BRS RESOURCES LTD.

(formerly Bonanza Resources Corp.)

Management Discussion & Analysis
For the Three Months Ended
January 31, 2011

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MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JANUARY 31, 2011

APRIL 1, 2011

INTRODUCTION

The following discussion, prepared as of April 1, 2011, is management's assessment and analysis of the results and financial condition of BRS Resources Ltd. (formerly Bonanza Resources Corporation) (the "Company") for the three month period ended January 31, 2011and should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2010, and related notes attached thereto. The preparation of financial data is in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and all figures are reported in Canadian dollars unless otherwise indicated.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in petroleum and natural gas exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations, risks associated with the estimation of resources and reserves and the geology, the possibility that future exploration, development or exploration results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour; the inherent uncertainty of future production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; uncertain political and economic environments; changes in laws or policies, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors in the Company's Management Proxy Circular that can be found on the SEDAR website. Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of petroleum and natural gas; that the Company can access financing, appropriate equipment and sufficient labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

OUR BUSINESS

BRS Resources Ltd. (formerly Bonanza Resources Corporation) ("the Company") is incorporated under the laws of British Columbia and its principal business activity is the acquisition and exploration of oil and gas interests in Italy and the U.S. The Company has incorporated a wholly owned subsidiary in Texas, Bonanza Resources (Texas) Inc., which holds all of the Company's oil and gas assets in Texas and Oklahoma for tax and accounting purposes. The Company is presently listed on the TSX Venture Exchange trading under the symbol BRS.

The Company's business and executive office is located at Suite 1250 – 5910 N. Central Expressway, Dallas, Texas 75206. It's registered and records offices are located at the offices of Clark Wilson LLP, Barristers and Solicitors, 800 - 885 West Georgia Street, Vancouver, BC V6C 3H1.

OVERALL PERFORMANCE

PROJECTS

Po Valley and Bradano Basins
Italy

In July 2010, the Company signed a non-binding letter of intent (the "LOI") with AleAnna Energy LLC ("AE") to acquire all of AE's interests in AleAnna Resources LLC ("AleAnna"), a privately owned company with a portfolio of oil and gas assets strategically located in the Po Valley and Bradano basins of Italy, for $5,500,000 (US). AE's interest in AleAnna includes a 15% membership interest before payout, an additional 20% back-in interest after payout and a carried interest on drilling the company's first well, scheduled for 2011. In accordance with the terms of the LOI, Bonanza paid AE a nonrefundable deposit of $157,280 (US$150,000) to secure its obligations, which was credited against the purchase price upon the closing of the acquisition. The parties agreed to enter into a definitive agreement with respect to the acquisition on September 6, 2010.

In October 2010, the Company signed a LOI with Bluescape Resources LLC ("Bluescape") to sell 51% of its pending interest in AE. On November 3, 2010, the Company acquired AE and subsequently assigned 51% of its initerest in AE to Bluescape with Bluescape, providing a 60-day interim bridge loan to the Company for its outstanding balance of the purchase price. The Company repaid Bluescape the entire principal and accrued interest ourstanding with respect to the loan, totaling an aggregate of $2,022,118 (US), which was paid from funds raised in the Company's $6,2500,000 (CDN) non-borkered private placement.

In Italy, AleAnna has eight "Exploration Permits" and three "Applications for Exploration Permits", totaling 802,879 acres, approved by the Italian Ministry of Economic Development (General Directorate for Energy and Mining Resources, National Mining Office for Hydrocarbons and Geothermics). Nine of the exploration permit applications, totaling 670,396 acres, are located in the Po Valley in northern Italy, and three exploration permit applications, totaling 132,483 acres, are located in the Bradano Foredeep basin in southern Italy.

In March 2009, AleAnna completed a 126 sq km 3-D seismic survey in the Corte Dei Signori permit area. AleAnna completed the processing and interpretation of the 3d data in September 2009. Several prospects were generated from this data and a drill location within the Gallare Field was selected as the first drill location. In June 2010, AleAnna submitted a drilling permit to the regional authorities for a well on the Gallare site and anticipates drilling to begin in the first half of 2011. The Gallare #6d well has been classified as proved undeveloped reserves by the company's third party reserve consultants.

AleAnna's other seven permitted areas are currently in the 3-D seismic acquisition analysis and permitting phase. The remaining three applications are expecting approved decrees by the Italian Ministry of Economic Development by the end of 2011.

Lasley Project
Caddo County
Oklahoma, USA

The Company owns various working, royalty and overriding royalty interests in a total of seventeen producing wells located in the Eakly East field. One well is classified as an oil well while sixteen are classified as gas wells although several have associated oil or condensate production. The operator, Western Oil & Gas Development Corp. ("Western") of Oklahoma City, Oklahoma has actively developed this project area in the past decade, primarily for Pennsylvanian-age Red Fork sandstone gas reservoirs. The project achieved payout in 2008 and Western subsequently backed in for an additional 20% interest reducing all other participants', including the Company's, interests proportionately. Workover activity to recomplete in the Kardokus 7-10 to the Marchand oil sand is planned in the second quarter of 2011 and BRS has opted to participate in this activity. Additional drilling locations exist in the Lasley project area and are classified as proved undeveloped locations by the Company's third-party consultants. New well drilling is not expected in 2011, due to depressed natural gas prices in North America for the past two years.

Texas, USA

The Company owned interest in the XX Ranch property which was written off in 2009. The property still produces gas with income approximately equivalent to the expenses to produce the gas. The Spiller project in Texas was sold in 2009 for cash.

South Eastern Saskatchewan Project
Saskatchewan, Canada

The Company wrote off all associated costs with the project during 2010.

North Fork 3D Project
Beaver County
Oklahoma, **USA**

3D seismic and significant leasehold acquired in the project area targeting the Morrow sandstone and Mississippian carbonates. The company farmed out its interest prior to drilling. One well was drilled during 2010 and abandoned as a dry hole. The Company wrote down associated costs in 2010. No further activity is anticipated and most leasehold acquired has now expired. The remaining 3D prospect costs of $662,938 were written off in this quarter.

SELECTED ANNUAL INFORMATION

This discussion should be read in conjunction with the Company's annual audited financial statements dated October 31, 2010, which are incorporated by reference to this discussion. The following table sets forth selected audited financial information of the Company for the last three completed financial years:

	FISCAL YEARS ENDED		
	October 31, 2010 $	**October 31, 2009 $**	**October 31, 2008 $**
Net Income (Loss)	(1,841,260)	(767,565)	(1,063,288)
Loss Per Share	(0.36)	(0.21)	(0.04)
Total Assets	582,277	2,077,204	2,483,542

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected (unaudited) quarterly financial information for each of the last eight most recently completed quarters:

	QUARTERS ENDED			
	January 31, 2011	**October 31, 2010**	**July 31, 2010**	**April 30, 2010**
(Loss)	(821,170)	(1,083,370)	(109,397)	(75,795)
(Loss) Per Share [(1)]	(0.026)	(0.21)	(0.002)	(0.003)
	January 31, 2010	**October 31, 2009**	**July 31, 2009**	**April 30, 2009**
(Loss)	(572,698)	(165,483)	(123,901)	(258,237)
(Loss) Per Share [(1)]	(0.001)	(0.005)	(0.004)	(0.009)

(1) Presented on an undiluted basis.

RESULTS OF OPERATIONS

For the quarter ended January 31, 2011 compared to quarter ended January 31, 2010

Net gain (loss) for the quarter ended January 31, 2011 totalled $(821,170) (or $0.026), versus net loss of $(572,698) (or $0.010) per share for the comparative period in 2010. Revenue from oil and gas sales during the quarter ended January 31, 2011 was $11,545 (2010 - $14,194) with production cost of sales $7,695 (2010 - $6,797).

LIQUIDITY

During the quarter ended January 31, 2011, cash resources increased by $2,403,928 which was related to the completion of the private placement.

Working capital totalled $2,346,956 at January 31, 2011, an increase from $(1,260,544) at October 31, 2010. Current liabilities decreased by $1,107,042 during the three month period ended January 31, 2011 leaving $167,458 of liabilities on the balance sheet. The Company's accumulated deficit at January 31, 2011 was $20,500,702 from an accumulated deficit of $19,679,532 at October 31, 2009.

CAPITAL RESOURCES

BRS Resources Ltd. relies on the issuance of share capital to raise funds. There can be no assurance, however, that it will be able to obtain required financing in the future on acceptable terms.

The Company has sufficient working capital to continue operations in the near term. . General market conditions will have an impact on its ability to raise financings in the future.

TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. The quarterly balances referred to below are non-interest bearing, unsecured, payable on demand and have arisen from the provision of the services as described.

During the quarter ended January 31, 2011, the Company did not incur any management fees compared to $19,800 for the same period in 2010. The Company did not incur any consulting fees during the quarter ended January 31, 2010 to the President compared to $15,284 for the same period in 2010.

During the quarter ended January 31, 2011 the President of the Company's US subsidiary, and director of the Company, incurred $124,225 in management fees, $12,330 in travel and office expenses

During the quarter ending January 31, 2011 the company paid a party related to the current president and CEO, $10,000 for rent on a temporary office space in Dallas, Texas occupied from September 1, 2010 through January 31, 2011.

One director of the Company incurred $10,286 compared to nil in consulting fees an $2,202 (2010 - $nil) in travel and office expenses.

SHARE CAPITAL

a) Issued and outstanding

Authorized share capital of the Company consists of 100,000,000 common shares without par value.

	2011		2010	
	Number of Shares	$	Number of Shares	$
Opening balance	5,188,622	18,049,724	38,763,936	17,612,271
Issued for:				
Private placements	25,678,200 (1)	5,967,264	-	-
Debt Settlement	1,010,800	252,700	13,205,602 (2)	444,953
Escrow cancellation	-	-	(83,333)	(7,500)
Consolidation 10:1	-	-	(46,697,583)	-
Ending balance	31,877,622	24,269,688	5,188,622	18,049,724

(1) Net of issue costs of $282,736 and including 678,200 finder's fee units at $0.25 per unit.
(2) Net of fair value of warrants issued of $215,327.

The Company issued a private placement of 25,000,000 units at $0.25 per unit, each unit comprised of one common share of the company and one-half warrant (each warrant exercisable into one share at $0.40 until December 1, 2012-subject to the requirement to exercise, upon giving company notice, should the Company's shares trade above $0.50 per share over a consecutive 20 day period). Finder's fees of $257,750 in cash, 678,200 units (with the same terms as above), 339,100 finder's fee warrants(with the same terms as the unit warrants) and 1,684,400 broker warrants (each warrant exercisable into one share at $0.30 until December 1, 2012- subject to the same requirement to exercise) were paid and issued.

The company issued 1,010,800 shares at $0.25 per share plus 505,400 warrants, each exercisable into one share for $0.40 over 2 years, to satisfy $252,700 in demand loans payable. The balance was paid in cash and was discussed under related party transactions.

Therefore, at January 31, 2011, the company had 31,877,622 shares outstanding with 1,684,400 warrants outstanding priced at $0.30 per share and 12,889,100 warrants priced at $0.40/share, all warrants expiring on December 1, 2012, plus 1,819,760 warrants expiring in 2011 with exercise prices ranging from $1.00 to $2.00. Total warrants outstanding at January 31, 2011 are therefore 16,393,260 priced from $0.30 to $2.00 per share.

b) Stock-based compensation

The fair value of warrants granted during the current year was estimated using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate 1.2%; expected dividend yield - nil; expected stock price volatility 147.4%; expected warrant life of 2 years. The fair value of warrants granted was $0.022 per warrant.

The fair value of options granted during the current year was estimated using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate 2.6%; expected dividend yield - nil; expected stock price volatility 108.5%; expected option life of 5 years. The fair value of options granted was $0.022 per option

c) The continuity of share purchase options is as follows:

	2010		2010	
	Number of Shares	Weighted Price	Number of Shares	Weighted Price
Opening balance	355,000	1.88	295,000	2.40
Granted during the year	4,040,000	0.34	235,000	0.50
Exercised/cancelled during the year	(30,000)	0.93	(175,000)	0.93
Closing balance	4,365,000		355,000	1.88
Weighted remaining life in years		0.82		2.13
Range of exercise prices		0.50-3.00		0.50-4.00

The company granted stock options to purchase 680,000 Company shares at $0.27 for two years and options to purchase 3,360,00 shares at $0.35 per share for five years during the quarter. Total stock options granted at April 1, 2011 are 4,365,000 options.

d) The continuity of share purchase warrants is as follows:

	2010		2010	
	Number of Shares	Weighted Price	Number of Shares	Weighted Price
Opening balance	1,819,760	1.46	1,485,670	2.00
Granted during the year	15,031,700	0.38	979,760	1.00
Expired during the year	(841,000)	2.00	(644,670)	2.00
Closing balance	16,010,460	0.62	1,819,760	1.46
Weighted remaining life in years		1.95		0.72
Range of exercise prices		0.30-1.00		1.00-2.00

Therefore at January 31, 2011 Bonanza has 1,687,200 warrants outstanding priced at $0.30 per share and 13,344,500 warrants priced at $0.40/share, all warrants expiring on December 1, 2012, with exercise prices ranging from $0.30 to $`.00. Total warrants outstanding at January 31, 2011 are therefore 16,010,460 priced from $0.30 to $1.00 per share.

ADOPTION OF NEW ACCOUNTING STANDARDS

Financial Instruments - Disclosure and Presentation

In May 2009, the Canadian Institute of Chartered Accountants ("CICA") amended section 3862, Financial Instruments - Disclosure to include additional disclosure requirements about fair market value measurements for financial statements and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Fair value of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The Company has included disclosures recommended by sections 3862 and 3863 in Note 12 of these consolidated financial statements.

Goodwill and Intangible Assets

On November 1, 2009, the Company adopted CICA Handbook section 3074 Goodwill and Intangible Assets which replaced CICA Handbook section 3062 Goodwill and Other Intangible Assets as well as CICA Handbook section 3450 Research and Development. This new standard provides guidance on the recognition measurements, presentation and disclosure of goodwill and intangible assets.

Adoption of this new standard did not have a material impact on the Company's consolidated financial statements and disclosures.

Future Accounting Changes
CICA Sections 1582, 1601, 1602 Business Combinations, Consolidations and Non-controlling Interest

In January 2009, the Canadian Accounting Standards Board ("AcSB") issued the following Handbook sections: 1582 - Business Combinations - Consolidations, and 1602 - Non-controlling Interest. These new sections will be applicable to financial statements relating to the Company's interim and fiscal year end beginning on or after November 1, 2011. Early adoption is permitted. The Company does not expect that there will be any material impact upon its adoption of these new sections on its consolidated financial statements.

International Financial Reporting Standards ("IFRS")

In February 2008 the AcSB announced 2011 as the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of November 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended October 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments of the Company consist of cash and equivalents, investments, amounts receivable, accounts payables and accrued liabilities, demand loans payable, interest payable on convertible debentures and due to related parties. The Company limits exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. At October 31, 2009, the Company held all of its cash funds in the Company's interest bearing account at BMO Bank of Montreal located at 595 Burrard Street, Vancouver, British Columbia.

The carrying amounts of cash, accounts receivables, accounts payable and accrued liabilities, demand loans payable, interest payable on convertible debentures and due to related parties approximate their values due to the short-term nature of these instruments.

The Company incurs certain of its expenditures related to the Oklahoma and Texas properties in United States dollars, and as such, is exposed to currency risk due to fluctuations in exchange rates. The Company does not undertake significant hedging activities to reduce its exposure to this risk.

STOCK-BASED COMPENSATION

The Company uses the Black-Scholes Option Pricing Model in determining the fair value of options and agent warrants granted for stock-based compensation. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective price assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

SUBSEQUENT EVENTS

In addition to items mentioned elsewhere in the notes, the following events occurred subsequent to January 31, 2011:

a. In February 2011, the Company announced Steven Moore as its newly elected President and Chief Executive Officer. Outgoing President and CEO Byron Coulthard continues to serve as Chairman of the Board of the Company.

b. In February 2011, the Company announced Sioux Sinnott as a Director of the Company and as President of Bonanza Resources (Texas) Inc., a wholly owned subsidiary of BRS Resources Ltd.

c. In February 2011, the Company changed its name to BRS Resources Ltd.