BITTERROOT RESOURCES LTD.
MANAGEMENT DISCUSSION & ANALYSIS
For the period ended January 31, 2013
As of March 26, 2013

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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 600 acres of privately-owned mineral rights and prospecting permits over 1,844 acres of Federally-owned mineral rights. In southern British Columbia, the Company owns 100 percent interests in the GK (Au), North Brenda (Au/Cu/Mo) and SPN (base metals) claims. In Nunavut, Bitterroot owns a 100 percent interest in the Windy (Au) claims.

During and subsequent to the three month period ended January 31, 2013, gold prices declined approximately 6% and copper prices declined approximately 3%. The Company is exposed to commodity price and equity market risk due to the cyclical nature of the mineral exploration business. Management seeks to minimize commodity risk by exploring for several metals (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, 2013 and the related notes contained therein which have been prepared under International Reporting Financial 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, 2012. 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 2013 and 2012 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.

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.

SUMMARY OF ACTIVITIES

In the three month period ended January 31, 2013, the majority of Bitterroot Resources Ltd.'s exploration expenditures was on ground-based geophysical (electromagnetic and gravity) surveys on nickel-copper-PGM targets in Michigan. Management is currently having discussions with potential joint venture partners and strategic investors regarding funding of exploration and drilling on these targets. Exploration and evaluation expenditures in the period were $277,115. Operating expenses were $57,923.

During the period ended January 31, 2013, the Company issued 135,000 common shares for gross proceeds of $13,500 from the exercise of warrants.

OVERALL PERFORMANCE

Results of Operations

Michigan Lands, Michigan

In the Upper Peninsula of Michigan, a 5,566 line-kilometre aeromagnetic and VLF-EM survey was completed in the 3rd quarter of 2012, which identified several new nickel-copper-PGM targets on Bitterroot's mineral rights. These targets are prospective for Ni/Cu/PGM-bearing sulphides similar to Rio Tinto's high-grade Eagle deposit (3.2 million tonnes @ 3.89% Ni and 3.04% Cu). The Eagle deposit is located in a similar geological setting, approximately 75 km northeast of the area covered by Bitterroot's aeromagnetic survey. Recent drilling and land acquisition activities by Rio Tinto has occurred on parcels adjoining Bitterroot's mineral rights and several of Rio Tinto's drill collars are located within 180 metres of Bitterroot's mineral rights. Since October 2012, the Company's geophysical contractors have been conducting ground-based Time Domain electromagnetic surveys (TDEM) and gravity surveys. To date, the crews have surveyed over 131 line-kilometres with TDEM and collected over 2,260 gravity measurements on ten separate targets. The TDEM and gravity surveys are being used to delineate and rank magmatic nickel-copper-PGM drill targets on Bitterroot's 100 percent-owned mineral rights in the Upper Peninsula of Michigan. In order to conserve cash, geophysical surveys are scheduled to stop in early April 2013. Management is currently assessing various financing options for future exploration of these targets.

In the period ended January 31, 2013, Bitterroot spent $274,784 on its Michigan exploration projects, mainly on geophysical surveys, technical consultants and mineral leases. Mr. Charles Greig, P.Geo is the Qualified Person responsible for the technical content of this disclosure.

Windy Project, Nunavut

During the year ended October 31, 2012, Bitterroot's geophysical contractor completed a 5,722 line-kilometre aeromagnetic, VLF-EM and radiometric survey on the Windy property. The survey has identified the continuation of structural and stratigraphic trends which are present on Prosperity Goldfields' adjoining Kiyuk Gold Property. Drilling by Prosperity Goldfields on its neighboring Kiyuk property has identified four significant zones of gold mineralization, each with multiple gold-bearing intervals, plus several encouraging new prospects identified in 2012. Management is awaiting the results of interpretation of the aeromagnetic survey, which has been delayed by the ongoing geophysical work in Michigan. No work is currently planned on the Windy property in 2013.

In the period ended January 31, 2013, Bitterroot spent $375 on the Windy property on geophysical consulting. Mr. Charles Greig, P.Geo is the Qualified Person responsible for the technical content of this disclosure.

North Brenda Project, British Columbia

Recently-completed soil sampling, mapping and prospecting has expanded the size of multi-element soil geochemical anomalies located in recently logged areas. Limited trenching is planned in the summer of 2013.

In the period ended January 31, 2013, Bitterroot spent $1,956 on the North Brenda property, mainly on geological consulting and claims maintenance. Mr. Charles Greig, P.Geo is the Qualified Person responsible for the design and implementation of exploration programs on the North Brenda project.

Other

The Company owns 100% interests in the GK (Au) and SPN (base metals) claims in southern BC. No work is planned on these properties in 2013

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, 2013, the Company recorded a loss of $55,306 ($0.00 per share) compared to a loss of $4,700,580 ($0.05 per share) for the period ended January 31, 2012. The Company recorded a loss of $4,571,640 on the sale of an exploration and evaluation asset during the period ended January 31, 2012.

Exclusive of the share-based payments, general and administrative expenses increased by $8,328 for the three month period ended January 31, 2013 compared to the same period of the prior year. Office and printing increased by $3,383, regulatory fees increased by $2,500, shareholder information increased by $2,790 due to higher expenses and fees.

SUMMARY OF QUARTERLY RESULTS (as adjusted under IFRS)

The following tables set forth a comparison of revenues and expenses for the previous eight quarters ending with January 31, 2013.

	January 31, 2013	October 31, 2012	July 31, 2012	April 30, 2012
Revenue	$ nil	$ nil	$ nil	$ nil
Earnings (loss) for the period	(55,306)	462,255	(4,659)	(247,179)
Exploration and evaluation assets	6,614,003	6,336,888	6,084,316	5,911,256
Total assets	7,431,133	7,428,677	7,400,049	7,718,199
Income (loss) per share	(0.00)	0.00	(0.00)	(0.00)

	January 31, 2012	October 31, 2011	July 31, 2011	April 30, 2011
Revenue	$ nil	$ nil	$ nil	$ nil
Earnings (loss) for the period	(4,700,580)	(3,177,793)	(45,583)	(177,717)
Exploration and evaluation assets	6,894,178	11,296,750	14,392,081	14,000,708
Total assets	7,456,575	12,143,747	14,710,070	14,611,137
Income (loss) per share	(0.05)	(0.04)	(0.00)	(0.00)

During the quarter ended October 31, 2012, the Company recorded a deferred income tax recovery of $848,000 and share-based payments expense of $168,638.

During the quarter ended January 31, 2012, the Company recorded a loss of $4,751,640 on the sale of its Mineral Creek Project.

During the quarter ended October 31, 2011, the Company ceased exploration on its GK and SPN properties and wrote-off $3,531,493 of costs related to these exploration and evaluation assets.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2013, the Company had cash of $774,128, accounts payable and accrued liabilities of $149,882 and working capital of $638,023.

During the period ended January 31, 2013, the Company received $13,500 from the issuance of 135,000 common shares upon the exercise of warrants.

In April, 2012, the Company sold 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 received $500,000 from the issuance of 10,000,000 shares from a private placement.

During the year ended October 31, 2012, the Company received $623,806 from the issuance of

11,205,144 common shares from the completion of a private placement and the exercise of warrants.

RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions and balances for the period ended January 31, 2013:

(a) Management fees of $24,000 (2012 - $24,000) were incurred from a company controlled by a director in common.

(b) Share-based payments includes stock options granted to directors and officers recorded at a fair value of $nil (2012 - $93,213).

ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Accounting Standards Issued and Effective January 1, 2013

IFRS 10 *Consolidated Financial Statements* replaces the guidance on control and consolidation in IAS 27, *Consolidated and Separate Financial Statements,* and SIC-12, *Consolidation – Special Purposes Entities.* IFRS 10 changes the definition of control under IFRS so that the same criteria are applied to all entities to determine control.

IFRS 11 *Joint Arrangements* establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement.

IFRS 12 *Disclosure of Involvement with Other Entities* requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13 *Fair Value Measurement* defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based Payment; leasing transactions within the scope of IAS 17 Leases; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

IAS 27 *Separate Financial Statements* has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.

IAS 28 *Investments in Associates and Joint Ventures* prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

Accounting Standards Issued and Effective January 1, 2014

IAS 32, “Financial Instruments: Presentation” clarifies certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of ‘currently has a legally enforceable right of set-off;
- the application of simultaneous realization and settlement;
- the offsetting of collateral amounts; and
- the unit of account for applying the offsetting requirements.

Accounting Standards Issued and Effective January 1, 2015

IFRS 9 *Financial Instruments* replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

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, 2013, 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 consists of 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.

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. Management is currently having discussions with potential joint venture partners and strategic investors regarding funding of exploration and drilling on these targets. 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 statements of financial position. Details of funding commitments on the Company's exploration and evaluation assets are disclosed in Note 5 of the unaudited condensed consolidated interim financial statements for the period ended January 31, 2013.

OUTSTANDING SHARES, STOCK OPTIONS AND WARRANTS

The authorized share capital of the Company consists of an unlimited number of common shares.

As of March 26, 2013, the Company has the following outstanding:

- 114,075,827 common shares

- Stock options:

Number of Options	Exercise Price ($)	Expiry Date
415,000	0.76	June 24, 2013
44,500	0.26	September 17, 2013
735,000	0.13	February 9, 2014
1,010,000	0.17	July 30, 2014
670,000	0.12	December 20, 2014
570,000	0.10	March 21, 2015
150,000	0.10	July 8, 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
1,780,000	0.105	September 9, 2017
9,289,500		

- Warrants:

Number of Warrants	Exercise Price ($)	Expiry Date
5,600,000	0.10	April 24, 2013
1,261,108	0.15	June 24, 2013
17,532,440	0.10	October 27, 2013
24,393,548		

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

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.

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

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited financial statements and respective accompanying Management's Discussion & Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

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.

DIRECTORS AND OFFICERS

Michael S. Carr, *President & Director*
Terence S. Ortslan, *Secretary & Director*
George W. Sanders, *Director*
Barney Magnusson, *Chief Financial Officer*