

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 Dates of Material Changes**

March 26, 2015 and March 31, 2015

**Item 3 News Release**

The news releases were disseminated through Market News and Stockwatch on March 27, 2015 and March 31, 2015, respectively.

**Item 4 Summary of Material Changes**

On March 27, 2015, the Company announced that it had entered into a debt settlement agreement dated March 26, 2015 (the “**Agreement**”) with Double Black Diamond L.P. (the “**Holder**”) with respect to the settlement of a senior secured convertible note dated March 31, 2014 (the “**Note**”) in the principal amount of \$2,126,825 issued by the Company to the Holder (the “**Transaction**”).

On March 31, 2015, being the closing date of the Transaction, the total principal amount outstanding under the Note, together with accrued interest thereon, was \$2,420,396 (the “**Indebtedness**”). On March 31, 2015, in settlement of the Indebtedness, the Company issued the Holder 69,154,170 common shares in the capital of the Company (each, a “**Share**”), at a deemed issue price of \$0.035 per Share.

**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 March 27, 2015 as filed on SEDAR and attached hereto.

**(1) 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 Note was secured by all of the assets of the Company, and the Holder had notified the Company that it intended to enforce its security if the Note was not repaid by its maturity date of March 31, 2015. The Company investigated alternative sources of financing through which to repay the Note and determined that any alternative debt or

equity financing would only be available to the Company on less advantageous terms than the Transaction.

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

The Company's balance sheet will materially improve, as the Note constituted almost 60% of the Company's liabilities as at its last balance sheet date of October 31, 2014.

**(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 the completion of the Transaction, there were 52,724,776 Shares issued and outstanding. Certain affiliates of the Holder are the owners of 20,000,000 Shares, which, pre-Transaction, represented approximately 37.9% of the Shares on an undiluted basis. As a result of the completion of the Transaction, the Holder and its affiliates own an aggregate of 89,154,170 Shares, representing approximately 73.1% of the outstanding Shares.

**(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 Transaction was approved by the disinterested directors of the Company. Chris Haga, a principal of Carlson Capital, L.P., the manager of the Holder, and a director of the Company, disclosed his interest in the Transaction and abstaining from voting on matters related to the Transaction.

**(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:**

The Company was exempt, under Section 5.5(b) of MI 61-101, from the requirement to obtain a formal valuation with respect to the Transaction, as the Shares are listed on the TSX Venture Exchange.

The Company relied on the financial hardship exemption set out in Section 5.7(1)(e) of MI 61-101 with respect to the requirement to obtain minority shareholder approval on the basis that: (i) the Company is in serious financial difficulty; (ii) the Transaction was designed to improve the financial position of the Company; (iii) the Transaction was not subject to court approval under any bankruptcy or insolvency laws; (iv) the Company had independent directors in respect of the Transaction; and (v) the independent directors, acting in good faith, believed the foregoing to be applicable and that the terms of the Transaction were reasonable in the circumstances of the Company.

- (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 Transaction occurred on March 31, 2015. This material change report is being filed less than 21 days before the expected date of the closing of the Transaction given the terms of the Transaction were not finalized, and the final documentation related to same were not completed, until shortly before the closing date.

- (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**

March 31, 2015



**FOR IMMEDIATE RELEASE**

## **BRS RESOURCES ANNOUNCES DEBT SETTLEMENT**

**DALLAS, TEXAS – March 27, 2015: BRS Resources Ltd.** (the “**Company**”) (TSX.V: BRS) announces that it has entered into a debt settlement agreement dated March 26, 2015 (the “**Agreement**”) with Double Black Diamond L.P. (the “**Holder**”) with respect to the settlement of a secured convertible note dated March 31, 2014 (the “**Note**”) in the principal amount of \$2,126,825 issued by the Company to Holder. Pursuant to the terms of the Agreement, the Company will issue an aggregate of 69,154,170 common shares in the capital of the Company (each, a “**Share**”) to the Holder at a deemed price of \$0.035 per Share, in settlement of the principal amount of the Note and accrued interest thereon (the “**Transaction**”). The Transaction is scheduled to be completed on March 31, 2015. The Company has obtained the conditional approval of the TSX Venture Exchange (the “**Exchange**”) for the Transaction.

### **ABOUT BRS RESOURCES**

BRS Resources Ltd. is listed on the 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).

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### ***Disclaimer for Forward-Looking Statements***

This news release includes forward-looking statements. Forward-looking statements are statements or projections that involve various risks and uncertainties regarding future events related to the Company’s plans. Forward-looking statements in this news release include statements regarding the Transaction. These risks and uncertainties include, among other things, risks related to the Company’s ability to complete the Transaction prior to March 31, 2015. You are urged to consider these factors carefully in evaluating the forward-looking statements contained herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements. These forward-looking statements are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.



**FOR IMMEDIATE RELEASE**

## **BRS RESOURCES ANNOUNCES SETTLEMENT OF CONVERTIBLE NOTE**

**DALLAS, TEXAS - March 31, 2015: BRS Resources Ltd. (the "Company") (TSX.V: BRS)** today announces that, further to its news release of March 27, 2015, it has completed the settlement of the senior secured convertible note dated March 31, 2014 (the "**Note**") in the principal amount of \$2,126,825 issued by the Company to Double Black Diamond L.P. (the "**Holder**"). As of the settlement date of March 31, 2015, the total principal amount outstanding under the Note, together with accrued interest thereon, was \$2,420,396 (the "**Indebtedness**"). On March 31, 2015, in settlement of the Indebtedness, the Company issued the Holder 69,154,170 common shares in the capital of the Company (each, a "**Share**"), at a deemed issue price of \$0.035 per Share (the "**Debt Settlement**").

Certain affiliates of the Holder are the owners of 20,000,000 Shares, which, pre-transaction, represented approximately 37.9% of the outstanding Shares on an undiluted basis. As such, the Debt Settlement was a "related party transaction" as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). As a result of the completion of the Debt Settlement, the Holder and its affiliates own an aggregate of 89,154,170 Shares, representing approximately 73.1% of the outstanding Shares.

Pursuant to the requirements of MI 61-101, issuers are required to obtain minority shareholder approval for related party transactions, unless an exemption is available. The disinterested directors of the Company determined that it was appropriate to rely on the financial hardship exemption set out in MI 61-101 on the basis that: (i) the Company was in serious financial difficulty, (ii) the Debt Settlement was designed to improve the financial position of the Company, and (iii) all of the independent directors of the Company determined that the terms of the Debt Settlement were reasonable in the circumstances of the Company.

The disinterested directors made this determination on the basis that the Note was secured by all of the assets of the Company, and the Holder had notified the Company that it intended to enforce its security if the Note was not repaid by its maturity date of March 31, 2015. The Company investigated alternative sources of financing through which to repay the Note and determined that any alternative debt or equity financing would only be available to the Company on less advantageous terms than the Debt Settlement.

### **ABOUT BRS RESOURCES**

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).

**NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.**