BITTERROOT RESOURCES LTD.
MANAGEMENT DISCUSSION & ANALYSIS

For the period ended January 31, 2012
As of April 27, 2012

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SUMMARY OF ACTIVITIES

In the period ended January 31, 2012, the majority of Bitterroot Resources Ltd.'s Canadian exploration and evaluation assets expenditures were on geophysics and consulting and professional fees on the Windy property and claims, leases and permits in Michigan. Exploration and evaluation assets expenditures in the year were $169,068. Expenses (net of share-based payments) were $49,595.

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 exploration and evaluation assets. On Vancouver Island, BC, the Company owns a 100 percent interest in the Mineral Creek gold 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. In Nunavut, Bitterroot owns a 100 percent interest in the recently staked Windy (Au) project. 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 1,240 acres of privately-owned mineral rights.

During and subsequent to the period ended January 31, 2012, base metals and gold prices were range-bound. Gold prices had an upward bias, while base metals prices had a downward bias. The Company is exposed to commodity price and equity market risk due to the cyclical nature of the mineral exploration business. Management currently seeks to minimize commodity risk by exploring for a number of mineral commodities (primarily gold, copper and nickel) 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 condensed consolidated interim financial statements for the period ended January 31, 2012 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The following should also be read in conjunction with the audited annual consolidated financial statements and MD&A for the year ended October 31, 2011. It should be noted that the audited financial statements for the year ended October 31, 2011 were prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). This information and exploration results are presented in news releases and project summaries available on www.sedar.com or on the Company's website (www.bitterrootresources.com).

All financial information in this MD&A related to the 2012 and 2011 has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

OVERALL PERFORMANCE

Results of Operations

Michigan Lands, Michigan

In the Upper Peninsula of Michigan, geophysical surveys and geological mapping have defined several high-priority nickel/copper drill targets. Management is in discussions with potential joint venture partners, with the objective of drill-testing these and other targets in 2012.

In the period ended January 31, 2012, Bitterroot spent $22,616 on its Michigan exploration projects, mainly on claims, leases and permits.

Windy Project, Nunavut

In late 2011, Bitterroot's field crews staked the Windy Property, covering 398 square kilometres adjoining Prosperity Goldfields Corp.'s 450 square kilometre Kiyuk gold project in southern Nunavut. The claims are located near Nueltin Lake, approximately 60 kilometres north of the Manitoba border. Bitterroot's Windy Property covers a significant part of the under-explored, early Proterozoic Kiyuk sedimentary sub-basin, which hosts several significant new gold discoveries on Prosperity Goldfields' Kiyuk property. Structural trends and stratigraphic units associated with the gold mineralization on the Kiyuk property continue onto Bitterroot's Windy property. Gold mineralization at Kiyuk is associated with strong magnetite-albite or albite-actinolite-quartz-carbonate alteration and steeply dipping fault zones. The gold mineralization is believed to have an Iron Oxide Copper-Gold (IOCG) affinity. Bitterroot's management believes that the recent exploration success of Prosperity Goldfields indicates that the under-explored Kiyuk sub-basin has the potential to host large gold-bearing systems.

In the period ended January 31, 2012, Bitterroot spent $113,832 on the Windy property, mainly on advance payments to contractors for geophysical surveys and consulting fees. Mr. Charles Greig, P.Geo is the Qualified Person responsible for the technical content of this disclosure.

Mineral Creek Project, British Columbia

Management is negotiating the sale of the Mineral Creek property. In the period ended January 31, 2012, Bitterroot spent $22,646 on the Mineral Creek project, net of share-based payments, mainly on geological consulting, legal costs and claims, leases and permits.

In April 2012, the Company has agreed to sell the mineral claims comprising its Mineral Creek Project and the related data and equipment for a purchase price of $1,000,000. In conjunction with the sale, the Company has also agreed to issue 10,000,000 units priced at $0.05 in a non-brokered private placement to the purchaser of the Mineral Creek Project. Each unit consists of one common share and one half of a common share purchase warrant. Each full warrant will be exercisable at $0.10 for a period of 12 months. The financing has been accepted by the TSX Venture Exchange. The proceeds from the private placement will be used for working capital and to fund exploration of the Company's Windy gold project in Nunavut.

During the period ended January 31, 2012, the Company wrote down the property by $4,571,640 to reflect the subsequent purchase price of $1,000,000.

North Brenda Project, British Columbia

In October 2010, a 4,000 line-kilometre, high resolution aeromagnetic survey was flown over the North Brenda property. Prospecting and soil sampling has caused the Company to focus on selected multi-element soil geochemical anomalies located in recently logged areas. Follow-up soil sampling, mapping and prospecting are planned in 2012.

In the period ended January 31, 2012, Bitterroot spent $9,974 on the North Brenda project, net of share-based payments and recoveries, mainly on geological consulting and claims, leases and permits. Mr. Charles Greig, P.Geo is the Qualified Person responsible for the design and implementation of exploration programs on the North Brenda project.

GK Gold Project, British Columbia

There were no expenditures on the GK project during the quarter and no further work is planned at this time. In the period ended January 31, 2012, Bitterroot spent $Nil on the GK Project. During the year ended October 31, 2011, the Company decided to abandon the property and accordingly wrote off $3,003,829 of capitalized expenditures on the GK property.

SPN Project, British Columbia

There were no expenditures on the SPN project during the quarter and no further work is planned at this time. In the period ended January 31, 2012, Bitterroot spent $Nil on the SPN Project. During the year ended October 31, 2011, the Company decided to abandon the property and accordingly wrote off $527,664 of capitalized expenditures on the GK property.

FINANCIAL CONDITION

At January 31, 2012, Bitterroot had working capital of $299,616, which included accounts receivable of $31,478 due from HST refunds. Exploration and evaluation assets had a book value of $6,894,178 compared to $11,296,750 at the beginning of the year. For the period ended January 31, 2012, cash outflows exceeded cash inflows by $277,744, which when combined with the $772,964 cash balance at the beginning of the year, resulted in a period-end cash position of $495,220. Cash outflows were comprised principally of exploration and evaluation assets expenditures of $208,082 and operating outflows of $69,662 (net of accretion, depreciation, share-based payments and other income on settlement of flow through share premium share liability).

SUMMARY OF FINANCIAL RESULTS

Revenues

Due to the Company's status as an exploration and development stage mineral resource company and a lack of commercial production from its properties, the Company currently does not have any revenues from its operations.

General and administrative expenses

During the period ended January 31, 2012, the Company had a comprehensive loss of $4,700,580, compared to a loss of $152,197 in the same period of the prior year. The increased loss during the period was mainly attributable to a write down of an exploration and evaluation asset, less property investigation costs and office and printing expenses, offset by higher share-based payments expense. Operating expenses (net of share-based payments and property investigation costs) for the period ended January 31, 2012 were $49,595, which is approximately 45% lower than operating expenses incurred during the same period of the prior year. Fluctuating C$/US$ exchange rates resulted in a foreign exchange loss on US$ cash holdings of $302 for the period ended January 31, 2012 (2011- $2,777).

SUMMARY OF QUARTERLY RESULTS

The following tables set forth a comparison of revenues and expenses for the previous eight quarters ending with January 31, 2012.

	Quarter Ended Jan 31, 2012 IFRS*	**Quarter Ended Oct 31, 2011 IFRS***	**Quarter Ended July 31, 2011 IFRS***	**Quarter Ended April 30, 2011 IFRS***
Interest Income	780	(779)	338	509
Income (loss) for the period	(4,700,580)	(3,177,793)	(45,583)	(177,717)
General and administrative	(142,808)	(139,488)	(79,521)	(188,726)
Share-based payments	(93,213)	(22,036)	-	(61,148)
Write-down/off of exploration and evaluation assets	(4,571,640)	(3,531,493)	-	-
Net Earnings (Loss) per share Basic and diluted	(0.05)	(0.04)	(0.00)	(0.00)

	Quarter Ended Jan 31, 2011 IFRS*	Quarter Ended Oct 31, 2010 IFRS*	Quarter Ended July 31, 2010 Canadian GAAP*	Quarter Ended April 30, 2010 Canadian GAAP*
Interest Income	589	1,069	273	4,050
Income (loss) for the period	(152,197)	(3,140,433)	(80,595)	(139,045)
General and administrative	(164,288)	(123,827)	(80,868)	(143,095)
Share-based payments	(28,462)	(20,547)	(183)	(28,079)
Write-off of exploration and evaluation assets	-	(2,541,697)	-	-
Net Earnings (Loss) per share Basic and diluted	(0.00)	(0.04)	(0.00)	(0.00)

**These amounts have not been audited. Refer to Note 15 in the unaudited condensed interim financial statements for the three months period ended January 31, 2012 for a reconciliation of Canadian GAAP to IFRS.*

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital at January 31, 2012 was $299,616, compared to working capital of $500,700 at October 31, 2011. Current liabilities were $230,336, which consisted of $228,025 accounts payable and accrued liabilities and $2,311 flow-through share premium liability. Included in the accounts payable and accrued liabilities is $179,390 for repayment of disputed BCMETC refunds from the year ended October 31, 2006.

At January 31, 2012, there were 20,133,664 share purchase warrants outstanding, which were exercisable between $0.10 and $0.15, which if exercised, would generate proceeds to the Company of $2,079,716. As of the date of this report there are 8,379,500 incentive stock options outstanding, which if exercised would provide proceeds to the Company of $1,466,420.

RISKS 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, 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 and the resulting potential for accounting errors which may lead to fines, interest charges and cash calls.

Bitterroot's ability to meet its ongoing financial obligations will be determined by management's success in acquiring exploration and evaluation assets, 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 exploration and evaluation assets are disclosed in Note 5 of the Condensed Consolidated Interim Financial Statements for the period ended January 31, 2011.

RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions and balances for the periods ended January 31, 2012 and 2011:

(a) Management fees of $24,000 (2011 - $24,000) were incurred from a company controlled by a director in common.

(b) Share-based payments includes stock options granted to directors recorded at a fair value of $93,213 (2011 - $28,462).

PROPOSED TRANSACTIONS

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

FINANCIAL INSTRUMENTS AND RISKS

Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses and private placements, or return capital to shareholders. As at January 31, 2012, the Company does not have any debt and is not subject to externally imposed capital requirements.

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash consist of cash deposited in business accounts and redeemable guaranteed investment certificates held by high credit quality financial institutions. The Company is not invested in any asset backed commercial paper.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash, receivables and reclamation deposits. The Company limits exposure to credit risk by maintaining its cash and reclamation deposits with high-credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The receivables balance mainly consists of GST/HST recoverable. There is ongoing review to evaluate the credit worthiness of these counterparties. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and, receivables and reclamation deposits.

Currency risk

The Company's operations are in Canada and the United States. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency. The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. A strengthening (weakening) of the Canadian dollar against the US dollar of 10% would not have a significant effect on net loss.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair value of financial liabilities is equal to their carrying values due to the short-term nature of these instruments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at January 31, 2012.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

Please refer to the January 31, 2012 unaudited condensed consolidated interim financial statements on www.sedar.com for details on the Company's transition to IFRS:

- Note 3 – Significant Accounting Policies.
- Note 15 – First Time Adoption of IFRS.

OUTSTANDING SHARES, STOCK OPTIONS AND WARRANTS

At April 27, 2012, the Company has the following outstanding:

a) Authorized Capital:
Unlimited common shares without par value

b) 102,735,713 common shares

c) Stock options:

Number of Options	Exercise Price ($)	Expiry Date
505,000	0.35	September 14, 2012
300,000	0.36	February 7, 2013
415,000	0.76	June 24, 2013
59,500	0.26	September 17, 2013
735,000	0.13	February 9, 2014
1,010,000	0.17	July 31, 2014
670,000	0.12	December 21, 2014
570,000	0.10	March 22, 2015
200,000	0.10	July 9, 2015
200,000	0.10	September 2, 2015
750,000	0.12	January 13, 2016
655,000	0.13	April 28, 2016
2,310,000	0.10	January 17, 2017
8,379,500		**Total**

d) Warrants:

Number of Warrants	Exercise Price ($)	Expiry Date
329,454	0.11	November 25, 2012
1,261,110	0.15	June 24, 2013
18,543,100	0.10	October 27,2013
20,133,664		**Total**

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual reports could differ from management's estimates.

CONTINGENCIES

There are no contingent liabilities.

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 IFRS. 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.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained 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.

The Company does not believe it has any significant forward-looking information to report as of April 27, 2012.

DIRECTORS AND OFFICERS

Michael S. Carr, *President & Director*
Terence S. Ortslan, *Director*
George W. Sanders, *Director*
Barney Magnusson, *CFO*