BITTERROOT RESOURCES LTD.
MANAGEMENT DISCUSSION & ANALYSIS

For the period ended April 30, 2011
As of June 29, 2011

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For the six month period ended April 30, 2011
As of June 24, 2011

SUMMARY OF ACTIVITIES

In the six months ended April 30, 2011, the majority of Bitterroot Resources Ltd.'s Canadian exploration expenditures were on geological consulting and airborne geophysical surveys in Michigan and at the Mineral Creek, BC property. Exploration expenditures in the six month period, excluding recoveries, were $541,385. Expenses (net of stock-based compensation) were $263,401.

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. In Michigan, Bitterroot's wholly-owned subsidiary Trans Superior Resources, Inc. owns recorded mineral title interests covering approximately 363 square miles in the Upper Peninsula. The Company also currently holds leases covering 3,440 acres of State and privately-owned mineral rights. On Vancouver Island, BC, the Company owns a 100 percent interest in the Mineral Creek gold and base metals property near Port Alberni, BC. In southern BC, the Company owns 100 percent interests in the GK (Au), North Brenda (Au/Cu/Mo) and SPN (base metals) projects.

During the six months ended April 30, 2011, gold and base metals prices remained relatively strong, while silver surged to prices not seen since 1980. Immediately following the end of the six month period, silver corrected strongly and base metals prices declined approximately ten percent. The Company is exposed to commodity price and equity market risk due to the cyclical nature of these markets. Management seeks to minimize commodity risk by exploring for a number of mineral commodities (primarily gold, copper, nickel and zinc) and generally seeks to minimize exploration costs and political risk by operating in mining-friendly, road-accessible locations in North America.

The following Management Discussion and Analysis (MD&A) should be read in conjunction with Bitterroot Resources Ltd.'s consolidated unaudited financial statements for the six months ended April 30, 2011 and the audited annual consolidated financial statements and MD&A for the year ended October 31, 2010. This information and exploration results are presented in news releases available on www.sedar.com or on the Company's website (www.bitterrootresources.com).

OVERALL PERFORMANCE

Results of Operations

Michigan

Ground-based and airborne geophysical surveys (AeroTEM) and geological mapping have defined several drill targets on lands comprising Bitterroot's copper and nickel projects. The Company has recently acquired leases and prospecting permits covering 2,300 acres (930 hectares) of mineral rights and is in discussions with potential joint venture partners, with the objective of drill-testing these targets in 2011.

In the six months ended April 30, 2011, Bitterroot spent $222,563 on its Michigan exploration projects, net of stock-based compensation and recoveries, mainly on geophysics and geological consulting costs. Mr. Andy Bite, P.Geo is the Qualified Person responsible for the Company's exploration programs in Michigan.

GK Gold Project, British Columbia

In late 2010, exploration activities were focused on trench sampling at the Hornet zone, which identified four parallel high grade gold veins peripheral to a large IP chargeability high with coincident gold and copper soil geochemical anomalies. This geophysical target measures approximately 700 metres long by 400 metres wide and is accompanied by the HTB zone, which is a similar-sized chargeability and resistivity high located approximately one kilometre to the northeast of the Hornet zone. The Hornet and HTB zones are prospective for bulk-tonnage, intrusion-related gold-copper targets. In May, both zones were tested by a 2,051-metre, eight hole drilling program. The drilling intersected wide intervals of brecciated volcanic rocks cut by diorite dykes and containing abundant fine veinlets and breccias hosting abundant pyrite and pyrrhotite. In addition, several narrow quartz veins were intersected, containing abundant pyrite and arsenopyrite with lesser chalcopyrite. The core is currently being logged, sampled and analyzed.

In the six months ended April 30, 2011, Bitterroot spent $47,302 on the GK Project, mainly on trenching 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.

Mineral Creek Project, British Columbia

An airborne geophysical (VTEM) survey was completed at Mineral Creek in late 2010. Review of this geophysical data and previously-compiled geological and soil geochemical data has identified several areas for follow-up in 2011. In addition, a 21 square kilometre area to the north of the original property was staked to cover known mineral showings within a favourable geological environment. These areas have potential to host structurally-controlled gold mineralization as well as polymetallic volcanogenic massive sulphide mineralization. Field programs are currently being developed.

In the six months ended April 30, 2011, Bitterroot spent $213,550 on the Mineral Creek project, net of stock-based compensation and recoveries, mainly on an airborne geophysical survey and geological consulting. The Company received $43,557 from its 50% share of proceeds of gold and silver recovered from the Linda veins. Mr. Charles Greig, P.Geo is the Qualified Person responsible for the design and implementation of exploration programs on the Mineral Creek project.

North Brenda Project, British Columbia

In October 2010, a 4,000 line-kilometre, high resolution aeromagnetic survey was flown over the recently-expanded, 19,750-hectare North Brenda property. The survey has identified several prominent linear features, interpreted as major geologic structures and associated alteration zones. Limited historical exploration data collected by previous explorers has defined anomalous levels of gold-in-soil, some of which coincide with the interpreted linear alteration zones. These features suggest good potential for the discovery of additional gold-bearing systems on Bitterroot's property, roughly comparable to those on the nearby Elk Property, located in a similar geological setting just 5 kilometres to the south. Soil sampling is currently underway on the property, which is largely covered by glacial overburden.

In the six months ended April 30, 2011, Bitterroot spent $40,727 on the North Brenda project, net of stock-based compensation, mainly on geophysical consulting. Mr. Charles Greig, P.Geo is the Qualified Person responsible for the design and implementation of exploration programs on the North Brenda project.

SPN Project, British Columbia

The SPN property is prospective for the discovery of volcanogenic massive sulphide deposits similar to those found elsewhere on the Adams Plateau. Geological mapping of the SPN property was done in the six month period of 2010 and a gravity survey was completed in March 2011. Additional surface exploration is planned in the summer of 2011.

In the six months ended April 30, 2011, Bitterroot spent $12,189 on the SPN project, mainly on geophysics. Mr. Charles Greig, P.Geo is the Qualified Person responsible for the design and execution of exploration programs on the SPN project.

Financial Condition

At April 30, 2011, Bitterroot had working capital of $500,678, which included accounts receivable of $46,640 due from HST refunds, $67,237 due from 2009 British Columbia Mineral Exploration Tax Credits (BCMETC) and accrued interest of $1,030. Resource properties had a book value of $14,000,708 compared to $13,503,868 at the beginning of the year. For the six months ended April 30, 2011, cash outflows exceeded cash inflows by $127,487, reflecting $771,200 raised in a flow-through share financing, offset in part by net resource property expenditures of $534,179 and operating expenses of $212,890 (net of property investigation, stock-based compensation, accretion and amortization costs).

Summary of Financial Results

During the six months ended April 30, 2011, the Company had a loss before income tax adjustments of $351,916, compared to a loss of $272,122 in the first six months of the prior year. The increased loss during the period was mainly attributable to Chinese resource property investigation costs of ($47,854). Lower professional fees in the six month period were offset by higher office, foreign exchange, regulatory and transfer agent costs. Excluding stock-based compensation, property investigation expenses, amortization and accretion charges, the Company's operating expenses for the six month period were $212,890, which is approximately six (6) percent higher than operating expenses incurred during the same period of the previous year.

Changes in Accounting Policies

Business Combinations

In January 2009, the CICA issued Section 1582 – "Business Combinations" which replaces the existing standard. The section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. This standard is equivalent to the International Financial Reporting Standards ("IFRS") on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted. Management does not believe the adoption of this standard will have an impact on the Company's consolidated financial statements.

Consolidated Financial Statements and Non-Controlling Interest

In January 2009, the CICA issued Section 1601 – "Consolidated Financial Statements" and Section 1602 – "Non-Controlling Interests" effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of these recommendations is permitted. These standards further align Canadian GAAP with US GAAP and IFRS. Sections 1601 and 1602 change the accounting and reporting for ownership interests in subsidiaries held by parties other than the parent. The Company is currently considering the impact of adopting these pronouncements on its consolidated financial statements in fiscal 2012 in connection with the conversion to IFRS.

International Financial Reporting Standards ("IFRS")

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the six months ended April 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. The Company expects its first consolidated financial statements presented in accordance with IFRS to be for the three month period ended January 31, 2012, which includes presentation of its comparative results for fiscal 2011 under IFRS. In order to prepare for the changeover to IFRS, the Company has developed an IFRS conversion plan comprise of three phases:

Phase description and status

1. Preliminary planning and scoping

This phase involves development of the IFRS conversion plan. The IFRS conversion plan includes consideration of the impacts of IFRS on the Company's consolidated financial statements, internal control over financial reporting, information systems and business activities such as foreign operations, compensation metrics, personnel and training requirements. Based on Management's review of IFRS and current Company processes, minimal impact is expected on information systems, operations of foreign subsidiaries and compensation metrics. An initial assessment identified standards of high or medium priority to the Company, based on a number of factors. The International Accounting Standards Board has activities currently underway which may, or will, change the standards effective upon the Company's adoption of IFRS, and therefore may impact this initial high level assessment. The Company will assess any such change as a component of its Detailed Impact Assessment phase and update its IFRS conversion plan as appropriate.

2. Detailed impact assessment

This phase involves detailed review of IFRS relevant to the Company and identification of all differences between existing Canadian GAAP and IFRS that may or will result in accounting and/or disclosure differences in the Company's consolidated financial statements, along with quantification of impact on key line items and disclosures. The assessment to date is that the Company has not identified any differences between its existing accounting policies under Canadian GAAP to those it expects to apply in its first IFRS financial statements. The International Accounting Standards Board ("IASB") continues to amend and add to current IFRS standards with several projects underway. The Company's transition plan includes monitoring actual and anticipated changes to IFRS and related rules and regulations and assessing the impacts of these changes on the Company and its financial statements, including expected dates of when such impacts are effective.

3. Implementation

This phase will embed the required changes for conversion to IFRS into the underlying financial disclosure and reporting process and business processes. This will include finalization and approval of accounting policy changes, collection of financial information necessary to prepare

IFRS compliant consolidated financial statements, implementation of additional internal controls, and preparation and approval of completed IFRS consolidated financial statements.

SUMMARY OF QUARTERLY RESULTS

The following tables set forth a comparison of revenues and expenses for the previous eight quarters ending with April 30, 2011. Financial information is prepared according to Canadian GAAP and is reported in Canadian dollars.

	Quarter Ended April 30, 2011	**Quarter Ended Jan 31, 2011**	**Quarter Ended Oct 31, 2010**	**Quarter Ended July 31, 2010**
Interest Income	509	589	1,069	273
Income (loss) for the period	(188,217)	28,801	(2,932,292)	(80,595)
General and administrative	(188,726)	(164,288)	(123,827)	(80,868)
Stock-based compensation	(61,148)	(28,462)	(20,547)	(183)
Write-off of resource property	-	-	(2,541,697)	-
Net Earnings (Loss) per share Basic and diluted	(0.00)	0.00	(0.04)	(0.00)

	Quarter Ended April 30, 2010	**Quarter Ended Jan 31, 2010**	**Quarter Ended Oct 31, 2009**	**Quarter Ended July 31, 2009**
Interest income	4,050	1,245	2,079	3,052
Income (loss) for the period	(139,045)	145,020	(112,266)	(211,341)
General and administrative	(143,095)	(134,322)	(114,345)	(216,505)
Stock-based compensation	(28,079)	(38,251)	(26,060)	(97,930)
Write-off of resource property	-	-	-	-
Net Earnings (Loss) per share Basic and diluted	(0.00)	0.00	(0.00)	(0.00)

LIQUIDITY

During the six months ended April 30, 2011, the Company received;

- $770,000 (before share issue costs) from a private placement of 7,000,000 flow-through common shares priced at $0.11,
- $43,557 from bullion sales from the Mineral Creek property

The Company's working capital at April 30, 2011 was $500,678, compared to working capital of $530,861 at October 31, 2010. Current liabilities were $75,351, which consisted of accounts payable incurred in the normal course of the mineral exploration business. As of the date of this report, there are 250,000 warrants outstanding which if exercised, would generate proceeds to the Company of $30,000. As of the date of this report there are 7,254,500 incentive stock options outstanding, which if exercised would provide proceeds to the Company of $1,935,920.

Risk and Uncertainties

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operation risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing government law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.
- Financial risks include commodity prices, interest rates and the Canadian dollar and the United States dollar, which are beyond the Company's control.
- Regulatory risks include the possible delay in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filing, the introduction ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

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. Details of funding commitments on the Company's resource properties are disclosed in Note 3 of the Consolidated Financial Statements for the six months ended April 30, 2011.

SECOND QUARTER

During the second quarter, the Company's financial condition was not materially affected by extraordinary items or adjustments. Major resource property expenditures during the quarter consisted mainly of geological and geophysical consulting costs incurred in Michigan (nickel-copper) and British Columbia (GK, Mineral Creek and North Brenda gold and base metals projects) for compilation, interpretation and reporting on data collected in the previous quarter. Working capital declined by ($325,799) during the quarter, largely due to resource property expenditures of $196,690 and operating expenses of $127,578 (net of stock-based compensation). Operating expenses were relatively high during the quarter due to audit and transfer agent costs incurred prior to the Company's annual meeting on April 6, 2011. No shares were issued during the second quarter.

RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions and balances for the years ended April 30, 2011 and 2010,

(a) Management fees of $48,000 (2010 - $48,000) were incurred from a company controlled by a director in common.

(b) Stock-based compensation includes stock options granted to directors recorded at a fair value of $89,611 (2010 - $66,330).

Proposed Transactions

The Company continues to explore and develop its mineral properties, evaluate new property acquisitions and actively target sources of additional financing through agreements or alliances with financial, exploration and mining companies.. Should it enter into agreements over new properties, it may be required to make cash payments and complete work expenditure commitments.

Financial Instruments and Other Instruments

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of exposure. These risks include liquidity risk, credit risk, currency risk and interest rate risk. Where material these risks are reviewed and monitored by the Board of Directors.

Please refer to Note 15 of the accompanying financial statements for further details.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at April 30, 2011.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Outstanding Share Data

a) Authorized Capital:
Unlimited common shares without par value

b) Number and Recorded Value for shares Issued and Outstanding as at April 30, 2011 was 82,778,493 common shares with a recorded value of $20,058,359
As of the date of this report there are 82,778,493 common shares outstanding.

c) Options outstanding at April 30, 2011

Number of Options	Exercise Price ($)	Expiry Date
775,000	0.70	January 11, 2012
100,000	0.99	April 14, 2012
525,000	0.35	September 14, 2012
340,000	0.36	February 7, 2013
445,000	0.76	June 25, 2013
74,500	0.26	September 17, 2013
855,000	0.13	February 9, 2014
1,060,000	0.17	July 30, 2014
745,000	0.12	December 20, 2014
620,000	0.10	March 21, 2015
790,000	0.10	July 8, 2015
200,000	0.10	September 2, 2015
310,000	0.10	September 14, 2015
750,000	0.12	January 13, 2016
655,000	0.13	April 28, 2016
8,244,500		**Total**

d) Warrants outstanding at April 30, 2011

Number of Warrants	Exercise Price ($)	Expiry Date
250,000	0.12	December 10, 2011

Subsequent to the end of the six month period;

The Company issued 2,322,220 units priced at $0.09 in a non-brokered private placement. Each unit consists of one common share and one half of a common share purchase warrant. Each full warrant will be exercisable at $0.15 for a period of 24 months. The $200,000 proceeds will be used for working capital and to fund copper/nickel exploration in Michigan.

Stock-based Compensation

Total compensation expense recognized for stock options granted during the six months ended April 30, 2011 was $94,665 (2010 - $82,633).

Internal Controls Over Financial Reporting

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

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.

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.

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