

BITTERROOT RESOURCES LTD.
MANAGEMENT DISCUSSION & ANALYSIS

For the period ended April 30, 2010

As of June 28, 2010

Table of Contents

Summary of Activities	2
Introduction.....	2
Overall Performance	3
Results of Operations	3
Michigan	3
Mineral Creek Gold Project, British Columbia	3
North Brenda Copper/Molybdenum/Gold Project, British Columbia	4
SPN Copper/Gold Project, British Columbia	4
GK Gold/Silver Project, British Columbia	5
Saskatchewan/Manitoba Coal Project.....	5
Big Southeaster Gold/VMS Project, British Columbia	5
Financial Condition	5
Summary of Financial Results	6
Changes in Accounting Policies.....	6
Summary of Quarterly Results.....	6
Liquidity.....	7
Second Quarter	8
Related Party Transactions.....	8
Additional Disclosure for Venture Issuers Without Significant Revenue	8
Management’s Responsibility for Financial Statements	9
Forward Looking Statements	9

BITTERROOT RESOURCES LTD.

MANAGEMENT DISCUSSION & ANALYSIS

For the period ended April 30, 2010

As of June 28, 2010

SUMMARY OF ACTIVITIES

In the six months ended April 30, 2010, the majority of Bitterroot Resources Ltd.'s exploration expenditures were for drilling and bulk sampling at the Mineral Creek gold project and surface exploration on the North Brenda property in British Columbia. The majority of this work was conducted in late fall of 2009, prior to the onset of winter conditions. Capitalized exploration expenditures in the six month period (net of recoveries, stock-based compensation and acquisition costs), were \$357,750. Funding from bullion sales and Cameco Corporation contributed \$76,493 to Bitterroot's working capital during the period, while expenses (net of stock-based compensation) were \$211,087.

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, exploration and development of mineral properties. In Michigan, Bitterroot's wholly-owned subsidiary owns recorded mineral title interests covering approximately 363 square miles in the Upper Peninsula. On Vancouver Island, BC, the Company owns a 100 percent interest in the Mineral Creek gold property and the contiguous Big Southeaster gold/base metals project near Port Alberni, BC. In southern BC, the Company owns a 100 percent interests in the GK gold property, North Brenda (Au/Mo/Cu) project and the SPN (base metals) project.

During the six months ended April 30, 2010, gold prices continued to climb, while base metals prices and global equity markets posted modest declines and displayed significant volatility. 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 (nickel, copper, PGEs, gold, uranium and zinc) and seeks to minimize exploration costs and political risk by operating in mining-friendly road-accessible locations in North America (southern British Columbia, Vancouver Island and Michigan).

The following Management Discussion and Analysis (MD&A) should be read in conjunction with Bitterroot Resources Ltd.'s consolidated financial statements for the six months ended April 30, 2010 and the annual audited financial statements and MD&A for the year ended October 31, 2009. This information is available on www.sedar.com or on the Company's website (www.bitterrootresources.com).

OVERALL PERFORMANCE

Results of Operations

Michigan

Kennecott Eagle Minerals Company (KEMC) has recently received permits to drill-test the PGE-bearing Echo Lake layered intrusion at a site located approximately 200 metres from Bitterroot's 100 percent-owned mineral rights. Bitterroot's mineral rights cover approximately 50% of the 10 km-long and 3 km-wide magnetic signature of the Echo Lake layered intrusion. In 1997, Bitterroot's drill hole EL 97-03 intersected 5.4 metres grading 1.01 grams Pt+Pd+Au/Tonne within a wider interval of 21.3 metres grading 0.52 grams/Tonne Pt+Pd+Au, starting at a depth of 994 metres. Twelve other PGE-enriched intervals containing greater than 0.1 grams Pt+Pd+Au/Tonne were also intersected. Subsequent to the end of the quarter, Bitterroot's field crews initiated geophysical surveys on Ni/Cu/PGE exploration targets in the Upper Peninsula. No work is currently planned on lands subject to the Cameco joint venture.

On June 15, 2010, KEMC's parent company Rio Tinto announced that it will invest US\$469 million in the construction of KEMC's Eagle nickel/copper project in Marquette County. This large capital investment represents a major commitment to the Upper Peninsula of Michigan by Rio Tinto. Rio Tinto, through KEMC, plans to expand its business presence in the region. Rio Tinto's investment represents a major step forward for non-ferrous mining and mineral exploration in Michigan.

In the six months ended April 30, 2010, Bitterroot spent \$20,098 on its Michigan exploration projects, net of stock-based compensation and recoveries, mainly on mineral lease and geological consulting costs. Analyses reported above were done in 1997 at Chemex Labs Ltd. in North Vancouver, BC, by fire assay-ICP-AFS methods. Mr. Andy Bite, P. Geo is the Qualified Person responsible for the Company's Ni/Cu/PGE exploration programs in Michigan.

Mineral Creek Gold Project, British Columbia

In the six months ended April 30, 2010, the company retained C.J. Greig and Associates Ltd. to complete an extensive GIS-based compilation of exploration data collected during the past 30 years on the 100 percent-owned Mineral Creek property. This data includes over 70,000 metres of drilling, plus surface and underground exploration data collected by Bitterroot, Westmin Resources and others. The compilation identified two areas of untested, strongly anomalous gold-in-soil geochemistry, located immediately to the north and northwest of the Mineral Creek Zone. These areas are characterized by two adjoining 300 metre-long, linear zones of anomalous gold-in-soils that suggest the presence of near surface gold mineralization, with supporting IP or magnetic responses. The gold-in-soil results received from these two areas comprise some of the higher values returned from the soil sampling done on the property by Westmin Resources. The data compilation also identified several extensive (~500-800 metres long), untested linear copper and copper/zinc-in-soil anomalies on the northern and western portions of the Mineral Creek property, which are prospective for intrusion-related or volcanogenic massive sulphide

mineralization. Exploration crews recently collected 390 soil samples to verify the tenor and location of several of these anomalies. Additional exploration is planned, subject to verification by the pending soil sampling results.

In June, Mineral Creek Ventures Inc. resumed bulk sampling activities on the Linda vein. In the six months ended April 30, 2010, Bitterroot received \$62,386 for its 50% share of proceeds of gold and silver recovered from the bulk sample, all of which was derived from material mined in late 2009.

In the six months ended April 30, 2010, Bitterroot spent \$242,293 on the Mineral Creek project, net of stock-based compensation and recoveries, mainly on 2009 drilling and ongoing geological consulting. Mr. Charles Greig, P.Geol is the Qualified Person responsible for the design and implementation of exploration programs on the Mineral Creek project.

North Brenda Gold/Copper/Molybdenum Project, British Columbia

In 2009, excavator trenching on Bitterroot's 100 percent-owned North Brenda property discovered a high-grade gold-bearing vein within a previously unexplored structural zone. The trenches tested the apparent sources of several gold-in-soil anomalies. Five of the channel samples collected across the exposed portion of the vein returned greater than 19 g/t gold over true widths ranging from 9 to 25 cm, with a high value of 57.6 g/t gold and 9.3 g/t silver over 11 cm. Cross trenches exposed the vein along a strike length of 100 metres and have also intersected parallel mineralized quartz veins. There is a strong hydrothermal alteration envelope around the veins and untested gold-in-soil anomalies along trend, all within a coincident magnetic low. These features suggest good potential for the discovery of an unexplored gold-bearing system on the road-accessible North Brenda property. The geological setting and style of gold mineralization are similar to the 650,000-ounce Elk gold deposit, located 20 km southwest of North Brenda. A program of soil sampling and magnetometer surveying encompassing approximately 12 square km was completed in November 2009 to evaluate other prospective areas of the property. Several new gold/silver-in-soil anomalies were defined, as were two prominent copper/molybdenum-in-soil anomalies. Trenching of several of these targets is planned in 2010.

In the six months ended April 30, 2010, Bitterroot spent \$86,100 on the North Brenda project, net of stock-based compensation and recoveries, mainly on geological consulting and geochemical analyses completed in the first quarter. Mr. Charles Greig, P.Geol is the Qualified Person responsible for the design and implementation of exploration programs on the North Brenda project.

SPN Copper/Gold Project, British Columbia

The 100 percent-owned SPN property is prospective for volcanogenic massive sulphide mineralization similar to that found elsewhere on the Adams Plateau. Geological mapping and prospecting have resumed. Additional gravity surveys are also planned in the summer of 2010.

In the six months ended April 30, 2010, Bitterroot incurred costs of \$54,967 on the SPN project, net of stock-based compensation and recoveries, mainly on acquisition costs incurred in the first quarter. Mr. Charles Greig, P.Geo is the Qualified Person responsible for the design and execution of exploration programs on the SPN project.

GK Gold/Silver Project, British Columbia

The GK property hosts intrusion-related gold mineralization and several untested areas with anomalous gold-in-soil, within a two kilometre-square area around the Hornet zone. Field crews recently collected 370 silt and soil samples, mainly from new claims staked near the Hornet zone and untested areas north of the Hornet zone. Additional exploration, including trenching, is planned following receipt of geochemical analyses.

In the six months ended April 30, 2010, Bitterroot spent \$1,813 on the GK Project, net of stock-based compensation and recoveries, mainly on claims 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.

Saskatchewan/Manitoba Coal Project

Bitterroot holds Coal Prospecting Permits covering 1,248 hectares (3,084 acres), located 25 kilometres east of Hudson Bay, Saskatchewan. The permits cover road-accessible occurrences of coal-bearing strata of the Lower Cretaceous Mannville Group. No significant expenditures were incurred on the project during the quarter.

Big Southeaster Gold/VMS Project, British Columbia

No field work was conducted during the period on the 100 percent-owned Big Southeaster project. In the six months ended April 30, 2010, Bitterroot spent \$2,479 on the Big Southeaster project, mainly on administrative and core storage costs.

Financial Condition

At April 30, 2010, Bitterroot had working capital of \$1,312,977, which included \$67,237 due from BC Mineral Exploration Tax Credits (BC METC), accrued interest of \$881 and \$8,748 due from GST refunds. Resource properties had a book value of \$15,438,231 compared to \$15,090,668 at the beginning of the year. The increase in book value is mainly due to exploration expenditures on the Mineral Creek and North Brenda properties, net of recoveries. For the six months ended April 30, 2010, cash inflows from equity financings and recoveries exceeded cash outflows by \$524,003. Cash outflows were mainly comprised of normal course resource property expenditures plus operating expenses of \$209,610 (net of stock-based compensation and amortization).

Summary of Financial Results

During the six months ended April 30, 2010, the Company had a loss before income tax adjustments of \$272,122, compared to a net loss of \$264,847 in the first six months of the prior year. The increased loss during the most recent six month period compared to the first six months of the previous year was mainly attributable to higher office and property investigation costs, which were partially offset by lower foreign exchange losses on US dollar cash holdings, property cost recoveries and lower stock-based compensation charges. Excluding stock-based compensation, recoveries and amortization charges, the Company's operating expenses for the six month period were \$201,849, which is approximately 4% lower than operating expenses incurred during the same period of the previous year. Lower foreign exchange losses and professional fees were partially offset by increased office costs incurred due to a change of premises.

Changes in Accounting Policies

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 quarter ended January 31, 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.

SUMMARY OF QUARTERLY RESULTS

The following tables set forth a comparison of revenues and expenses for the previous eight quarters ending with April 30, 2010. Financial information is prepared according to Canadian GAAP and is reported in Canadian dollars.

	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				
<u>Basic and diluted</u>	<u>(0.00)</u>	<u>0.00</u>	<u>(0.00)</u>	<u>(0.00)</u>

	Quarter Ended April 30, 2009	Quarter Ended Jan 31, 2009	Quarter Ended Oct 31, 2008	Quarter Ended July 31, 2008
Interest income	17,277	43	28,832	16,046
Income (loss) for the period	(187,957)	703,061	(647,231)	(279,860)
General and administrative	(205,184)	(76,933)	(79,090)	(140,447)
Stock-based compensation	(84,186)	(4,567)	(142,166)	(145,439)
Write-off of resource property	-	-	(64,850)	-
Net Earnings (Loss) per share				
Basic and diluted	(0.00)	0.01	(0.01)	(0.00)

LIQUIDITY

During the six months ended April 30, 2010, the Company received;

- \$708,200 (before share issue costs) from a private placement of 5,901,666 flow-through common shares priced at \$0.12,
- \$ 14,107 of exploration cost recoveries and management fees from Cameco Corporation,
- \$ 376,479 from BC METC refunds for exploration done in 2008,
- \$ 62,386 from bullion sales from the Mineral Creek property,

The Company's working capital at April 30, 2010 was \$1,312,977, compared to working capital of \$1,125,240 at October 31, 2009. Current liabilities at April 30, 2010 were \$57,634, consisting of accounts payable incurred in the normal course of the mineral exploration business. At April 30, 2010, there were 574,000 share purchase warrants outstanding, which were exercisable at prices between \$0.12 and \$0.17. During the period, 304,800 warrants expired and 250,000 warrants exercisable at \$0.12 were issued as compensation to brokers. If exercised, the 574,000 warrants outstanding at June 28, 2010 would generate proceeds of \$71,580. At April 30, 2010 there were 6,909,500 incentive stock options outstanding, which if exercised would provide proceeds to the Company of approximately \$2,418,325.

Bitterroot has sufficient cash reserves to fund its operating expenses in 2010. A total exploration budget of \$200,000 has been allocated to five surface exploration programs on the Mineral Creek, GK, SPN, North Brenda and Michigan projects.

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 Michigan resource properties, which assume the retention of all lands

currently under lease, are disclosed in Note 3 of the Consolidated Financial Statements for the six months ended April 30, 2010. Funding commitments on the BC mineral exploration projects are currently limited to costs associated with preparing assessment reports and filing assessment work.

SECOND QUARTER

During the second quarter, the Company's financial condition was not materially affected by extraordinary items or adjustments. No significant field work was undertaken during the quarter. The main exploration expenditure was for geological consulting costs incurred for data compilation on the Mineral Creek project. The Company moved its office on April 1, 2010 and incurred expenses associated with leasehold improvements. Cash balances increased by \$216,389 during the second quarter as BC Mineral Exploration Tax Credit (BCMETS) funds were received. The carrying value of the Company's resource properties increased by \$39,238. No common shares were issued during the quarter.

RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions and balances for the six months ended April 30, 2010.

- The Company incurred management fees of \$48,000 with a company controlled by the President of the Company.
- Incentive stock options were granted to Directors and recorded at a fair value of \$61,726.

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, 2010 was 75,768,493 common shares with a recorded value of \$19,482,486.
As of the date of this report there are 75,768,493 common shares outstanding.
- c) Options outstanding at April 30, 2010

Number of Options	Exercise Price	Expiry Date
1,125,000	0.53	April 4, 2011
775,000	0.70	January 11, 2012
100,000	0.99	April 4, 2012

525,000	0.35	September 14, 2012
340,000	0.36	February 7, 2013
60,000	0.40	June 8, 2013
445,000	0.76	June 24, 2013
174,500	0.26	September 17, 2013
855,000	0.13	February 9, 2014
1,135,000	0.17	July 30, 2014
755,000	0.12	December 20, 2014
620,000	0.10	March 20, 2015

d) Warrants outstanding at April 30, 2010

Number of Warrants	Exercise Price	Expiry Date
54,000	\$0.17	July 26, 2010
210,000	\$0.12	December 2, 2010
60,000	\$0.12	December 16, 2010
250,000	\$0.12	December 10, 2011

Stock-based Compensation

Total compensation expense recognized for stock options granted during the six months ended April 30, 2010 was \$66,330 (period ended April 30, 2009 - \$88,753).

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.