YEAR ENDED JANUARY 31, 2013
MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of the consolidated financial position and financial results of the Company, which includes its subsidiaries, was prepared as of May 30, 2013, and is for the years ended January 31, 2013 and 2012. For a full understanding of the consolidated financial position and financial results of the Company, the MD&A should be read in conjunction with the documents filed on SEDAR, including historical financial statements and press releases. These documents are available at www.sedar.com. The selected financial information contained herein has been prepared in accordance with International Financial Reporting Standards, and are expressed in Canadian dollars, unless otherwise noted.

The Company's Board of Directors and Audit Committee have reviewed and approved the consolidated financial statements and MD&A.

Readers are cautioned of the advisories of forward-looking statements, estimates, non-IFRS measures and numerical references which can be found at the end of this MD&A. This MD&A is dated and was prepared using currently available information as of May 30, 2013.

Description of the Company

Thunderbird Energy Corp. (the "Company") is focused on the exploration, exploitation, acquisition and production of natural gas and crude oil, primarily in the United States. The Company owns and operates a producing natural gas field in Carbon County, Utah, known as the Gordon Creek field, and holds a 50% interest in a producing light oil project located in Rush County, Kansas. The Company also holds a 100% interest in a non-producing oil project in Weston County, Wyoming.

SELECTED ANNUAL INFORMATION

The following table set forth consolidated financial data prepared in accordance with IFRS for the last two fiscal years:

		January 31, 2013		**January 31, 2012**
Total revenues	$	1,372,211	$	937,048
Net loss		(6,989,366)		(5,789,383)
Basic and diluted loss per share		(0.08)		(0.08)
Total assets		25,130,673		24,230,108
Total liabilities		32,855,968		25,996,334

The Company has not declared any cash dividends since inception.

HIGHLIGHTS AND OUTLOOK

During the fourth quarter, the Company completed the process of equipping the eight new wells drilled at the Company's Gordon Creek natural gas field in Carbon County Utah and tying them into the Gordon Creek gathering system in order to commence production. Preliminary results of the completion program were disclosed in the Company's news release dated December 20, 2012 and updated in the Company's news release dated May 16, 2013.

The completion program was carried out in parallel with the design and installation of important new Gordon Creek infrastructure that will facilitate natural gas production from all existing Gordon Creek wells, as well as substantial future drilling at Gordon Creek. The infrastructure program activities included:

- The design, fabrication and installation of a 350 KW natural gas generation (350KW diesel backup) facility which is designed to provide sufficient capacity to power over 20 fully loaded pumpjack equipped wells. The generation facility includes a load management system that allows for the addition of two more 350 KW natural gas generators. It is anticipated that over time with normal dewatering of the wells, a 350 KW generator will be able to service up to fifty pumping wells.
- Upgrading the Gordon Creek compressor facility to increase the existing compression capacity to roughly 10 mmcf per day. The compression facility is designed to permit further scalability as production grows.
- Sourcing and acquiring pumpjacks, separators and related surface equipment in order to service the current completion program and the next round of drilling.
- The construction of access roads, underground pipelines and wiring conduits necessary to tie in the recently completed eight wells.

During the quarter, the Company also acquired approximately four additional sections (2,479 acres) of new mineral leases in the Gordon Creek area, bringing the Company's gross land holdings to 15,000 acres. These lands were acquired at a BLM mineral rights auction held in Salt Lake City in November 2012 and represent an approximate 20% increase in Thunderbird's Gordon Creek land position. This new acreage adds up to 18 new locations and brings our undrilled location inventory- based on a four well per section density - to approximately 85. Of those locations, 47 are surveyed and in the advanced stages of surface acquisition, permitting and licensing.

The Company's natural gas production for the current quarter increased 240% over the immediately preceding quarter and over 300% more than the comparable quarter of the prior year. Production for the year ended January 31, 2013 increased 100% over the prior year. Substantially all of the production increases were due to the fact that eight new Gordon Creek gas wells were brought on stream during the fourth quarter of fiscal 2013. Average natural gas prices realized during the current fiscal year were $2.67 / mcf as compared to $3.29 / mcf during the prior year. However, prices did recover during the fourth quarter of the current year resulting in an average price realized during the quarter of $3.11 /mcf as compared to a realized price of $2.70 /mcf during the fourth quarter of the prior year.

Work to date has been funded by a US$25 million commodity stream production payment agreement entered into with Sandstorm Metals & Energy Ltd. ("Sandstorm") whereby Sandstorm has the right to purchase 35% of the Company's Gordon Creek natural gas production at a price of US$1.00 /mcf plus 20% of the amount by which the Gordon Creek field gate price exceeds US$4.00 /mcf. Sandstorm has advanced US$18 million to the Company to date and will advance a further US$7 million in calendar 2013 upon the Company achieving certain drilling commitments. Pursuant to the agreement, the Company has provided Sandstorm with minimum annual before tax cash flow guarantees earned through the sale of their 35% share of natural gas produced in Gordon Creek.

Reference is made to the section "Liquidity and Capital Resources" below for a more complete description of the agreement with Sandstorm.

US domestic production of natural gas remained strong throughout calendar 2012 and residual storage levels were high following a relatively mild 2011/2012 winter and a moderate summer season, leading to depressed prices. Prices recovered somewhat during the current quarter. This recovery was due in part by increased use of gas instead of coal for power generation by utility companies. Natural gas drilling has also been reduced by up to 30% over the past twelve months, although the impact of this trend on natural gas supplies has been partially offset by increased drilling and completion efficiencies of a number of the major shale gas operators. More seasonal winter weather combined with a continued trend towards the uses of gas power generation led to decreased end-of-winter (2012/2013) storage levels and an increase in natural gas prices to approximately $4.00 /mmbtu.

RESULTS OF OPERATIONS

	Three Months Ended			Year Ended	
	January 31, 2013	October 31, 2012	January 31, 2012	January 31, 2013	January 31, 2012
Operating Income/(Loss)[1]	**297,088**	**(63,388)**	**(95,751)**	**95,833**	**112,344**
General and administrative	(417,011)	(252,738)	(493,710)	(1,272,765)	(1,220,046)
Finance expenses	(2,740,773)	(190,389)	(186,213)	(3,264,143)	(1,018,330)
Funds Flow From Operations [1]	**(2,860,696)**	**(506,515)**	**(775,674)**	**(4,441,075)**	**(2,126,032)**
Non-cash operating items:					
Finance expenses	(432,203)	(417,431)	(649,897)	(1,704,260)	(2,894,632)
Depletion and depreciation	(508,951)	(49,892)	(37,488)	(644,103)	(202,400)
Share based compensation	(21,612)	(41,929)	(466,584)	(205,206)	(549,469)
Foreign exchange gain	9,527	3,030	409	5,278	(16,850)
Net loss for the period	**(3,813,936)**	**(1,012,737)**	**(1,929,234)**	**(6,989,366)**	**(5,789,383)**

[1] "Operating income" and "funds flow from operations" are non-IFRS terms and may not be comparable with the calculation of similar measures for other entities. Operating income is equal to oil and natural gas sales minus royalties, operating costs, while funds flow from operations represents cash flow from operations before net changes in operating working capital accounts. Refer to the advisory on non-IFRS measures at the end of this MD&A.

Operating Income Items

Sales Volumes

During the year ended January 31, 2013 the Company's gas sales volume averaged 1,145 mcf/d as compared to 574 mcf/d during the prior year, an increase of approximately 100%. During the three months ended January 31, 2013, the Company's gas sales volume averaged 2,523 mcf/d as compared to average daily gas sales volumes of 595 mcf/d during the comparable quarter of the prior year. The increases in sales volumes over the prior periods was due to sales from the eight new wells brought online during the fourth quarter, in addition to a 25% increase in production during the year of the Company's four legacy wells.

The Company's Rush County, Kansas oil sales volumes for fiscal 2013 averaged 3 bbls/d, which was comparable to the prior year.

Production Summary

The following table summarizes the production for the fourth quarter and year of fiscal 2013 and fiscal 2012:

	Three months ended January 31,		Year ended January 31,	
	2013	2012	2013	2012
Production:				
Natural gas (mcf)	232,076	57,734	419,020	209,600
Oil (bbls)	138	279	1,204	1,061
Total (BOE) (6:1)	38,817	9,401	71,041	35,994
Production split:				
Natural gas (%)	100%	97%	98%	97%
Oil (%)	0%	3%	2%	3%

Average Realized Price

The following table summarizes the average realized price for the fourth quarter and year of fiscal 2013 and fiscal 2012:

		Three months ended January 31,		Year ended January 31,	
		2013	2012	2013	2012
Exchange Rate	*US$/Cdn$*	*1.0072*	*.9796*	*1.0022*	*1.0094*
Natural gas (mcf)	*US$/Mcf*	*$ 3.11*	*$ 2.70*	*$ 2.67*	*$ 3.29*
Oil (bbls)	*US$/bbls*	*$ 79.96*	*$ 90.92*	*$ 87.27*	*$ 87.91*

Revenues, Royalties & Operating Costs

	Three Months Ended			Year Ended	
	January 31, 2013	October 31, 2012	January 31, 2012	January 31, 2013	January 31, 2012
Revenues	$ 778,782	$ 249,192	$ 218,620	$ 1,372,211	$ 937,048
Royalties	107,755	39,144	25,576	201,870	155,086
Direct operating and transportation	373,939	273,436	288,795	1,074,508	669,618
Operating Income(1)	$ 297,088	$ (63,388)	$ (95,751)	$ 95,833	$ 112,344

(1) Refer to the advisories on non-IFRS measures at the end of this MD&A.

Revenues

Fourth quarter revenues increased 213% over the prior quarter, 256% compared to the fourth quarter of fiscal 2012 and 46% over fiscal 2012. The significant increase in revenues is primarily due to the increase in production volumes from the additional wells that were brought on stream during the fourth quarter, in addition to higher gas prices realized during the fourth quarter when the new wells were brought online.

Royalties

Royalties as a percentage of petroleum and natural gas sales were 13% during the fourth quarter, as compared to 23% in the previous quarter and 17% in the comparable period of the prior year. Royalties vary for each producing well causing fluctuations in the average royalty rates as production from the various wells fluctuates.

Operating costs

Operating expenses include all normal operating costs as well as workover costs for both the Gordon Creek and the Rush County projects. Fourth quarter costs increased 37% over the third quarter of the year and increased 29% over the corresponding period in fiscal 2012 due primarily to the cost of additional wells being operated in the fourth quarter of fiscal 2013, as well as annual property taxes paid in the fourth quarter.

OTHER INCOME STATEMENT ITEMS

General and administrative

General and administrative costs include such items as office rent, accounting fees, legal fees, professional and consulting fees, filing fees, salaries and wages, transfer agent fees, travel costs, and investor relations, as well as general office expenses.

	Three Months Ended			Year Ended	
	January 31, 2013	October 31, 2012	January 31, 2012	January 31, 2013	January 31, 2012
Reported amount	$ 417,011	$ 252,738	$ 493,710	$ 1,272,765	$ 1,220,046
G&A ($/boe)	$ 10.74	$ 23.57	$ 52.51	$ 17.92	$ 33.90

G&A expenses increased 65% in the fourth quarter of fiscal 2013 as compared to the immediately preceding quarter. The higher G&A expenses were partially attributable to increased professional and consulting fees incurred for work relating to the year-end financial statement audit, tax returns and reserve report. The Company also incurred an increase in travel expenses related to the completion and tie in operations at the Gordon Creek natural gas field during the quarter.

G&A expenses were 16% lower than the comparable quarter of the prior year. The higher expenses in the fourth quarter of the prior fiscal year were due to higher professional, consulting and audit fees incurred in relation to the IFRS conversion.

G&A expenses for the year increased 4% over the prior fiscal year. The increase is due primarily to additional consulting fees paid in connection with the Gordon Creek drilling program as well as the hiring of the Company's current CFO.

Finance expenses

	Three Months Ended			Year Ended	
	January 31, 2013	October 31, 2012	January 31, 2012	January 31, 2013	January 31, 2012
Reported amount	$ 3,172,976	$ 607,820	$ 836,110	$ 4,968,403	$ 3,912,962
Expense per sales volume ($/boe)	$ 81.74	$ 56.67	$ 88.94	$ 69.94	$ 108.71

Finance expenses for the quarter include interest paid on debentures (see "Debentures" below) of $1,548,572 (2012 - $1,456,241). Included in the amount of interest paid on debentures is the fair value of common shares issued as interest totaling $798,572.

Also included in the finance expenses are non-cash items including the fair value of accretion of debentures of $863,316 (2012 – $576,672), an accrual for common shares issued to Sandstorm (see "Liquidity and Capital Resources" below) of $2,550,000 and accretion of the decommissioning liabilities of $17,136 (2012 - $91,627).

In addition, finance expenses include nominal interest income of $1,251 (2012 - $3,012) and debt issue costs of $1,880 (2012 – nil).

The significant increase in finance expenses in the fourth quarter and the current fiscal year over the prior fiscal year is due to the accrued value of the common shares issued to Sandstorm Metals & Energy Ltd. as consideration for an extension to certain commitments under the Company's agreement with Sandstorm. Reference is made to the section "Liquidity and Capital Resources" below for a more complete description of the agreement with Sandstorm.

Depletion and depreciation

	Three Months Ended			Year Ended	
	January 31, 2013	October 31, 2012	January 31, 2012	January 31, 2013	January 31, 2012
Reported amount	$ 508,951	$ 49,892	$ 37,488	$ 644,103	$ 202,400
Expense per sales volume ($/boe)	$ 13.11	$ 4.65	$ 3.99	$ 9.07	$ 5.62

Depletion and depreciation is primarily associated with the Gordon Creek field. The net carrying value of the development or production assets is depleted using the unit-of-production method by reference to the ratio of production in the period over the related proven and probable reserves while also taking into account estimated future development costs necessary to bring those reserves into production. Changes in depletion and depreciation expense are consistent with the changes in production over previous quarters.

Increase in depletion and depreciation is due to the impairment loss of $364,394 recognized on the Company's E&E investment in their Weston County project.

Unrealized foreign exchange gain

At the end of fiscal 2013, the Company had foreign exchange gain of $5,278 (2012 loss $16,850). The foreign exchange gain is due to a stronger Canadian dollar at January 31, 2013 than at January 31, 2012.

Stock-based compensation

In accordance with IFRS 2, the fair value of each option granted during the period is estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	January 31, 2013	January 31, 2012
Fair value per share	$ 0.15	$ 0.23
Dividend yield	0%	0%
Interest rate	1.32%	1.80%
Expected life	5 years	5 years
Forfeiture Rate	13.70%	17.60%
Volatility	98%	133%

COMMITMENTS

The Company is contractually obligated to drill 50 wells and workover 5 standing wells on the Gordon Creek Property by December 31, 2013 under the terms of its commodity stream production payment agreement with Sandstorm (note 12). As at January 31, 2013 the Company had only drilled 8 wells and thus is obligated to drill an additional 42 wells and workover 5 standing wells. The Company leases its office premises for which minimum lease payments are due for fiscal 2014 of $39,808.

RISKS AND TRENDS

Demand for natural gas has traditionally been highly cyclical and somewhat predictable. Demand for, and pricing of, natural gas has traditionally been highest during the coldest months of winter. The primary driver for this cyclicality is the need for residential and commercial heating. Because natural gas is increasingly being used to generate electricity, increased electrical demand often means increased natural gas demand and pricing. This results in a smaller spike in natural gas demand during the warmest months of the year, as electrical demand for space cooling increases. Accordingly, the spring and fall "shoulder seasons" are typically becoming the periods of lowest natural gas prices.

Unconventional natural gas reserves and production have steadily increased in the United States over the past few years as a result of new horizontal drilling and "multi-frac" stimulation technologies that have allowed the commercialization of several large shale gas formations. This has caused downward pressure on gas prices. This downward pressure has been mitigated somewhat by the decrease in conventional gas drilling as well as increasing overall demand coincident with the ongoing economic recovery. Long term, there is an ongoing push to switch to natural gas for energy generation and transportation as a cleaner burning and potentially less expensive alternative to coal and oil, however the timing and extent of this shift is uncertain.

Although the Company has no set policy concerning hedges, the management may utilize various techniques to mitigate financial risks including hedging contracts, other financial instruments, and/or fixed price forward sales contracts to reduce corporate risk in certain situations. The Company currently has no fixed price contracts.

Oil and natural gas operations involve many risks that even a combination of experience and knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any particular time and the production there from will decline over time as such existing reserves are exploited. A future increase in the Company's reserves will depend not only on the Company's ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that further commercial quantities of oil and natural gas will be discovered or acquired by the Company.

The Company's principal risks include finding and developing economic hydrocarbon reserves efficiently and the ability to fund the required capital programs. The hydrocarbon purchase agreement with Sandstorm Metals & Energy Ltd. will fund the next phase of the Company's development activities at Gordon Creek, however further capital will be required as the Company enters into subsequent phases of development and fulfills its drilling commitments to Sandstorm. The Company anticipates that future capital requirements will be funded through a combination of internal cash flow, debt, joint venture and/or equity financing. There is no assurance that financing will be available on terms acceptable to the Company to meet its capital requirements. If any components of the Company's business plan are missing, the Company may not be able to exercise the entire business plan.

These risk factors should not be construed as exhaustive. There are numerous factors, both known and unknown, that could cause results or events to differ materially from forecast results.

Safety and Environment

Oil and natural gas exploration and production can involve environmental risks such as pollution of the environment and destruction of natural habitat, as well as safety risks such as personal injury. The Company conducts its operations with high standards in order to protect the environment and the general public. The Company maintains current insurance coverage for comprehensive and general liability as well as limited pollution liability. The amount and terms of this insurance are reviewed on an ongoing basis and adjusted as necessary to reflect current corporate requirements, as well as industry standards and government regulations.

LIQUIDITY AND CAPITAL RESOURCES

The Company's traditional sources of funding included the issuance of equity securities for cash, primarily through private placements and debt financing. The Company has issued debentures and common shares pursuant to private placement financings and exercise of warrants and options. The Company's access to exploration financing when the financing is not transaction specific is always uncertain. There can be no assurance of the continued access to significant equity financing.

During the prior year, the Company entered into a US$25 million commodity stream production payment agreement with Sandstorm Metals & Energy Ltd. ("Sandstorm") whereby Sandstorm will advance US$25 million to the Company in calendar 2011 and 2013 in exchange for the right to purchase 35% of the Company's Gordon Creek natural gas production at a price of $1.00 per Mcf plus 20% of the amount by which the Gordon Creek field gate price exceeds $4.00 per Mcf. Pursuant to the agreement, the Company is obligated to drill 50 additional wells and workover 5 standing wells during fiscal 2013 and 2014, and has also provided Sandstorm with minimum annual production/cash flow guarantees. Sandstorm advanced the Company US$15 million in 2011 and was scheduled to advance the remaining balance of US$10 million in 2013. On July 11, 2012 the Company negotiated an amendment to its agreement with Sandstorm whereby Sandstorm advanced US$3 million of the US$10 million originally due in 2013, in order to facilitate the current eight well completion program. In exchange, the Company has agreed to expand the boundaries of the area of mutual interest set out in the original Sandstorm agreement by roughly two miles on all sides. This will provide Sandstorm with the right to continue to participate with Thunderbird over a substantially expanded area as the development operations at Gordon Creek grow in the future. The Company is required to drill 20 wells and workover 5 standing wells in order to receive the remaining US$7 million payment. Once the additional US$7 million is advanced, the Company will be required to drill an additional 30 wells.

During the first quarter of the prior year, the Company and Sandstorm amended the commodity stream production payment agreement whereby all minimum cash flow guarantees and drilling commitments at Gordon Creek were deferred by one year to the dates referenced herein. As consideration for this deferral, in March 2013, Thunderbird agreed to issue to Sandstorm Thunderbird common shares valued at $2.55 million to be determined at a deemed price equivalent to 50 day volume weighted average trading price prior to issuance. Subsequent to the year-end, the Company issued 17,922,724 common shares to Sandstorm at a deemed price of $0.142 per share in accordance with this agreement. Under the amended agreement, the Company has provided Sandstorm with minimum annual before tax cash flows guarantees earned through the sale of their 35% share of natural gas produced in Gordon Creek. The guarantee is the lesser of US$2.3 million or 790mmcf by December 31, 2013, US$5.1 million or 1740mmcf in calendar 2014, US$4.6 million or 1560mmcf in calendar 2015, US$4.2 million or 1410mmcf in calendar 2016, US$3.8 million or 1260mmcf in calendar 2017, US$3.3 million or 1140mmcf in calendar 2018 and US$1.7 million or 590mmcf in calendar 2019. The Company also agreed to drill 15 new wells and complete 5 workovers by December 31, 2012. The remaining 35 wells are to be drilled by December 31, 2013.

The Company has the option until December 31, 2013, to repurchase 50% of the commodity stream by making a $US16.25 million payment to Sandstorm, upon receipt of which, the percentage of natural gas Sandstorm will be entitled to purchase will decrease to 17.5%. If the Company drills additional wells on the Gordon Creek Property over and above the minimum 50 net wells, the Sandstorm has the option to have production from the additional net wells form a part of the commodity stream by providing additional production payment advances to the Company at an agreed amount per well.

As at January 31, 2013 the Company had only drilled 8 wells and thus is in default of the Sandstorm Agreement. Additionally, as the ability of the Company to obtain the financing necessary to meet its full future exploration commitments under the agreement is uncertain, the Company has accounted for the US$18 million advance from Sandstorm as a financing deposit liability. The default amount owed to Sandstorm is amounts advanced or recovered from Sandstorm less production provided to Sandstorm, a value of $17,641,873 as at January 31, 2013. As at May 30, 2013 Sandstorm had not called the default amount and is aware of the Company's ongoing efforts to obtain additional funding to complete the remaining 42 wells. The Company anticipates raising additional capital to complete its commitments to Sandstorm, by way of debt and/or equity. These funding arrangements are not yet in place. Discussions with Sandstorm and with potential investors are ongoing.

At January 31, 2013, the Company had cash and cash equivalents of $658,145 (January 31, 2012 - $7,628,701).

The Company has no "purchase obligations" defined as any agreement to purchase goods or services that is enforceable and legally binding on the Company that specifies all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the proximate timing of the transaction.

With the exception of the obligations to drill 50 wells and complete 5 workover operations pursuant to the Sandstorm Agreement outlined above, the Company had no commitments for capital expenditures as of January 31, 2013. The Company has no lines of credit or other sources of financing which have been arranged at this time, other than those listed below.

Debentures

The Company issued $10,000,000 principal amount of three year, secured, natural gas linked debentures. The debentures bear interest at a base rate of 15% per annum with an adjustment provision whereby a 1% interest premium is added each quarter for every US$0.50 by which the price of natural gas as published by the Henry Hub exceeds US$5.00, capped at 25% per annum. One-half of each quarterly interest payment will be paid in fully paid common shares of the Company at a deemed price per interest share equal to the greater of (i) a 10% discount to the volume weighted average trading price of the Company's common shares on the TSX Venture Exchange over the quarter and (ii) the discounted market price of the Company's common shares. The purchasers of the gas linked debentures were also issued two detachable transferable warrants for every $1.00 of principal amount to purchase up to 20,000,000 common shares of the Company at escalating prices between $0.30 and $0.50 per share until October 31, 2013. The Company paid a 7.5% finder's fee in respect of a portion of the debenture issuance and issued non-transferable finder's warrants to purchase common shares of the Company until October 31, 2013.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions include the following:

	Year ended January 31, 2013	2012
Consulting fees paid or accrued to companies controlled by directors and officers	$ 270,238	$ 246,800
General and administrative expenses reimbursed to companies with common directors	175,495	174,967

Amounts due to related parties includes $32,851 (January 31, 2012 - $80,511) due to officers and directors and companies with common directors and $6,881 (January 31, 2012 - $11,350) due from officers and directors and companies with common directors. Included in the debentures is $2,103,000 (January 31, 2013 - $2,103,000) (face value) held by related parties. During fiscal 2013, cash interest paid to related parties on the debentures was $157,725 (January 31, 2012 - $156,027) and common shares issued to related parties on the debentures was 1,244,442 (January 31, 2012 – 957,806).

Key Management Personnel Compensation

The remuneration of directors, President, CEO and CFO is as follows:

	January 31, 2013	January 31, 2012
Consulting fees	$ 270,238	$ 266,600
Amortization of share-based payment awards	143,523	150,324
	$ 413,761	**$ 416,924**

QUARTERLY FINANCIAL INFORMATION *(unaudited)*

Income Statement:	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Net Revenues after Royalties	671,027	210,048	129,991	159,275	193,043	210,478	204,939	173,500
Expenses	4,484,961	1,222,785	1,309,811	1,153,400	2,122,275	2,867,148	924,276	657,644
Net loss for the period	(3,813,934)	(1,012,737)	(1,179,820)	(994,125)	(1,929,232)	(2,656,670)	(719,337)	(484,144)
Basic and diluted loss per share	(0.04)	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)	(0.01)	(0.01)
Weighted average number of shares outstanding (thousands)	85,386	83,917	82,269	80,813	79,985	78,468	75,297	73,174

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to financial risks including credit risk, liquidity risk and market risk from changes in commodity prices, foreign currency rates and interest rates which could affect the value of the financial instruments held. The Company employs risk management strategies and polices to ensure that any exposure to risk is mitigated.

The Company's financial instruments recognized on the statement of financial position consist of cash and cash equivalents, restricted cash, accounts receivable, deposits, accounts payable and accrued liabilities, due to related parties, debentures, and financing deposit.

a) Fair value of financial instruments

The Company classifies the fair value of these balances according to the following fair value hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data.

Accordingly, cash and cash equivalents and restricted cash are measured using a Level 1 designation. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy. The fair value of the commodity linked interest rate on the debentures at January 31, 2013 is $nil (2012 - $nil). The fair value is calculated using a Level 2 designation.

b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's joint venture partners and oil and natural gas marketers. Receivables from purchasers of oil and natural gas are normally collected on the 25th day of the month following production. Receivables from joint venture partners are typically collected within one to three months of the joint venture billing being issued.

Significant changes in industry conditions and risks that negatively impact partners' ability to generate cash flow will increase the risk of not collecting receivables. Management of Thunderbird believes the risk is mitigated by the size and reputation of the companies to which they extend credit. Thunderbird's management believes all receivables will be collected.

The Company manages the credit exposure related to cash and cash equivalents and restricted cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

The majority of the Company's accounts receivables are due from companies in the oil and natural gas industry and are subject to normal industry credit risks including commodity price fluctuations and escalating costs. The Company generally extends unsecured credit to these customers and therefore, the collection of accounts receivable may be affected by changes in economic or other conditions. Management believes the risk is mitigated by the size and reputation of the companies to which they extend credit. Joint venture receivables are typically collected within one to three months of the joint venture bill being issued by the partner. The Company has not experienced any credit loss in the collection of accounts receivable to date.

The Corporation sells all of its production to one natural gas marketer and therefore is subject to concentration risk. At January 31, 2013, the Company's credit exposure to the natural gas marketer represents approximately 35% of accounts receivable. At January31, 2013 the Company also has a receivable due from Sandstorm representing 42% of accounts receivable. Management does not believe that this concentration of credit risk will result in any loss to the Company based on past payment experience. The Company's policy to mitigate credit risk associated with these balances is to establish marketing relationships with reputable and natural gas marketers. The Company does not obtain collateral from oil and natural gas marketers or others in the event of non-payment.

The carrying amount of the accounts receivable represents the maximum credit exposure. The Company has an allowance for doubtful accounts as at January 31, 2013 of $nil and did not provide for any doubtful accounts nor write-off any accounts receivables during the years ended January 31, 2013.

c) Liquidity risk

The Company is exposed to liquidity risk from the possibility that it will encounter difficulty meeting its financial obligations. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company's ongoing liquidity is impacted by various external events and conditions, including commodity price fluctuations and the global economic downturn.

The Company expects to satisfy obligations under accounts payable, amounts due to related parties, in less than one year through cash flows from operations and new financing. The timing of cash outflows relating to the financial liabilities is outlined below:

	Within 1 Year	After 1 Year	Total
Accounts payable and accrued liabilities	$ 5,378,059	$ -	$ 5,378,059
Due to related parties	25,970	-	25,970
Debentures and estimated interest	11,250,000	-	11,250,000
Financing deposit	17,641,873	-	17,641,873
Total	**$ 34,295,902**	**$ -**	**$ 34,295,902**

The Company's capital programs are primarily funded by cash obtained through operations, equity issuances, debentures and a financing deposit. The Company requires sufficient cash to fund capital programs necessary to maintain or increase production and develop reserves and to potentially acquire strategic assets. The Company may require additional equity or debt financing to enable it to generate sufficient cash flow from its oil and natural gas properties, attain profitable operations and pay its financial obligations when due.

d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices and interest rates will affect the Company's net loss or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. Market risks are as follows:

i. Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to foreign currency fluctuations on transactions conducted in foreign currencies and in the carrying value of its foreign subsidiaries. As of January 31, 2013, if the Canadian Dollar had changed one per cent against the United States dollar with all other variables held constant, the effect on net loss for the year would have been $nil (January 31, 2012 – $nil), while the effect on comprehensive loss for the year would have been approximately $42,000 (January 31, 2012 – $71,000).

The Company has the following balances in USD as at:

	January 31, 2013	January 31, 2012
Cash	$ 316,534	$ 7,460,534
Restricted cash	190,000	120,000
Accounts receivable	636,980	1,235,437
Prepaid expenses and deposits	188,009	693,562
Exploration and evaluation assets	540,329	963,846
Property and equipment	23,022,034	13,457,760
Accounts payable and accrued liabilities	2,380,573	1,559,888
Financing deposit	17,689,635	14,936,808
Decommissioning liabilities	585,982	393,477

The Company had no forward foreign exchange rate contracts in place as at or during the years ended January 31, 2013 and 2012.

ii. Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for oil and natural gas are impacted by not only the relationship between the Canadian and United States dollar, as outlined above, but also world economic events that dictate the levels of supply and demand.

The interest rate on the debentures is linked to natural gas prices. Given current market prices for natural gas at January 31, 2013, if natural gas prices changed by 10%, there would be no impact to net loss for the year ended January 31, 2013.

The Company may enter into oil and natural gas contracts to protect its cash flow on future sales. The contracts reduce the volatility in sales revenue by locking in prices with respect to future deliveries of oil and natural gas. In fiscal 2012, the Company had a fixed price contract to sell 200 Mcf/day at a fixed price of $3.98 per Mcf from April 1, 2011 until October 31, 2011. During the year ended January 31, 2013, the Company had no forward pricing contracts to mitigate the exposure to future commodity price fluctuations.

iii. Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to interest rate risk at January 31, 2013. The Company has no interest rate hedges or swaps outstanding at January 31, 2013.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities at the date of the financial statements and for the periods presented. Such estimates primarily related to unsettled transactions and events as at the date of the consolidated financial statements. Actual results may differ from those estimates. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below.

Fair value of oil and natural gas properties, depletion and depreciation and amounts used in impairment calculations are based on estimates of oil and natural gas reserves, future prices and future costs required to develop those reserves. By nature, estimates of reserves and the related future cash flows are subject to measurement uncertainty, and the impact of the differences between actual and estimated amounts on the consolidated financial statements of future periods could be material.

Oil and natural gas properties, exploration and evaluation assets and other corporate assets are aggregated into cash-generating-units ("CGUs") based on their ability to generate largely independent cash flows and are used for impairment testing. The determination of the Company's CGUs is subject to management's judgment.

The decision to transfer exploration and evaluation assets to property and equipment is based on management's determination of an area's technical feasibility and commercial viability based on proved and probable reserves.

The valuation of accounts receivable is based on management’s best estimate of the provision for doubtful accounts.

Amounts recorded in decommissioning liabilities and the related accretion expense require the use of estimates including timing of asset retirements, site remediation, discount rate, inflation rate and related cash flows. Provisions are recognized in the period when it becomes probable that there will be a future cash outflow.

The allocation between the debt and warrant components of the debentures issued is based on estimates of the interest rate the Company would pay on debt instruments without detachable warrants.

If the Company is able to obtain financing necessary to meet its full future exploration commitments under the agreement with Sandstorm (note 12), the Company will recognize a sale of property and equipment to Sandstorm. The timing and measurement of a sale require management’s judgment.

Amounts recorded for share-based compensation payments are based on estimates of future volatility of the Company’s share price, estimated market price of the Company’s shares at grant date, expected lives of options and warrants, expected dividends and other relevant assumptions.

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to audit and interpretation by taxation authorities. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings.

IMPACT OF NEW ACCOUNTING POLICIES

The Company has reviewed new and revised accounting standards that have been issued but are not yet effective, and determined that the following may have an impact on the Company. For the annual periods beginning on or after January 1, 2013, the Company will be required to adopt the following:

- IFRS 7 – "Financial Instruments" provides additional information about offsetting of financial assets and liabilities. Additional disclosures will be required to enable users of financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position.
- IFRS 10 - "Consolidated Financial Statements" provides a single model to be applied in control analysis for all investees including special purpose entities.
- IFRS 11 - "Joint Arrangements" redefines joint arrangements into two types, joint operations and joint ventures, each with their own accounting model. All joint operations will need to be proportionately consolidated and joint ventures to be equity accounted.
- IFRS 12 - "Disclosure of Interests in Other Entities" combines in a single standard the disclosure requirements for subsidiaries, associates and joint arrangements as well as unconsolidated structured entities.
- IFRS 13 - "Fair Value Measurement" defines the fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. This standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In addition to the issuance of new standards as detailed above, there have also been amendments to existing standards, which are also effective January 1, 2013, including:

- IAS 1 - "Presentation of Financial Statements", amended to require presentation of an additional opening balance sheet when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification and to clarify the disclosure requirements.
- IAS 32 "Financial Instruments: Presentation", amended to clarify the criteria that should be considered in determining whether an entity has a legally enforceable right of offset in respect of its financial instruments and clarifying the treatment of income taxes related to distributions and transaction costs.

For annual periods beginning on or after January 1, 2015, the Company will be required to adopt:

- IFRS 9 – "Financial Instruments". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value.

The Company has not completed its evaluation of the effect of adopting the new and amended standards and the impact they may have on its financial statements.

FORWARD LOOKING STATEMENTS

This discussion includes certain statements that may be deemed "forward-looking statement". Forward-looking statements or information do not relate strictly to historical or current facts, and can be identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "plan", "project", "should", "believe", "intend", or similar expressions. These statements represent managements' reasonable projections, expectations and estimates as of the date of this document, but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risk discussed in the MD&A, which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to the other assumptions identified in this document, assumptions have been made regarding, among other things:

- Future oil and gas supply and prices;
- Drilling and operational results consistent with expectations;
- The ability for the Company to obtain financing on acceptable terms;
- Currency, exchange and interest rates;
- Cash flow consistent with expectations;
- The ability of the Company to obtain equipment, services and supplies in a timely manner to carry out its activities;

The forward looking information in this document is subject to significant risks and uncertainties and is based on a number of material factors and assumptions which may prove to be incorrect; including but not limited to the following assumptions:

- Normal risks common to the petroleum and natural gas industry including various operational risk in exploring for, developing and producing petroleum and natural gas and market demand
- Risks and uncertainties involving geology of oil and gas deposits
- Revisions, amendments or changes to capital expenditure plans including exploration, development and exploitation projects
- Uncertainties as to the availability and cost of appropriate financing alternatives on acceptable terms, including the Company's ability to extend its credit facility on an ongoing basis
- Potential changes in income tax regulations, governmental policies, rules, practices or approval process changes, or delays, or enhancements
- Ability to attract and retain qualified professional employees
- Fluctuations in oil and gas prices, foreign currency exchange rates and interest rates
- The uncertainty of reserve estimate and reserve life
- The uncertainty of estimates and projections relating to future production, costs and expenses
- Health, safety and environmental risks

Statements relating to "reserves" or "resources" are by their nature deemed to be forward-looking statements, as they involve the implied assessment based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future.

Although the company believes the expectations expressed in such forward-looking statements or information are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking information.

The forward-looking statements or information contained in this document represent our views as of the date hereof and as such information should not be relied upon as representing our views as of any date subsequent to the date of this document. The Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Non-IFRS Measures

In this document, the Company uses the terms "funds flow from operations" and "operating income" which do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other companies.

"Funds flow from operations" refers to the cash flow from operating activities before net changes in operating working capital. The most direct comparable measure to "funds flow from operations" calculated in accordance with IFRS is the cash flow from operating activities. "Funds flow from operations" can be reconciled to cash flow from operating activities by adding (deducting) the net change in working capital as shown in the consolidated statements of cash flow.

"Operating income" is equal to petroleum and natural gas sales minus royalties and operating costs. Management believes that the Non-IFRS measures provide useful information to investors as indicative measures of performance.

Investors are cautioned that the Non-IFRS measures should not be considered in isolation or construed as alternatives to their most directly comparable measure calculated in accordance with IFRS, as set forth above, or other measures of financial performance calculated in accordance with reporting standards.

BOE Presentation

Barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of gas ("Mcf") to one barrel of oil ("bbl") (6 Mcf: 1 bbl) is used as an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this report are derived by converting natural gas to oil in the ratio of six Mcf of gas to one barrel of oil. Readers should be aware that historical results are not necessarily indicative of future performance.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at May 30, 2013 the Company had the following common shares and stock options outstanding:

Common Shares	106,638,751
Share Purchase Warrants	22,020,125
Stock Options	6,450,000

There are no shares held in escrow.

"CAMERON WHITE"
Cameron White, Chief Executive Officer

"STEPHEN CHEIKES"
Steven Cheikes, Director