



Kettle River Resources Ltd.

(An Exploration Stage Company)

Nine months to January 31, 2009

Management Discussion & Analysis

March 24, 2009

Note to Reader

The interim financial statements for the nine months ended January 31, 2009 have been prepared by management and have not been subject to review by the Company's auditors. The following discussion and analysis of financial conditions and results of operations should be read in conjunction with the Company's interim financial statements and related costs.

KETTLE RIVER RESOURCES LTD.
FORM 51-102F1
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

March 24, 2009

Introduction

Kettle River has continued its efforts to date with a sole business objective to identify evaluate and explore mineral properties having high potential for the discovery of economic mineral deposits. The goal would be to involve a major mining company in the early stages of a discovery for the creation of value for our shareholders. We remain a publicly traded company without any substantive operations, and thus, have realized no significant mining revenues to date. Kettle River was incorporated on October 17, 1980 pursuant to provisions of the British Columbia Company Act as Kettle River Mines Ltd. and within a short period changed its name to Kettle River Resources Ltd.

Our accompanying financial statements have been prepared using accounting principles generally accepted in Canada. Our fiscal year end is April 30th and any references to a fiscal year refer to the calendar year in which such fiscal year ends. All reported amounts are in Canadian dollars.

Forward-Looking Information

This management discussion and analysis (“MD&A”) contains certain forward-looking statements and information relating to Kettle River Resources Ltd. (“Kettle River” or the “Company”) that are based on the beliefs of its management as well as assumptions made by and information currently available to Kettle River. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “significant” and similar expressions, as they relate to Kettle River or its management are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and developments of the Company’s exploration properties. Such statements reflect the current views of Kettle River with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, will be identified in the interim reports.

Mineral Project Activity

Exploration expenditures by property for the period ended January 31, 2009

	Greenwood Area	DHK - NWT	Silica Quarry 50%	Total
Amortization	\$ 1,868	\$ -	\$ -	\$ 1,868
Assaying	31,190	-	-	31,190
Assessment, filing fees, membership	11,536	-	-	11,536
Direct charges – wages	20,835	740	125	21,700
Exploration costs	529,930	7,745	-	537,675
Field supplies	278	-	-	278
Property costs & acquisition	560	-	-	560
Storage (samples& equipment)	30,761	-	-	30,761
Property and Mineral taxes	1,517	-	-	1,517
Travel & accommodation	910	109	-	1,019
Sub-total:	\$ 629,385	\$ 8,594	\$ 125	\$ 638,104
Less: Recovered property costs	(\$ 5,826)	-	-	(\$5,826)
TOTAL:	\$ 623,559	\$ 8,594	\$ 125	\$ 632,278

During the nine month period ended January 31, 2009 a total of \$638,104 (2008 - \$1,198,525) was spent on mineral property activities as shown in the above table.

Second Quarter Update: EXPLORATION ACTIVITIES

Kettle River’s main objective is to make a mineral deposit discovery. Land holdings are focused on exploration in Canada for gold in the Greenwood Mining District and diamonds in the Northwest Territories.



DHK Diamonds Inc: (DHK) Lac de Gras area – Northwest Territories

The DHK Company was formed together with two other junior companies to manage and explore three blocks (originally 208,000 acres) of prospective diamond property acquired in 1992 in the area of the first diamond discovery in the Canadian Northwest Territories. The property was optioned to Kennecott Canada Exploration Inc. (KCEI), carrying the DHK group's 35% interest through airborne surveys, till sampling, ground geophysics, and drill testing. Diamonds were found in most kimberlites tested. Only in the area of the Tli Kwi Cho (WO Block) did the diamond content indicate mine potential where 1994 bulk sampling was conducted with disappointing results. KCEI returned the property to DHK in 2000 retaining a 1% Gross Overriding Royalty (GORR). DHK entered into various agreements of varying interest, with Archon Minerals Ltd., BHP Billiton Diamonds Inc. and currently Peregrine Diamonds Ltd. The WI and DHK Claim Blocks were abandoned.

The Pellatt Lake claims are located approximately 360 km northeast of Yellowknife on NTS Map Sheet 76C/13 and about 40 km east of the Ekati Mine. In 2000, DHK acquired the Pellatt Lake property, which contained a diamondiferous dyke like kimberlite, from Kennecott Canada Explorations Inc, (KCEI). KCEI retains a gross overriding royalty of 1% on these claims. DHK took PC9, PC10 and PC13 to lease and are currently responsible for the annual lease fees. An existing agreement gave Peregrine Diamonds Ltd. (Peregrine) a 51% interest for flying Falcon gravity gradiometer surveys and drilling selected targets. Peregrine has vested with 51% of certain areas (those drilled), plus it has a second option, within 4 years of vesting, to earn another 14% by completing a 100 tonne bulk sample. A further 10% can be earned by arranging production cost financing for DHK. Under the agreement, Peregrine will pay for all exploration and arrange financing to bring any discovery into production.

The Company, in January 2008, increased its shareholdings in DHK Diamonds Inc. to 43.37% from 42.5% due to contributing 50% of funds to meet the DHK portion of the WO JV cash calls.

Of the total 117,249 shares issued in DHK, Kettle River and Dentonia Resources Ltd. Each own 50,848 representing 43.37% with Horseshoe Gold Mining Inc owning 13.26% represented by 15,553 shares.

The Company reports contributions to budgets as exploration costs. During the period ended January 31, 2009 costs of \$8,594 (2008 - \$727,837) were incurred: Exploration costs of \$7,745 (2008 - \$716,887) and \$740 (2008 - \$7,600) for management and related expenses, and \$109 (2008 - \$3,100) for administrative travel costs.

WO (DO27) Joint Venture – (Peregrine Diamonds Ltd., Archon Minerals Ltd., DHK Diamonds Inc.)

DHK Diamonds Inc. has a contributing 10.64% interest in the WO diamond project. Peregrine Diamonds Ltd. ("Peregrine"), the operator since 2005 bulk sampled to test the economics and feasibility of the DO27 kimberlite with approximately \$60 million spent to date. The average modeled value of 2,075 carats worth of diamonds recovered from the nine-hectare DO-27 kimberlite pipe ranged from \$43 (U.S.) to \$70 (U.S.) per carat, with a base case average of \$51 (U.S.) per carat. These valuation results, along with updated grade and geological information, were used by Peregrine and AMEC Americas Ltd. to complete the preliminary technical assessment ("PTA") report, which will investigate the current economic potential of DO-27. News releases on the Company website contain the details and a list of the more important diamonds.

The operator reported a current surplus of JV funds and did not anticipate a budget proposal nor cash call until after the PTA report has been produced, expected before the end of the second quarter 2008. Subsequently, on May 30, 2008, Peregrine issued a \$212,112 cash call to DHK due on September 27, 2008 for DHK's 10.77% interest in the Joint Venture. DHK did not contribute to this cash call and as a result was diluted to 10.64%.

Furthermore, on June 24, 2008, Peregrine, the operator, reported to the Company:

"Mr. Eric Friedland, Chief Executive Officer, and Mr. Brooke Clements, President of Peregrine Diamonds Ltd. ("Peregrine" or "the Company") are pleased to report a Canadian NI-43-101-compliant mineral resource of 18.2 million carats in 19.5 million tonnes of kimberlite for the nine hectare DO-27 kimberlite. The estimated grade of the indicated resource is 94 carats per hundred tonnes ("cpht"). The resource estimate was prepared by AMEC Americas Ltd. ("AMEC"), an internationally recognized engineering firm with extensive experience in evaluating advanced diamond projects. An additional 6.5-8.5 million tonnes of kimberlite below the indicated resource was classified as a potential mineral deposit and DO-27 remains open at depth. DO-27 is situated on the 15,000 hectare WO property in the Northwest Territories, Canada, approximately 27 kilometres southeast of the Diavik™ Diamond Mine and 11 kilometres east of the Tibbitt to Contwoyto Ice Road used to supply the two diamond mines in the area. Ownership interests in the WO property are as follows: Peregrine 71.74%, Archon Minerals Limited 17.48% and DHK Diamonds Inc. 10.78%. Peregrine holds 97.92% of the diamond marketing rights."

See website for full News Release dated June 24, 2008.



Pellatt Lake Property:

Peregrine reported that 162 heavy mineral samples were collected and during the period a single diamond drill hole tested three high priority anomalies drilling a total of 497 meters. No kimberlite was encountered.

Monument Property (formerly DHK Claim Block) south shore of Lac de Gras:

Through an agreement dated October 24, 2003 DHK Diamonds Inc. holds a 1% gross overriding royalty on three leases (7,747 hectares – 46,960 acres), majority owned (57.49%) and operated by New Nadina Explorations Limited (New Nadina). The Monument property contains 12 known diamond bearing kimberlites plus one dike. Recent drilling has found several new kimberlites including Genie, Bling and most recently the Trio, Gemini and Sparky kimberlites. The most recent discoveries were made when drilling land based targets. Based on forthcoming caustic fusion results, plans for taking larger samples will be made as well as drill testing water-based targets during a winter program. Results will be posted on the nadina.com website. In addition, Kettle River owns 1.7 million free trading shares of New Nadina.

SASKATCHEWAN – 50%

The Nipikamew silica sand quarry in Saskatchewan remains in good standing and the quarry production potential that is dependant on market demand continues to be reviewed. The property is approximately 41 acres and under lease which currently expires in December 1, 2009 and is subject to an annual rental of \$2 per acre. Each partner records individual expenses as incurred. The Company feels there is potential to test and market the silica potential on this property. During the period \$125 (2008 - \$75) was expended on research.

GREENWOOD MINING DIVISION – SOUTHERN BRITISH COLUMBIA: 100%

Greenwood Area Expenditure breakdown by property for the period ended January 31, 2009

	2008							Greenwood Area
	Exploration Program	Phoenix	Haas	Bluebell	Tailings	Niagra	Tam O'Shanter	TOTAL
Amortization	\$ -	\$ 467	\$ -	\$ 467	\$ -	\$ -	\$ 934	\$ 1,868
Assaying	31,190	-	-	-	-	-	-	31,190
Assessment/Recording	11,310	226	-	-	-	-	-	11,536
Direct charges – wages	15,982	1,250	-	1,200	2,100	253	50	20,835
Exploration costs	529,379	301	100	125	-	-	25	529,930
Field supplies	278	-	-	-	-	-	-	278
Property costs & acquisition	193	367	-	-	-	-	-	560
Storage (samples & equipment)	-	11,647	-	7,625	-	-	11,489	30,761
Property & Mineral taxes	-	1,168	-	349	-	-	-	1,517
Travel & accommodation	910	-	-	-	-	-	-	910
Sub-total:	\$ 589,242	\$ 15,426	\$ 100	\$ 9,766	\$ 2,100	\$ 253	\$ 12,498	\$ 629,385
Less: Recovered Property costs	-	(5,826)	-	-	-	-	-	(5,826)
TOTAL:	\$ 589,242	\$ 9,600	\$ 100	\$ 9,766	\$ 2,100	\$ 253	\$ 12,498	\$ 623,559

The Greenwood Area Properties are grouped according to geographical area and accounting purposes. At this time, the 2008 Exploration Program is segregated for reporting purposes where work was conducted on the Phoenix and Bluebell areas. During the spring and summer of 2008, the company completed a program of excavator trenching and diamond drilling (14 holes, 2,551 meters) on its wholly owned Greenwood area properties. Limited prospecting, soil and rock sampling was also completed. The 2008 work program was primarily directed at 3 known areas of mineralization, the Minnie Moore showing on the Bluebell property, and the Battle and Stenwinder Zones on the Phoenix property.

Greenwood Area Properties

Phoenix Mine Area

Of the 55 Crown Grants and Mineral Lease tenure covering the Phoenix Mine Area, this former copper gold producer, surface title and various timber rights are held on approximately 350 acres. There is a Marble prospect quarry lease within this area. During the period a total of \$15,426 was expended (2008 - \$18,382). Recording of work programs and generation of reports



with wage costs of \$1,250 (2008 – \$7,700). An amount of \$5,826 was received from another company during the period as compensation for access and has been recorded as a property cost recovery.

Limited exploration was conducted on the Bluebell-Summit property other than work conducted on the Minnie Moore and costs of \$9,766 (2008 - \$8,642) relate to sample and core storage, mineral taxes and wage costs. The Minnie Moore showing is located within the Bluebell Group and due to the significance of the discovery, 2008 exploration program expenditures have been segregated for current reporting:

2008 Exploration Program

The \$589,242 Exploration Program expenditure reported for 2008 relates mainly to mapping, prospecting, sampling, soil sampling, geophysics, assaying, drilling and trenching in the selected areas

Battle Zone:

Situated less than a kilometer from the former Phoenix Minesite, mineralization occurs as stock working pyrite-quartz veinlets and as semi-massive pyrite-quartz shear zones within the same rocks that hosted the Phoenix deposit. Pyrite mineralization with elevated gold has been found in outcrop, subcrop and in shallow historic exploration pits, intermittently over an area of 250 meters by 850 meters. Road building for drill access along with further sampling and detailed geological mapping and representative chip sampling was completed in preparation for 2008 drilling. Soil geochemistry in this area shows a large area of anomalous gold plus/minus arsenic in soils. During 1991, a single drill hole by Battle Mountain (Canada) Inc. was drilled to test a small portion of the Battle zone. This hole intersected several zones of elevated gold, including 14.7 g/t Au (0.43 oz/t Au) over 0.4 meters, 8.54 g/t Au (0.25 oz/t Au) over 0.7 meters, 3.63 g/t Au (0.11 oz/t Au) over 0.7 meters and 3.36 g/t Au (0.10 oz/t Au) over 1.0 meter. Apart from this single 1991 drill hole, the Battle zone was previously untested by drilling.

The following chart provides the 2008 drill results on the Battle zone:

Hole	From meters	To meters	Interval meters	Au g/t	Ag g/t	Cu ppm or %
KRR 08-6	15.30	17.70	2.40	4.01	1.47	259
	33.05	40.35	7.30	3.71	8.27	1801
		<i>including</i>	0.40	14.00	64.00	496
		<i>and</i>	1.00	8.80	7.00	2417
KRR 08-7	24.50	27.30	2.80	0.91	0.26	78
	38.00	40.19	2.19	0.30	0.70	1324
KRR 08-8	16.57	19.57	3.00	0.55	< 0.10	23
	38.57	51.27	12.70	1.62	10.85	2349
		<i>including</i>	0.70	18.07	183.70	33576
KRR 08-9	37.40	37.70	0.30	2.26	2.40	1443
	48.20	48.60	0.40	5.40	18.30	6070
	105.50	105.90	0.40	0.31	4.10	235
KRR 08-10	27.25	27.70	0.45	0.45	0.10	23
	41.15	49.77	8.62	0.76	1.15	401
		<i>including</i>	0.70	3.19	1.30	578
		<i>and</i>	0.50	6.33	14.70	4169
	64.84	67.84	3.00	0.24	0.20	75



Hole	From	To	Interval	Au	Ag	Cu
	meters	meters	meters	g/t	g/t	ppm or %
KRR 08-11	42.66	45.46	2.80	1.39	5.0	1256
	90.70	92.26	1.56	80.00	8.6	105
	100.50	100.70	0.20	9.70	10.6	2233
	110.62	111.86	1.24	3.67	95.6	307
	207.29	209.98	2.69	0.03	1257.8	1566
KRR 08-12	17.13	20.13	3.00	2.93	<0.10	20
	29.00	29.70	0.70	1.17	2.00	110
	33.55	38.10	4.55	0.27	0.70	278
	92.30	101.85	9.55	4.32	2.42	561
		<i>including</i>	0.80	50.30	27.80	5493
	125.25	125.45	0.20	8.50	13.50	1865

The final two drill holes (KRR 08-13 and 08-14) targeted a series of parallel auriferous quartz-sulfide veins at the Stemwinder zone, known from historic underground work at the Stemwinder and Brooklyn mines. Both drill holes were successful in intersecting several quartz-pyrite-chalcopyrite veins.

Hole	From	To	Interval	Au	Ag	Cu
	meters	meters	meters	g/t	g/t	ppm or %
KRR 08-13	100.85	101.15	0.30	0.01	21.0	2.66 %
	103.27	103.48	0.21	0.01	14.1	1.39 %
	122.71	123.71	1.00	13.80	39.4	5.26 %
	145.90	146.15	0.25	7.04	2.0	694
KRR 08-14	118.20	121.05	2.85	6.85	13.3	8130
		<i>including</i>	0.60	12.48	27.0	12194

Minnie Moore

Work conducted in 2007 resulted in the discovery of the Minnie Moore epithermal silver-gold showing. During 2007, soil geochemical and ground magnetometer surveys were completed in the vicinity of the showing, and excavator trenching and diamond drilling was done. The Minnie Moore vein was exposed on surface in two trenches. Where exposed it is a well-defined breccia vein, with a true width ranging up to 8.5 meters and with faulted contacts. The vein is comprised of intensely silicified limestone and siltstone that is cut and cemented by vuggy quartz and quartz-carbonate veinlets and breccia matrix. Sulfide content is low, only locally exceeding 5%, and consisting of pyrite, with lesser chalcopyrite, sphalerite, galena, tetrahedrite, and ruby silver. Representative trench samples across the vein returned values up to 1469 g/t Ag and 3.95 g/t Au over 4.2 meters.

In the fall of 2007, 10 diamond drill holes (totalling 1485 meters) were drilled to test the Minnie Moore vein in the vicinity of the excavator trenches. Diamond drilling showed that the trenched zone is cut-off (offset?) by a 50 meter thick post-mineral sill, at a shallow depth below surface. Several zones of silicification and quartz-carbonate veining were intersected in the drilling, at depth beneath the sill, however analytical results failed to return values of similar silver and gold tenor to those from trenching.

During 2008, the 2007 soil grid was extended at the Minnie Moore showing, and follow-up excavator trenching was done to test for the surface expression of the Minnie Moore, to the south of the 2007 trench exposures, and to test soil geochemical



anomalies from the 2007 and 2008 soil surveys. Five trenches, totalling 235 lineal meters, were dug in 2008. None of these trenches successfully intersected the Minnie Moore vein. Several narrow zones of epidote (+/- hematite, garnet, pyrite) skarn were intersected. Results were locally elevated within the skarn, but sub economic.

The 2008 drilling at the Minnie Moore showing confirmed the structural complexity of the area and added information to assist in unraveling these complexities. At least three separate post-mineral fault sets, often with accompanying post-mineral dykes and sills, are known to occur.

Holes KRR 08-1 to 08-5 were drilled at the Minnie Moore showing, to explore for the at-depth extension of the Minnie Moore zone beneath the thick post-mineral sill delineated by the 2007 work program. Drilling also tested a strong multi-element soil geochemical anomaly southwest of the main showing. Epithermal style quartz stockwork breccia veining was intersected in hole KRR 08-1, at depth beneath the thick post-mineral sill, however analytical results were disappointing. A 5.3 meter intercept through the zone of veining (106.0 - 111.3 m) graded 0.27 g/t Au and 77.3 g/t Ag. Within this interval, a 1.6 meter section returned 0.55 g/t Au and 178.5 g/t Ag. There were no results of note from the remaining Minnie Moore drill holes.

Other Greenwood Area Exploration

No exploration of significance was conducted on other groups within the Greenwood Area holdings and costs allocated mainly relate to core storage, amortization and property maintenance. Costs of \$2,100 (2008 - \$1,704) during the period are attributed to the Phoenix Tailings property. Tam O'Shanter property costs of \$12,498 (2008 - \$2,943) relate to sample and core storage and the balance for fees and amortization expense. Costs of \$253 (2008 - \$435) relate to the Niagara Property and Arcadia (Skylark) property expenditures of \$NIL (2008 - \$511) relate to office expense. Costs of \$100 (2008 - \$100) on the Haas property relate to annual quarry fees.

Recent encouraging assay results from other selected properties within the Greenwood Area Property indicate further work is required to determine potential for exploration where trenching and drilling will be considered.

Selected Annual Information and Summary of quarterly reports

The following discussion and analysis of financial conditions and results of operations should be read in conjunction with the Company's financial statements and related costs for the years ended April 30, 2007 and April 30, 2008 and with the Company's interim financial statements and related costs. The following table sets out financial information for the last 8 most recently completed quarters. Kettle Rivers interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and expressed in Canadian dollars.

Selected quarterly information

Period	Net Income or (Loss) for the quarter	Basic and diluted Earnings or (Loss) per share for the quarter	Total Assets	Total Liabilities
3 rd Quarter 2009	(\$ 45,302)	(\$0.01)	\$ 278,533	\$ 48,459
2 nd Quarter 2009	(126,132)	(0.01)	407,582	22,745
1 st Quarter 2009	(609,134)	(0.02)	578,953	33,541
4 th Quarter 2008	49,658	0.01	1,146,712	36,041
3 rd Quarter 2008	(462,492)	(0.02)	960,512	52,390
2 nd Quarter 2008	(484,266)	(0.02)	986,344	46,707
1 st Quarter 2008	(440,594)	(0.03)	470,672	54,904
4 th Quarter 2007	(872,271)	(0.07)	215,426	766,899

Discussion of Operations and Financial condition

The following discussion and analysis of financial conditions and results of operations should be read in conjunction with the Company's interim financial statements and related costs. The current period figures are for the nine month period ended January 31, 2009.

For the current nine months, the Company experienced a net loss of \$ 780,568 or \$0.03 per share compared to a loss of \$1,387,352 or \$0.06 per share the previous year.

Operating expenses of \$153,138 for the period, arising from general and administrative costs, (2008 - \$234,791) decreased from the previous year. During the current period, travel & accommodation decreased by \$3,463, stock compensation costs were \$30,464 (2008 - \$51,407), office and sundry expense decreased by \$5,973, accounting, audit and legal decreased by \$14,651, licences, insurance and transfer agent fees decreased by \$19,463, management, salary & wages decreased by \$2,602 while advertising promotion and printing decreased by \$9,376. Financial consulting increased to \$1,250 (2008 - \$7,500).



Overall property exploration costs decreased to \$632,278 from \$1,183,525 during the same period in the previous year. This decrease is attributed to lower exploration costs on property in the Northwest Territories to \$8,594 (2008 – \$727,837) although exploration costs on property in the Greenwood Area increased by \$158,772. Acquisition costs and exploration expenditures relating to mineral properties are written off as incurred. Payments received for exploration rights on the Company's mineral properties are treated as cost recoveries and are credited to reduce the cost of exploration expenditures related to the mineral claims with any excess, on an aggregate basis, recorded as income. Option payments are recorded as incurred. Ongoing reclamation and site restoration costs including site maintenance and care taking are expensed when incurred.

The Company had working capital of \$163,467 as at January 31, 2009 and has accumulated losses of \$13,815,825. Since inception, the Company has been successful in funding its operations and at January 31, 2009 had net issued shares of 27,716,711 for net proceeds of \$13,067,642 averaging \$0.47 per share. Kettle River shares traded at \$0.05 on January 30, 2009 and as of the date of this report have traded as low as \$ 0.02 per share. There has been no change in the nature of or manner neither in which business is conducted nor in business conditions which would affect the Company's financial results.

The Company is engaged in the exploration, development and exploitation of mineral resources for precious metals and diamonds. The properties of the Company are without a known body of commercial ore. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as property acquisition costs represent acquisition and holding cost, less amounts written off, and do not necessarily represent present or future values.

Management changes during the period

There have been no management changes during the period.

Financing Activities and Stock Options

Refer to the complete details in the January 31, 2009 Financial Statement

Liquidity

The financial statements for the period ended January 31, 2009 have been prepared on the basis of accounting principles applicable to a going concern. This assumes that Kettle River will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Kettle River has incurred operating losses over the last several fiscal years, has limited financial resources, no source of operating cash flow and no assurances that sufficient funding, including adequate financing, will be available to further explore its mineral property projects and to cover the overhead costs necessary to maintain a public company in good standing. At January 31, 2009, Kettle River had working capital of \$163,467 compared to working capital of \$1,041,925 at April 30, 2008.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Kettle River's general and administrative expenses and resource property costs is provided in the Company's Statement of Loss and Deficit and the Schedule of Resources Property Costs contained in its Audited Financial Statements for April 30, 2008 available on its SEDAR page at www.sedar.com

Transactions with Related Parties

Related party transactions are negotiated in the best interest of the Company at arms length basis market terms and are detailed in Note 7 of the Financial Statements.

To an employee who is also a director, and on Oct. 24, 2005 appointed president, is paid \$6,000 per month. A director is paid rental for providing storage facilities for exploration equipment and samples. Three directors are paid \$200 each per month for telephone and office to offset expenses incurred in conducting company affairs of which one also provides geological consulting services and is paid at \$400 per day plus expenses and another director who acts as a consultant to the company and charges \$50/hour. The Company provides office space and management services to a company ("New Nadina Explorations Limited") with directors in common, in consideration for a monthly fee of \$1,500 and 50% of time and wages for support staff. Miscellaneous charges, like telephone, postage, travel are based on actual costs. At January 31, 2009, there is a receivable from New Nadina Explorations Limited for \$4,945. Also at January 31, 2009 there is a receivable from DHK Diamonds Inc. of \$7,800 for Pellatt Lake annual lease fees paid on their behalf in order to keep the Peregrine Diamond agreement in good standing. Advances from directors and shareholders are unsecured and bear no interest. As at January 31, 2009, \$25,375 is owed to directors.



Changes in Accounting Policies

The financial statements for the period ended January 31, 2009 followed the same accounting policies and methods of application used in the previous period presentation.

Other

There were no particular investor relation activities undertaken or contracts entered into during the period although the Company is currently investigating an investor relation position. Investor relation functions were accomplished through directors whose duties include dissemination of news releases and provision of information as requested by interested parties.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, other amounts receivable, marketable securities, accounts payable and shareholders' and directors' loans. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

Approval

The Board of Directors of Kettle River has approved the disclosure contained in this report. A copy of this MD&A will be provided to anyone who requests it. Financial Statements of the Company are available on their website (under news) and at www.sedar.com.

