

51-102F3  
MATERIAL CHANGE REPORT

**Item 1 Name and Address of Company**

BRS Resources Ltd. (the “**Company**”)  
5910 North Central Expressway  
Suite 1250  
Dallas, TX 75206

**Item 2 Date of Material Change**

March 31, 2014

**Item 3 News Release**

The news release was disseminated through Market News and Stockwatch on April 1, 2014.

**Item 4 Summary of Material Change**

On March 31, 2014, the Company announced that it completed a private placement (the “**Private Placement**”) with Double Black Diamond L.P. (the “**Lender**”), a fund managed by Carlson Capital, L.P., consisting of the issuance of a convertible note (the “**Note**”) in the aggregate principal amount of \$2,126,825 (the “**Loan**”), the terms of which were previously announced in the Company’s press release dated March 24, 2014.

The Loan bears interest at 13% per annum, compounded monthly, and is payable on maturity, being March 31, 2015. The principal amount of the Loan is convertible, at the option of the holder, into common shares of the Company (the “**Conversion Shares**”) at a price of \$0.06 per share (the “**Conversion Price**”), which Conversion Price will be subject to adjustment in accordance with the terms of the Note. Unpaid and accrued interest will be convertible, at the option of the holder, into common shares of the Company (the “**Interest Shares**”) at the then current market price of the common shares of the Company on the TSX Venture Exchange (“**TSXV**”) at the time of settlement. The Loan is secured by all of the assets of the Company and its subsidiary, and the subsidiary has guaranteed the Loan. All obligations under the Loan are exchangeable into any new financing conducted by the Company prior to repayment of the Loan, and the Lender has a right to participate in any financings conducted by the Company until six months after repayment of the Loan. In addition, the Company has granted registration rights, whereby the Company would be obligated to file a prospectus with respect to the common shares issuable upon conversion of the Loan to facilitate a distribution of such shares if demanded by the Lender.

The Lender previously purchased \$1,000,000 in convertible notes the (“**Original Notes**”) which were due on March 28, 2014. A portion of the proceeds of the Loan were used to repay the Original Notes (and accrued interest thereon) and the balance will be used for

general corporate purposes and funding of capital calls from AleAnna Energy LLC, which will allow the Company to continue its exploration activities in Italy.

## **Item 5 Full Description of Material Change**

### *5.1 Full Description of Material Change*

The material change is fully described in Item 4 and in the Company's News Release of April 1, 2014 as filed on SEDAR.

**The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101").**

**(a) a description of the transaction and its material terms:**

See above.

**(b) the purpose and business reasons for the transaction:**

The principal purposes of the Loan was to raise the capital required to repay the Original Notes (and accrued interest thereon) and generate working capital to be used for general corporate purposes and funding of capital calls from AleAnna Energy LLC, which will allow the Company to continue its exploration activities in Italy.

**(c) the anticipated effect of the transaction on the issuer's business and affairs:**

See above.

**(d) a description of:**

**(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

Prior to completion of the Loan, the Lender was an insider of the Company as it owned 18,900,000 common shares (the "**Shares**") of the Company representing approximately 36% of the issued and outstanding Shares on an undiluted basis, not including any Shares of that may have been issuable on conversion of the Original Notes. In addition, Black Diamond Offshore Ltd., another fund managed by Carlson, owns 1,100,000 Shares.

If the Note is converted into Shares, the Lender will control an additional 35,447,083 Shares, assuming a conversion price of \$0.06 per Conversion Share, representing an aggregate of 62% of the outstanding Shares on a partially diluted basis. The figures and percentages indicated above do not include any Interest Shares which may be issued to settle the interest payment due on conversion of the Note.

- (ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage:**

See above.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

The Company's Board of Directors approved the issuance of the Note with Chris Haga, a principal of Carlson and a director of the Company, disclosing his interest and abstaining from voting on the approval of the issuance of the Note.

- (f) **a summary, in accordance with section 6.5, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

See above.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7, respectively, and the facts supporting reliance on the exemptions:**

Under subsections 5.5(c) and 5.7(b) of MI 61-101, the Company is exempt from the requirements under MI 61-101 of having to perform a formal valuation and obtain minority shareholder approval in connection with the transaction, as the transaction involved the distribution of securities for cash consideration under \$2,500,000 and neither the Company nor, to the knowledge of the Company after reasonable inquiry, the Lender had any knowledge of any material information concerning the Company or its securities that had not been generally disclosed.

- (2) **If the issuer files a material change report less than 21 days before the expected date of the closing of the transaction, the issuer shall explain in the news release required to be issued under National Instrument 51-102 *Continuous Disclosure Obligations* and in the material change report why the shorter period is reasonable or necessary in the circumstances.**

The closing of the Loan occurred on March 31, 2014. The shorter period was necessary in the circumstances as the Company was required to raise the capital necessary to repay the Original Notes (and accrued interest thereon).

- (3) **Despite paragraphs (1)(f) and 5.4(2)(a), if the issuer is required to include a summary of the formal valuation in the material change report and the formal valuation is not available at the time the issuer files the material change report, the issuer shall file a supplementary material change report containing the disclosure required by paragraph (1)(f) as soon as the formal valuation is available.**

Not applicable.

#### *5.2 Disclosure for Restructuring Transactions*

N/A

#### **Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

N/A

#### **Item 7 Omitted Information**

None

#### **Item 8 Executive Officer**

Steven Moore, President and CEO, 214.276.0373

#### **Item 9 Date of Report**

April 4, 2014



**NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR  
RELEASE VIA US NEWSIRE SERVICES**

**BRS RESOURCES CLOSSES \$2,126,825 CONVERTIBLE NOTE PLACEMENT**

DALLAS, TEXAS – April 1, 2014: BRS Resources Ltd. (“**BRS**” or the “**Company**”) (TSX.V: BRS) today announces that it has completed a private placement (the “**Private Placement**”) with Double Black Diamond L.P. (the “**Lender**”), a fund managed by Carlson Capital, L.P., consisting of the issuance of a convertible note (the “**Note**”) in the aggregate principal amount of \$2,126,825 (the “**Loan**”), the terms of which were previously announced in the Company’s press release dated March 24, 2014.

The Loan bears interest at 13% per annum, compounded monthly, and is payable on maturity, being March 31, 2015. The principal amount of the Loan is convertible, at the option of the holder, into common shares of the Company (the “**Conversion Shares**”) at a price of \$0.06 per share (the “**Conversion Price**”), which Conversion Price will be subject to adjustment in accordance with the terms of the Note. Unpaid and accrued interest will be convertible, at the option of the holder, into common shares of the Company (the “**Interest Shares**”) at the then current market price of the common shares of the Company on the TSX Venture Exchange (“**TSXV**”) at the time of settlement. The Loan is secured by all of the assets of BRS and its subsidiary, and the subsidiary has guaranteed the Loan. All obligations under the Loan are exchangeable into any new financing conducted by the Company prior to repayment of the Loan, and the Lender has a right to participate in any financings conducted by the Company until six months after repayment of the Loan. In addition, the Company has granted registration rights, whereby the Company would be obligated to file a prospectus with respect to the common shares issuable upon conversion of the Loan to facilitate a distribution of such shares if demanded by the Lender.

The Lender is an insider of the Company as it currently owns approximately 36% of the Company’s issued and outstanding shares on an undiluted basis. If the Note is converted into the Company’s common shares, the Lender will control an additional 35,447,083 shares, assuming a conversion price of \$0.06 per Conversion Share, representing an aggregate of 62% of the Company’s outstanding common shares on a partially diluted basis. The figures and percentages indicated above do not include any Interest Shares which may be issued to settle the interest payment due on conversion of the Note.

The Lender previously purchased \$1,000,000 in convertible notes the ("**Original Notes**") which were due on March 28, 2014. A portion of the proceeds of the Loan were used to repay the Original Notes (and accrued interest thereon) and the balance will be used for general corporate purposes and funding of capital calls from AleAnna Energy LLC, which will allow BRS to continue its exploration activities in Italy.

All securities issued in connection with the Private Placement will be subject to a minimum hold period of four months and one day pursuant to applicable securities laws.

The Loan has not been, and the common shares issuable on conversion of the Loan will not be, registered under the United States Securities Act of 1933 (the "**1933 Act**") and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement of the 1933 Act.

### **ABOUT BRS**

BRS Resources Ltd. is listed on the TSX Venture Exchange under the symbol BRS. The Company is an independent international oil and gas company focused on the development and production of oil and natural gas reserves.

### **ON BEHALF OF THE BOARD OF DIRECTORS**

Steve Moore  
President/CEO  
Phone: 214.276.0373

For further information, please contact Steven Moore at 214.276.0373 or by email at [smoore@brsresources.com](mailto:smoore@brsresources.com).

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