,539,654

11. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable - other, reclamation deposit, and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values due to their short term maturities, unless otherwise noted.

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12. Commitments

The Company is required to make certain cash payments and to issue shares to maintain its resource properties, as described in Note 3(a)(ii), 3(b), 3(c), 3(e), 3(f) and 3(g).

13. Subsequent Event

The Company granted incentive stock options to acquire 60,000 common shares at \$0.40 per share expiring June 8, 2013.

14. Comparative Figures

Certain figures from the previous year have been reclassified to conform to the current period's presentation. Such reclassification is for presentation purposes only and has no effect on previously-reported results.

BITTERROOT RESOURCES LTD. MANAGEMENT DISCUSSION & ANALYSIS

For the period ended April 30, 2008

As of June 27, 2008

SUMMARY OF ACTIVITIES

In the six months ended April 30, 2008, the majority of Bitterroot Resources Ltd.'s Canadian exploration expenditures were on drilling and associated costs on the Big Southeaster, North Brenda and GK projects, all of which are in British Columbia. In Michigan, the majority of exploration expenditures were for consulting and professional costs incurred on the Cameco uranium project. Total exploration expenditures in the six month period, excluding recoveries and acquisition costs were \$1,484,543. Funding from Cameco Corporation contributed \$224,684 to Bitterroot's working capital during the quarter, while expenses (net of stock-based compensation) were \$199,010. Subsequent to the end of the quarter, management submitted applications to the Manitoba Mines Branch for Quarry (coal) Exploration Permits covering approximately 25,400 hectares of lands prospective for coal in the lower Cretaceous Mannville (SK) or Swan River (MB) Groups at a cost of \$658,101.

INTRODUCTION

Bitterroot Resources Ltd. is a mineral resource company engaged directly and indirectly through its wholly-owned subsidiaries, (collectively referred to herein as "the Company" or "Bitterroot"), in the acquisition and exploration of mineral properties. On Vancouver Island, BC, the Company currently owns a 55 percent interest, and is in the process of earning a 75 percent interest, in the Mineral Creek gold property near Port Alberni, BC. Bitterroot is also earning a 100 percent interest in the adjoining Big Southeaster gold/base metals project. In southern BC, the Company continued exploration of the GK gold project and the North Brenda copper/molybdenum/gold project. Bitterroot is currently earning 100 percent interests in the GK and North Brenda projects. In Michigan, Bitterroot's wholly-owned subsidiary owns recorded mineral title interests covering approximately 363 square miles in the Upper Peninsula. Under the terms of an option/joint venture agreement with a US subsidiary of Cameco Corporation, Cameco is currently earning a 65% interest in a 56 square-mile area of interest. The Company also currently holds leases over 8,700 acres of State-owned mineral rights.

During the six months ended April 30, 2008, commodity prices remained relatively strong, although North American equity markets declined significantly. The Company is exposed to commodity price risk due to the nature of the mineral exploration business. Management currently seeks to minimize political risk by exploring for a number of different mineral commodities (uranium, coal, gold, copper, zinc, molybdenum) and by operating in road-accessible locations in Canada (western Manitoba, southern BC and Vancouver Island) and the United States of America (Upper Peninsula of Michigan).

The following Management Discussion and Analysis (MD&A) should be read in conjunction with Bitterroot Resources Ltd.'s consolidated financial statements for the period ended April 30,

2008 and the audited annual consolidated financial statements and MD&A for the year ended October 31, 2007.

OVERALL PERFORMANCE

Results of Operations

Detailed exploration results are available in news releases posted on www.sedar.com or on the Company's website (www.bitterrootresources.com).

Manitoba Coal Project

Following disclosure of a significant coal discovery in eastern Saskatchewan by Goldsource Mines Inc. in late April 2008, Bitterroot's management initiated land acquisition activities in adjacent parts of western Manitoba. Bitterroot has submitted applications for Quarry (Coal) Exploration Permits covering approximately 25,400 hectares (60,000 acres) in three separate areas (see news release dated May 22, 2008 and map on www.bitterrootresources.com). These lands were selected based on their proximity to the Lower Cretaceous coal-bearing strata of the Mannville Group (or Swan River Group, as it is known in Manitoba) and transportation infrastructure. The Mannville Group is equivalent to the Lower Cretaceous Luscar Group, which hosts large deposits of thermal and metallurgical coal in the Rocky Mountain foothills. Goldsource's Border coal discovery is extremely significant, as it contains the thickest (+22 metres) coal seam yet reported in the Mannville Group, at shallow (surface mine) depths.

The Mines Branch of the Province of Manitoba's Department of Science, Technology, Energy and Mines has posted the location of Bitterroot's Quarry Exploration Permit applications on its website. The applications are currently being processed, with completion of the first applications expected in approximately 10-12 weeks. Bitterroot's management believes that the majority of the lands it has applied for will be available for coal exploration. As of the date of this report, land acquisition costs incurred were \$658,101.

Mineral Creek Gold Project, British Columbia

Bitterroot's joint venture partner, Mineral Creek Ventures Inc. has received permits to extract a 5,000 tonne bulk sample from the Linda veins. In late 2007, Mineral Creek mined approximately 200 tonnes of mineralized rock from the Lower Linda vein. Sampling of underground faces has returned bonanza-grade gold mineralization (1,165 grams Au/tonne or 34.0 ounces Au/ton over a sample length of 1.60 metres, see BTT news release dated February 6, 2008). Crushing of this material has commenced. This material will be subjected to gravity-based recovery methods in the coming weeks. Mining of additional gold-bearing vein material is also expected to resume in July. Bitterroot and Mineral Creek will share the costs and proceeds from the first 2,500 tonnes mined on a 50/50 basis, with the costs and proceeds of the next 2,500 tonnes shared on a 55% Bitterroot / 45% Mineral Creek basis.

Elsewhere on the Mineral Creek property, surface diamond drilling on the Gap Zone has resumed. As of the date of this report, the Company's drilling contractor has completed

approximately 900 metres of drilling in three holes. The Gap Zone is part of the Mineral Creek fault system, which hosts a number of gold-mineralized quartz-carbonate veins. The Gap Zone has not been previously tested by drilling, despite its size and proximity to the Linda and Mineral Creek zones. In 2008, Bitterroot and Mineral Creek plan to complete over 4,000 metres of core drilling on the Gap Zone and several other gold-mineralized targets. Drilling will also test for extensions of the high-grade Lower Linda vein.

In the six months ended April 30, 2008, Bitterroot spent \$82,801 on the Mineral Creek project, net of stock-based compensation, mainly on option payments and geological consulting. Mr. P.E. Michael Becherer, P.Geol is the Qualified Person responsible for the design and implementation of exploration programs on the Mineral Creek project.

Michigan Uranium Joint Venture

Subsequent to the end of the quarter ended April 30, 2008, Bitterroot received permits allowing the resumption of mineral exploration activities on lands covered by the Cameco option/joint venture arrangement. Geophysical surveys have started and core drilling is currently expected to resume within the next few months. Cameco can earn a 65 percent interest in Bitterroot's mineral rights within a 56 square-mile area of interest. Bitterroot's management expects that Cameco will complete its earn-in by funding the 2008 exploration program. Bitterroot is also developing base metals drill targets on several other prospective areas outside of the Cameco area of interest.

In the six months ended April 30, 2008, Bitterroot spent \$143,953 on its Michigan projects, net of stock-based compensation, mainly on consulting and professional costs. Cameco refunded approximately \$162,360 of costs incurred during period.

Big Southeaster Gold/VMS Project, British Columbia

Bitterroot's drilling contractor completed 40 diamond-drill holes totaling 11,286 metres on the Big Southeaster property between December 2006 and December 2007. Of these holes, 22 (totaling 6,679 metres) tested a gold-bearing zone associated with the Mineral Creek fault zone in the Lizard Lake area and 18 holes (totaling 4,607 metres) tested a cluster of polymetallic copper/zinc/gold showings in the Regina area.

The 22 holes drilled in the Lizard Lake area are within a 700 x 700 metre zone associated with the Mineral Creek fault. Drilling intersected several hundred narrow quartz-carbonate vein, shear-breccia and fault-hosted intervals which returned anomalous gold values (greater than 0.4 grams Au/Tonne), generally associated with pyrite and arsenopyrite. The best gold results (greater than 1.0 grams Au/Tonne) were intersected by eight holes along a strike length of 250 metres and are found from surface to 180 metres down-dip. This poorly-constrained zone is open along strike and down-dip.

The 18 holes drilled in the Regina area tested Sicker Group volcanic rocks. Results from this area were encouraging, with narrow widths hosting copper (3.2% Cu over 0.6 metres) and zinc mineralization (5.7% Zn over 0.2 metres). The geological environment and characteristics are suggestive of syngenetic and/or epigenetic mineralizing processes. Some zinc and copper

sulphides occur with semi-massive pyrite, mostly associated with later stage quartz veins and shears. The elevated copper and zinc values were generally recovered from one stratum of basalt flows, over an approximate horizontal width of approximately 200 metres. The strike length of this mineralization is at least 1,200 metres, based on Bitterroot's drilling, surface showings and two drill holes completed by Westmin Resources Ltd in 1986/87. The presence of elevated gold values (1.27 grams Au per tonne over 0.9 metres) is also encouraging.

Studies are being done to determine vectors towards higher grades and potentially economic concentrations of volcanogenic massive sulphide mineralization in the highly prospective Sicker Group stratigraphy. Studies are also underway to identify additional targets in the shear-related gold zone associated with the Mineral Creek fault.

In the six months ended April 30, 2008, Bitterroot spent \$369,601 on the Big Southeaster project, net of stock-based compensation, mainly on drilling and geological consulting. Mr. John Wilson, P.Geo is the Qualified Person responsible for the design and implementation of the exploration program on the Big Southeaster project. Analyses were done at Acme Analytical Laboratories Ltd. in Vancouver, BC, by ICP-MS, fire assay and ICP-ES.

GK Gold/Silver Project, British Columbia

During and subsequent to the end of the quarter ended April 30, 2008, Bitterroot's geological consultants completed core logging and sampling of 17 holes (3,340 metres) drilled on the Blue Jay and Hornet zones in late 2007. The results are encouraging, having demonstrated the continuity of mineralized structures along strike and to depth, and having intersected multiple mineralized zones in a number of holes.

Drilling on the Blue Jay zone intersected sulphide mineralization in all 13 drill holes (2,594 metres) completed. The mineralization occurs both in highly fractured silicified, tuffaceous volcanic rocks and in diorite dykes, near the contacts of the two rock types. Several drill holes in the Blue Jay zone returned intercepts averaging 1 to 2 grams Au/tonne over widths between 3 to 10 metres, including narrower intervals of somewhat higher grade, such as 7.21 grams Au/tonne over 1.8 metres.

Drilling on the Hornet zone, located approximately 5 kilometres north of Blue Jay, also intersected sulphide mineralization in four holes (746 metres) drilled, within a similar geologic setting. The drill holes in the Hornet zone returned more consistent and higher grades than those in the Blue Jay zone. The best interval returned 1.47 grams Au/tonne over 13.9 metres which included 7.13 grams Au/tonne over 2.6 metres.

A program of infill soil geochemical sampling on the Hornet zone and reconnaissance stream silt sampling was completed in June. The results of this work will help determine the scope of future exploration on the GK property.

In the six months ended April 30, 2008, Bitterroot spent \$601,235 on the GK Project, net of stock-based compensation, mainly on drilling and geological consulting. Mr. Charles Greig, P.Geo is the Qualified Person responsible for the design and implementation of exploration

programs on the GK project. Analyses are done at ALS Chemex in North Vancouver, BC, by ICP-AES and fire assay/AA.

North Brenda Copper/Molybdenum/Gold Project, British Columbia

The 44 square-kilometre North Brenda property is located immediately north of the Brenda Mine (177 million tonnes grading 0.043% Mo and 0.169% Cu), which operated from 1970 to 1990. Five diamond drill holes, totaling 1,397 metres, were completed in late 2007 to test molybdenum and copper-in-soil geochemical anomalies coincident with Induced Polarization chargeability anomalies. The anomalies occur north-northeast of the Brenda open pit, along the previously documented Brenda mineralized trend (see BTT news release dated May 29, 2008). Outcrops in the vicinity of the drill sites are mineralized with molybdenite and chalcopyrite-bearing vein and fracture-controlled mineralization typical of that occurring at the Brenda mine. The initial drill results bode well for the discovery of additional mineralization within a 1.5 kilometre-long trend defined by highly anomalous molybdenum and copper-in-soil geochemistry and IP chargeability anomalies which are coincident with the strongest soil geochemical values. Additional infill IP survey lines and soil sampling have been completed. The results generated by this work will be used to determine the scope of additional work during 2008. In addition to the Mo/Cu-mineralized area adjoining the Brenda Mine, four other areas with anomalous gold-in-soil have been identified on the northern part of the North Brenda property. These targets are also being explored with prospecting and soil geochemical surveys.

In the six months ended April 30, 2008, Bitterroot spent \$230,442 on the North Brenda project, net of stock-based compensation, mainly on geological consulting and geophysical surveys. Mr. Charles Greig, P. Geo is the Qualified Person responsible for the design and implementation of exploration programs on the North Brenda project.

SPN Copper/Gold Project, British Columbia

In 2007, stream-sediment sampling, prospecting and soil sampling identified several areas with highly anomalous polymetallic silver and base metals (Cu-Zn) geochemistry on the SPN property. These results suggest the SPN property has potential for volcanogenic massive sulphide mineralization similar to that found elsewhere on the Adams Plateau. The 2008 exploration program is expected to begin in early July, and will focus on defining targets for trenching and diamond drilling. This work will start with cutting of a 45 line-km grid, followed by soil sampling, geologic mapping and geophysical surveys.

In the six months ended April 30, 2008, Bitterroot spent \$36,175 on the SPN project, net of stock-based compensation, mainly on geological consulting and acquisition/land costs. Mr. Charles Greig, P. Geo is the Qualified Person responsible for the design and execution of exploration programs on the SPN project. Analyses were done at ALS Chemex in North Vancouver, BC, by ICP-AES.

Financial Condition

At April 30, 2008, Bitterroot had working capital of \$3,442,445, which included accounts receivable of \$48,129 due from Cameco and \$24,667 due from GST refunds. Resource properties had a book value of \$11,793,559 compared to \$10,520,700 at the beginning of the six month period and \$11,578,694 at the beginning of the quarter. For the six months ended April 30, 2008, cash inflows exceeded cash outflows by \$331,835, which when combined with the \$3,094,703 cash balance at the beginning of the quarter, resulted in a cash position of \$3,426,538. Cash outflows were comprised principally of resource property expenditures of \$1,446,523 (excluding recoveries from Cameco and stock-based compensation) and operating expenses of \$196,543 (net of stock-based compensation and amortization).

Summary of Financial Results

During the six months ended April 30, 2008, the Company had a loss before income tax adjustments of \$232,090, compared to a net loss of \$608,105 in the first six months of the prior year. The reduced loss during the period was mainly attributable to much lower stock-based compensation charges. Excluding stock-based compensation and amortization charges, the Company's operating expenses for the six months were \$196,543, which is effectively unchanged from the same period during the previous year.

SUMMARY OF QUARTERLY RESULTS

The following tables set forth a comparison of revenues and expenses for the previous eight quarters ending with April 30, 2008. Financial information is prepared according to Canadian GAAP and is reported in Canadian dollars.

	Quarter Ended April 30 2008	Quarter Ended Jan 31 2008	Quarter Ended Oct 31, 2007	Quarter Ended July 31, 2007
Interest Income	19,240	23,388	31,445	31,939
Income (loss) for the period	(184,048)	465,450	(665,779)	(88,593)
General and administrative	(131,672)	(67,338)	(100,908)	(119,603)
Stock-based compensation	(63,892)	-	(143,055)	-
Write-off of resource property	(7,724)	(4,092)	(52,533)	(929)
Net Earnings (Loss) per share				
Basic and diluted	(0.00)	0.01	(0.01)	(0.00)

	Quarter Ended April 30 2007	Quarter Ended Jan 31 2007	Quarter Ended Oct 31 2006	Quarter Ended July 31 2006
Interest income	35,567	26,510	15,850	19,929
Income (loss) for the period	(169,722)	263,838	(207,407)	(63,482)
General and administrative	(129,906)	(68,457)	(42,323)	(83,631)
Stock-based compensation	(82,322)	(395,792)	(179,656)	-
Write-off of resource property	(634)	(644)	(1,278)	(889)
Net Earnings (Loss) per share				
Basic and diluted	0.00	0.01	(0.01)	(0.00)

LIQUIDITY

During the six months ended April 30, 2008, the Company received \$21,000 (before share issue costs) from the final tranche of a private placement of 2,060,714 units priced at \$0.35 per unit which was initiated in the previous financial year and \$1,783,950 from a private placement of 5,097,000 flow through common shares priced at \$0.35 per share which was completed in the quarter ended April 30, 2008.

The Company's working capital at April 30, 2008 was \$3,442,445, compared to working capital of \$3,125,383 at October 31, 2007. Current liabilities were \$70,628, consisting of accounts payable incurred in the normal course of the mineral exploration business.

At April 30, 2008, there were 4,484,712 share purchase warrants outstanding, which are exercisable at between \$0.50 and \$0.80. Subsequent to the end of the quarter, 123,998 warrants expired unexercised. If exercised, the remaining warrants would generate proceeds to the Company of \$2,870,356. There were also 5,065,000 incentive stock options outstanding, which if exercised would provide proceeds to the Company of \$2,648,050.

Bitterroot has sufficient cash reserves to fund its operating expenses in 2008, plus this year's exploration programs on the Mineral Creek, GK, North Brenda, Big Southeaster, and SPN projects in British Columbia, as required under the terms of their respective option agreements. In Michigan, most of the 2008 exploration work will be funded by Cameco Corporation. Cameco must incur total qualifying expenditures of \$1,000,000 on the Michigan uranium targets prior to June 30, 2009 to complete earning a 65 percent interest in the area of interest. Cameco's management has indicated that it is prepared to provide funding in excess of this amount. Bitterroot's current cash balance is sufficient to fund its 35 percent share of the planned 2008 project costs following formation of a joint venture. In the longer term, Bitterroot's ability to meet its ongoing financial obligations will be determined by management's success in acquiring mineral properties, obtaining equity financing, negotiating joint venture arrangements and facilitating the exercise of outstanding share purchase warrants and options. There can be no assurance that the Company will be able to continue to raise funds, in which case it may be unable to meet its obligations. Should Bitterroot be unable to realize its assets and discharge its

liabilities in the normal course of business, the realizable value of its assets may be materially less than the amounts recorded on the balance sheets.

RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions and balances for the six months ended April 30, 2008.

- The Company incurred management fees of \$48,000 with a company controlled by the President of the Company.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Outstanding Share Data

- a) Authorized Capital:
100,000,000 common shares without par value
- b) Number and Recorded Value for shares Issued and Outstanding as at April 30, 2008 was 58,124,955 common shares with a recorded value of \$18,316,748.
As of the date of this report there are 58,324,955 common shares outstanding.
- c) Options outstanding at April 30, 2008

Number of Options	Exercise Price	Expiry Date
125,000	0.15	September 20, 2008
480,000	0.61	January 29, 2009
670,000	0.53	May 24, 2009
180,000	0.53	July 5, 2009
500,000	0.39	March 17, 2010
1,125,000	0.53	April 4, 2011
950,000	0.70	January 11, 2012
100,000	0.99	April 14, 2012
585,000	0.35	September 14, 2012
350,000	0.36	February 7, 2013

Subsequent to the end of the six month period, the Company issued incentive stock options to acquire 60,000 common shares at \$0.40 and 445,000 common shares at \$0.76.

d) Warrants outstanding at April 30, 2008

Number of Warrants	Exercise Price	Expiry Date
123,998	\$0.75	June 7, 2008
2,300,000	\$0.80	November 17, 2008
2,060,714	\$0.50	October 25, 2009

Stock-based Compensation

Total compensation expense recognized for 350,000 stock options exercisable at \$0.36 and granted during the six months ended April 30, 2008 was \$63,892 (2007 - \$478,114).

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information. Our auditors have not reviewed the contents of this MD&A.

Additional information on the Company can be found on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

This document contains statements about expected or anticipated future events and financial results that are forward-looking in nature and as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, regulatory processes and actions, technical issues, new legislation, competitive conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and the company's ability to execute and implement its future plans. Actual results may differ materially from those projected by management. For such statements, we claim the safe harbour for forward-looking statements within the meaning of the Private Securities Legislation Reform Act of 1995. The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this document.