

DEBT SETTLEMENT AGREEMENT

THIS AGREEMENT is made the 26th day of March, 2015.

BETWEEN:

BRS RESOURCES LTD., a corporation incorporated under the laws of the Province of British Columbia
("BRS")

- and -

DOUBLE BLACK DIAMOND L.P., a limited partnership formed under the laws of the state of Texas
("Double Black")

RECITALS:

- A. Pursuant to a senior secured convertible note dated March 31, 2014 (the "**Note**"), BRS is indebted to Double Black in the amount of \$2,420,395.93 (comprised of the principal amount of \$2,126,825 and accrued interest of \$293,570.93, assuming a settlement date of March 31, 2015) (the "**Indebtedness**");
- B. BRS wishes to settle the Indebtedness in consideration of the issuance of an aggregate of 69,154,170 common shares in the capital of BRS at a price of \$0.035 per share (the "**Settlement**"); and
- C. The Settlement will be governed by the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the foregoing and the representations, warranties, covenants, conditions, agreements and promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties to this Agreement, the Parties agree as follows:

ARTICLE I INTERPRETATION

1.1 Definitions

Throughout this Agreement, the following terms shall have the following corresponding meanings:

"**Agreement**" means this debt settlement agreement between the Parties, including all instruments amending or restating this Agreement.

"**Closing**" means the closing of the Settlement.

"**Closing Date**" means March 31, 2015.

“**Parties**” means BRS and Double Black, and “**Party**” shall refer to either of them.

“**Person**” means any individual, sole proprietorship, limited or unlimited liability corporation, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, joint venture, trust, pension fund, union, governmental authority, and a natural person including in such person’s capacity as trustee, heir, beneficiary, executor, administrator or other legal representative.

1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Time** – Time is of the essence in and of this Agreement.
- (b) **Currency** – Unless otherwise specified, all references to amounts of money in this Agreement refer to the lawful currency of Canada.
- (c) **Headings** – The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Agreement into Articles and Sections shall not affect the interpretation of this Agreement.
- (d) **Plurals and Gender** – The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such Persons or circumstances as the context otherwise permits.

1.3 Entire Agreement

- (a) This Agreement together with the agreements and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral, written or otherwise, of the Parties. There are no representations, warranties, covenants or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document delivered pursuant to this Agreement.
- (b) No supplement, modification, amendment, waiver or termination of this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

1.4 Applicable Law

This Agreement shall be construed in accordance with the laws of the State of Texas and shall be treated, in all respects, as a Texas contract.

ARTICLE II SETTLEMENT

2.1 Settlement of Indebtedness

- (a) In full and complete settlement of the Indebtedness, BRS shall, at the Closing Date, issue and deliver to Double Black an aggregate of 69,154,170 Shares (the “**Issued Shares**”) at a price of \$0.035 per Issued Share.
- (b) The Issued Shares shall be issued as fully paid and non-assessable.
- (c) Double Black acknowledges and agrees that the Issued Shares will be subject to resale restrictions as required by applicable securities laws and the policies of the TSX Venture Exchange, the certificate representing the Issued Shares will bear appropriate legends, and Black Diamond will seek its own independent legal advice regarding such resale restrictions imposed on the Issued Shares.
- (d) Completion of the Settlement will be subject to the final approval of the TSX Venture Exchange.

ARTICLE III REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Double Black

Double Black hereby represents and warrants to BRS that:

- (a) Double Black is a limited partnership validly existing, organized and in good standing under the laws of the State of Texas;
- (b) Double Black has the power, authority and capacity to enter into this Agreement on the terms and conditions herein set forth and to carry out the transactions contemplated hereby, all of which have been duly and validly authorized by all necessary corporate proceedings;
- (c) there is not now any agreement or other instrument binding upon Double Black that will be violated by the execution and delivery of this Agreement or will prevent the performance or satisfaction by Double Black of any of the terms and conditions herein contained;
- (d) Double Black has not transferred or assigned the Note or the Indebtedness to any other Person;
- (e) Double Black has not conveyed, transferred or assigned any portion of the Indebtedness to any third party, and has full right, power and authority to enter into this Agreement and to accept the Issued Shares in full and final satisfaction of the Indebtedness;

- (f) no third party has any right to payment of all or any portion of the Indebtedness; and
- (g) Double Black is an “accredited investor” as defined in Rule 501 of Regulation D promulgated under the United States Securities Act of 1933, as amended.

3.2 Representations and Warranties of BRS

BRS hereby represents and warrants to Double Black that:

- (a) BRS is a corporation duly incorporated and validly existing, organized and in good standing under the laws of the province of British Columbia;
- (b) BRS has the power, authority and capacity to enter into this Agreement on the terms and conditions herein set forth and to carry out the transactions contemplated hereby, all of which have been duly and validly authorized by all necessary corporate proceedings;
- (c) there is not now any agreement or other instrument binding upon BRS that will be violated by the execution and delivery of this Agreement or will prevent the performance or satisfaction by BRS of any of the terms and conditions herein contained;
- (d) the Issued Shares shall, when issued to Double Black, be duly and validly allotted and issued as fully paid and non-assessable shares in the capital of BRS;
- (e) in connection with the issuance of the Issued Shares, BRS shall execute and file with the appropriate securities regulators and with the TSX Venture Exchange all forms, notices and certificates required to be filed pursuant to Canadian securities laws within the prescribed time periods;
- (f) all consents, approvals, permits, authorizations or filings under Canadian securities laws for the execution and delivery of the certificate representing the Issued Shares and the issuance of the Issued Shares and the consummation of the transactions contemplated hereby and thereby that are required to be obtained or made by the Company have been made or obtained or, if post-Closing requirements, will be made or obtained within the applicable time requirements, as applicable;
- (g) BRS is a reporting issuer in the provinces of British Columbia and Alberta. BRS is not currently in default of any requirement of the Canadian securities laws of such jurisdictions and BRS is not included on a list of defaulting reporting issuers maintained by any of the securities regulators of such jurisdictions;
- (h) the issued and outstanding common shares of BRS are listed and posted for trading on the TSX Venture Exchange and no order, ruling or determination ceasing or suspending trading in any securities of BRS or prohibiting the trading of BRS’ issued securities has been issued and no proceedings for such purpose have been instituted or are, to the knowledge of BRS, pending or threatened;

- (i) all necessary notices and pre-Closing filings have been made with, and all necessary consents, approvals and authorizations have been obtained by BRS from, the TSX Venture Exchange to ensure that the Issued Shares will be listed and posted for trading on the TSX Venture Exchange upon their issuance, subject to fulfilling the conditions to be contained in a conditional approval letter to be issued by the TSX Venture Exchange upon BRS filing a press release with respect to the Settlement;
- (j) BRS has not taken any action which would be reasonably expected to result in the delisting or suspension from trading of its common shares on or from the TSX Venture Exchange; and
- (k) no proceedings have been taken, instituted or, to the knowledge of BRS, are pending for the dissolution or liquidation of BRS.

3.3 Survival

The representations and warranties contained in this Article III shall survive the closing of the Settlement.

ARTICLE IV THE CLOSING

4.1 Closing

The Settlement shall be completed at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1, on the Closing Date or at such other place and time as may be mutually agreed upon by the Parties.

4.2 Delivery of Certificates

On the Closing Date, BRS shall deliver to Black Diamond a certificate representing the Issued Shares.

4.3 Release

Upon receipt by Black Diamond of a certificate representing the Issued Shares, Black Diamond shall:

- (a) execute and deliver to BRS a full and final release and acknowledgment substantially in the form attached hereto as Schedule “A”; and
- (b) promptly discharge the following registrations securing the Note:
 - i. UCC-1 Financing Statement No. 13-0009812953 on file with the Secretary of State for the state of Texas filed on March 28, 2013 naming Bonanza Resources (Texas), Inc. as debtor and Double Black as collateral agent and secured party and Amendment No. 13-00105080 filed on April 4, 2013; and

- ii. UCC-1 Financing Statement No. 13-0009812832 on file with the Secretary of State for the state of Texas filed on March 28, 2013 naming BRS as debtor and Double Black as collateral agent and secured party and Amendment No. 13-00105084 filed on April 4, 2013.

ARTICLE V GENERAL

5.1 Waiver

Except as otherwise expressly set out herein, no waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence, forbearance or other accommodation by a Party shall constitute a waiver of such Party's right to insist on performance in full and in a timely manner of all covenants in this Agreement or in any document delivered pursuant to this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement at any time.

5.2 Severability

If any provision of this Agreement or portion thereof or the application thereof to any Person or circumstance shall to any extent be illegal, invalid or unenforceable: (a) the remainder of this Agreement or the application of such provision or portion thereof to any other Person or circumstance shall not be affected thereby; and (b) the Parties will negotiate in good faith to amend this Agreement to implement the intentions set forth in this Agreement. Each provision of this Agreement shall be legal, valid and enforceable to the fullest extent permitted by law.

5.3 Assignment and Enurement

Neither this Agreement nor any benefits or burdens under this Agreement shall be assignable by any Party without the prior written consent of each of the other Parties. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation or merger of any Party) and permitted assigns hereunder.

5.4 Expenses

Except as otherwise set out herein, each Party to this Agreement shall pay its respective legal, accounting and other professional advisory fees, costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement and all documents and instruments executed or delivered pursuant to this Agreement, as well as any other fees, costs and expenses incurred.

5.5 Further Assurances

The Parties shall do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

5.6 Execution by Electronic Transmission

The signature of any of the Parties hereto may be evidenced by a facsimile, scanned email or internet transmission copy of this Agreement bearing such signature.

5.7 Counterparts

This Agreement may be signed in one or more counterparts, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have the effective date first written above.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have duly signed this Agreement effective as of the date first written above.

BRS RESOURCES LTD.

Per: “Steven Moore”
Name: Steven Moore
Title: President and CEO

DOUBLE BLACK DIAMOND L.P.

By: **CARLSON CAPITAL L.P.**, its investment advisor.

By: “Chris Haga”
Name: Chris Haga
Title: Portfolio Manager

SCHEDULE "A"

FULL AND FINAL RELEASE AND ACKNOWLEDGEMENT

FROM: Double Black Diamond L.P. (the "**Releasor**")

TO: BRS Resources Ltd. (the "**Releasee**")

RE: Senior secured convertible note issued by the Releasee to the Releasor dated March 31, 2014 (the "**Note**")

1. The Releasor hereby acknowledges receipt of 69,154,170 common shares in the capital of the Releasee, representing repayment in full of all amounts owing to the Releasor under the Note (the "**Indebtedness**").
2. The Note is hereby terminated and shall have no further force or effect.
3. The Releasor hereby represents and warrants to the Releasee that it has not sold, assigned, transferred, conveyed or otherwise disposed of all or any portion of, or any interest in or to, the Note or the Indebtedness and that no other person or entity owns any interest in or to the Note or the Indebtedness.
4. This Full and Final Release and Acknowledgement shall be binding upon and enure to the benefit of the Releasor and its successors.
5. The Releasor acknowledges having had an opportunity to fully review this Full and Final Release and Acknowledgement, and that it has obtained satisfactory independent legal advice in respect of this Full and Final Release and Acknowledgement. The Releasor acknowledges that it fully understands all of the terms contained in this Full and Final Release and Acknowledgement and that the only consideration for these terms is as referred to above.

SIGNED and DELIVERED this 26th day of March, 2015.

DOUBLE BLACK DIAMOND L.P.

By: **CARLSON CAPITAL L.P.**, its investment advisor.

By: _____

Name: Chris Haga

Title: Portfolio Manager