

BRS RESOURCES LTD.

*Management Discussion & Analysis
For the Three and Nine Months Ended
July 31, 2015*

Suite 1250 – 5910 N. Central Expressway
Dallas, Texas
75206

**MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS
OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2015**
(as of September 28, 2015)

INTRODUCTION

The following management's discussion and analysis ("MD&A"), prepared as of September 28, 2015, is management's assessment and analysis of the results and financial condition of BRS Resources Ltd. (the "Company" or "BRS") for the three and nine month periods ended July 31, 2015 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2014, and related notes attached thereto. The preparation of financial data is in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" consistently applied. The consolidated interim financial statements were prepared using International Financial Reporting Standards ("IFRS"). 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 statements in this MD&A are forward-looking statements. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative and grammatical variations) of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views, and are based on certain assumptions, and speak only as of September 28, 2015. These assumptions, which include, management's current expectations, estimates and assumptions about certain projects and the markets the Company operates in, the global economic environment, interest rates, exchange rates and the Company's ability to manage its assets and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause its actual results to differ materially from those expressed or implied by the forward looking statements, including, but not limited to: (1) risks inherent in petroleum and natural gas exploration and development including environmental hazards, industrial accidents, or unusual or unexpected geological formations; (2) a decrease in the market price of oil and/or gas; (3) a decrease in the demand for oil and gas and oil and gas related products; (4) discrepancies between actual and estimated reserves and risks associated with the estimation of reserves; (5) the possibility that future exploration, development or exploration results will not be consistent with the Company's expectations; (6) the inherent uncertainty of future production and cost estimates; (7) the potential for unexpected costs and expenses and changes to the cost of commencing production and the time when production commences, and actual ongoing costs; (8) the potential for, and effects of, labor disputes or other unanticipated difficulties with, or shortages of, labor; (9) unforeseen or changed regulatory restrictions, requirements and limitations, including environmental regulatory restrictions and liability and permitting restrictions; (10) the failure to obtain governmental approvals and fulfil contractual commitments, and the need to obtain new or amended licenses and permits; (11) changes in laws or policies, delays in, or the inability to obtain, necessary governmental permits; (12) the number of competitors; (13) political and economic conditions in oil and gas producing and consuming countries;

(14) failure to obtain additional capital at all or on commercially reasonable terms; (15) other factors beyond the Company's control; and (16) those factors described in the section entitled "Risk Factors and Uncertainties" in the Company's annual MD&A as filed on February 28, 2015.

Undue reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Company's control. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates, may differ materially from statements made in or incorporated by reference in this MD&A. The Company undertakes no obligation to update forward-looking statements if management's beliefs, estimates and opinions or the Company's circumstances as at the date hereof should change. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

BUSINESS OF THE COMPANY

BRS 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. The Company has a wholly owned subsidiary in Texas, Bonanza Resources (Texas) Inc., which holds all of the Company's oil and gas assets. The Company is presently listed on the TSX Venture Exchange (the "Exchange") under the symbol "BRS".

The Company's business and executive office is located at Suite 1250 – 5910 N. Central Expressway, Dallas, Texas 75206. The registered and records offices are located at Suite 900 - 885 West Georgia Street, Vancouver, BC V6C 3H1.

OVERALL PERFORMANCE

Operations

The Company is an international oil and gas exploration company focused on the Mediterranean region, primarily onshore gas in Italy. Through its ownership in AleAnna Energy LLC, which owns AleAnna Resources LLC ("AleAnna"), BRS is strategically positioned to exploit Italy's vast, untapped natural gas reserves. BRS owns 17% of AleAnna Energy LLC and is the operating partner for AleAnna in Italy.

The opportunity to explore and exploit oil and gas opportunities in Italy is subject to many federal and regional approvals. As a result of both the federal government and regional influence on the permitting process, very few wells have been drilled and developed over the past five years.

In light of the political turmoil confronting the European Union, a number of positive developments are emerging from Italy for the upstream energy sector. The Italian government appears to view the upstream energy business as one of its best avenues for attracting new investment capital into Italy, which may be a pivotal source for job creation, industrial growth, and improved energy security.

AleAnna Resources holds nine exploration permits, five exploration applications and one production concession application in the Po Valley and Bradano basins, encompassing more than 823,904 acres (3,334 sq km).

To date AleAnna Resources has acquired more than 86,000 acres (350 sq km) of 3-D geophysical data, making it Italy's largest owner of on-shore 3-D geophysical data in Italy. Part of AleAnna Resources'

operating strategy is the use of high-resolution 3-D seismic technologies to image subsurface hydrocarbons to more efficiently high-grade prospects while reducing environmental impact and risk.

Corte Dei Signori Permit

The Corte Dei Signori permit area is located in south-eastern Po Valley, and is on trend with a number of large natural gas fields. In 2009, AleAnna Resources completed a 32,864-acre (133-sq km) 3-D geophysical survey in the Corte Dei Signori permit area and has reprocessed the data several times using the latest in geophysical processing applications.

In 2013, AleAnna Resources executed a participation agreement with Andiamo Resources, LLC on a 3,953-acre (16-sq km) area of mutual interest (AMI) within the Corte dei Signori permit where the Trava-2 well will be drilled. As part of the agreement, Andiamo paid cash consideration and will pay 100% of the costs to drill the Trava-2 well to casing point election. In return Andiamo will earn a 50% interest in the AMI portion of the Corte dei Signori permit. AleAnna Resources and Andiamo technical teams have selected the surface location for the well, the bottom-hole well coordinates, and the wellbore-drilling plan. AleAnna Resources will select a drilling contractor and various sub-contractors in the coming months. AleAnna Resources will commence drilling the Trava-2 when the Italian government processes and approves AleAnna Resources' drilling permit application.

In 2014, AleAnna Resources filed for a three-year extension on the Corte dei Signori permit after completing its initial work program, which included the 3-D geophysical survey and the drilling of the Gallare-6 well. In addition to the extension, AleAnna Resources has applied for a drilling permit for its Trava-2 exploration well.

La Prospera Permit and Gradizza-1 Exploration Well

The La Prospera exploration permit area is located northwest of Corte dei Signori in the Ferrara province north of Bologna. Through a farm-in agreement with Po Valley Energy ("PVE"), AleAnna Resources holds a 10% interest in the La Prospera permit and PVE's Gradizza-1 exploration well, which was drilled, tested, and completed in the fall of 2013. The Gradizza-1 well encountered 33 feet (10 m) of gas-bearing sand. The well tested natural gas at a stabilized rate of approximately 700,000 cubic feet per day, with 500-psi flowing tubing pressure on a ¼-inch choke. No formation water, pressure decline, or gas impurities were recovered during testing, and the bottom-hole pressure measured approximately 1,200 psi.

The well is currently shut-in, waiting on the installation of surface facilities, pipeline hookup, and regulatory approvals. PVE applied for a production permit in early 2014 and will begin producing the well upon approval of its PVE's production permit application.

AleAnna Resources and its joint-venture partners in the La Prospera permit have also applied for the Zanza exploration permit, a relatively small tract abutting La Prospera's southern border just south of the Gradizza-1 well and adjacent to and east of AleAnna Resources' Ponte del Diavolo permit. It is possible that the geological structure penetrated by the Gradizza-1 well may extend onto the Zanza area.

Ponte Del Diavolo Permit

The Ponte Del Diavolo permit area, located northwest of Corte dei Signori and adjacent to La Prospera and Zanza, covers an area of over 49,000 acres (200 sq km). The Ponte Del Diavolo permit is on trend with several large, producing gas fields, making it an attractive area to explore for hydrocarbons. In 2011, the Company commissioned a 35,000 acre (140 sq km) high-resolution 3-D geophysical survey of the

permit area, which further defined existing hydrocarbon traps in the Plio-Pleistocene and deeper sands.

An ancillary benefit of participating in PVE's Gradizza-1 well is that the well serves as a stratigraphy test-well for AleAnna Resources' look-alike prospects located a few miles southwest of the well. Using data gleaned from Gradizza-1, AleAnna Resources can more accurately interpret and target similar-looking pay horizons in its 100%-owned prospects. AleAnna Resources has surveyed each of its prospects using 3-D seismic technology, greatly enhancing the Company's ability to image geological structures and anomalies. These prospects, as well as the Gradizza-1 well, are on trend with several nearby producing natural gas fields, including the Sabbioncello and Tresigallo fields, which have produced more than 90 billion cubic feet (Bcf) and 68 Bcf of natural gas, respectively, to date.

In 2013, AleAnna Resources submitted a drilling permit application for its Tombellina prospect, located approximately 3.5 miles (5.6 km) southwest of the Gradizza-1 discovery well. As with the Trava-2 well, AleAnna Resources will commence drilling the well upon approval of its drilling permit application.

Ponte Dei Grilli Permit

The 63,864-acre (258-sq km) Ponte dei Grille permit is one of AleAnna Resources most promising areas for the discovery of substantial natural gas reserves. In 2012, AleAnna Resources acquired more than 18,000 acres (74 sq km) of high-resolution 3-D seismic data from the permit area. Although there has been no production on the Ponte dei Grille permit, a number of large natural gas fields surround it. Northeast of Ponte dei Grilli are the Cotignola and San Potito gas fields, which have produced 52 Bcf and 46 Bcf of natural gas, respectively.

AleAnna Resources has identified several large geological anomalies, including the Armonia prospect, and at least four others in the western portion of the permit where the 3-D seismic was acquired and interpretation is continuing. AleAnna Resources has filed a drilling application for its Armonia prospect. The application includes a detailed environmental impact report as well as engineering and geological data. Due to strong, positive indicators from the first Ponte dei Grille geophysical survey, AleAnna Resources is applying for a second 3-D geophysical survey on the southeast section of the Ponte dei Grilli permit, also on trend with the prospects and fields mentioned above.

Other Po Valley Permits and Permit Applications

Belgioioso, Fantozza, Bugia, and Molino are AleAnna Resources' four additional approved permit areas in the Po Valley. All four permits—Fantozza and Bugia in the central Po Valley and Belgioioso and Molino in the western end of the Po Valley—are on trend with large gas fields. AleAnna Resources has submitted an application for 3-D geophysical surveys on Fantozza and has recently received approval for the Belgioioso survey. AleAnna Resources is also preparing an application for a 3-D geophysical survey on Bugia.

Le Saline and Tre Ponti are two additional areas where AleAnna Resources has applied for exploration permits. Both areas are large tracts in the eastern Po Valley, but do not factor into AleAnna Resources' near-term plans due to environmental restrictions.

AleAnna has filed an exploration application with the Italian Ministry of Economic Development for the La Stefanina permit area contiguous to the southern border of AleAnna's Corte dei Signori permit area. The application area is 34,526 acres (140 sq km). AleAnna has executed an agreement with Andiamo Resources LLC, a Colorado limited liability company, to participate in the La Stefanina permit. Under the terms of the agreement, Andiamo has the right to pay 100% of the 3-D geophysical costs for a 50% interest in the La Stefanina application. Andiamo is AleAnna's partner in the Trava 2 well scheduled to

drill in the fourth quarter of this year.

Bradano Basin

In southern Italy's Bradano Basin, AleAnna Resources holds one exploration permit (Torrente Acqua Fredda) and has applied for an additional exploration permit (Palazzo San Gervasio). Both areas are in the Basilicata region, home to several of the largest oil discoveries on-shore western Europe, including the Tempa Rossa field. The 16,300-acre (66-sq km) Torrente Acqua Fredda permit is surrounded by a number of existing oil and gas fields. The much larger 116,100-acre (470-sq km) Palazzo San Gervasio permit application is also on trend with several oil and gas fields. To date, AleAnna Resources has done preliminary geological and geophysical studies on the area, but has yet to commit significant resources to these holdings.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited interim financial information, in Canadian dollars in accordance with IFRS for each of the eight most recently completed quarters.

	Quarter Ended			
	July 31, 2015	April 30, 2015	January 31, 2015	October 31, 2014
Income (Loss)	\$(180,361)	\$(1,573,750)	\$191,447	\$(1,685,995)
Income (Loss) Per Share ⁽¹⁾	(0.00)	\$(0.02)	\$0.00	(0.01)
	July 31, 2014	April 30, 2014	January 31, 2014	October 31, 2014
Income (Loss)	\$(647,755)	\$(311,234)	\$(252,567)	\$(143,132)
Income (Loss) Per Share ⁽¹⁾	(0.01)	\$(0.01)	\$(0.01)	(0.00)

(1) Diluted loss per share has not been computed, as it is anti-dilutive.

RESULTS OF OPERATIONS

For the quarter ended July 31, 2015 compared to quarter ended July 31, 2014

Net loss for the quarter ended July 31, 2015 totaled \$(188,635) (or \$0.00 per share), versus net loss of \$(647,755) (or \$0.01 per share) for the quarter ended July 31, 2014.

The following is a summary of the changes in the components of revenue and expense and the reasons for the changes:

		2015	2014	Increase (Decrease)
Management fee revenues	A	107,046	59,148	48,228
Interest & other income	B	8,274	5,482	2,792
Legal and accounting	C	29,594	93,803	(64,209)
Wages and benefits	D	162,563	151,797	10,766
Engineering and consulting fees	E	14,869	101,283	(86,414)
Office and general	F	35,156	22,334	(12,822)
Depreciation and amortization	G	4,422	4,040	382

Investor relations	H	3,823	27,393	(23,570)
Rent	I	26,787	22,547	4,240
Travel	J	18,797	6,093	12,704
Regulatory fees	K	0	0	(0)

- A. Increase due to high management services fees charged to AleAnna Resources.
- B. No material change.
- C. Decrease due to lower expenses at AleAnna Resources and exchange rate fluctuations.
- D. No material change.
- E. Decrease due to lower expenses at AleAnna Resources and exchange rate fluctuations.
- F. Decrease due to lower expenses at AleAnna Resources and exchange rate fluctuations.
- G. No material change.
- H. Decrease due to lower expenses for external services.
- I. No material change.
- J. Increase due to higher expenses at AleAnna Resources and exchange rate fluctuations.
- K. Decrease due to fewer filing requirements.

For the nine months ended July 31, 2015 compared to the nine months ended July 31, 2014

Net loss for the nine months ended July 31, 2015 totalled \$(1,562,662) (or \$0.02 per share), versus net loss of \$(1,211,555) (or \$0.01 per share) for the nine months ended July 31, 2014.

The following is a summary of the changes in the components of revenue and expense and the reasons for the changes:

		2015	2014	Increase (Decrease)
Management fee revenues	A	282,682	178,069	104,613
Interest & other income	B	46,180	25,240	20,940
Legal and accounting	C	184,770	199,546	(14,776)
Wages and benefits	D	501,042	479,548	21,494
Engineering and consulting fees	E	87,857	170,615	(82,758)
Office and general	F	122,750	117,119	5,631
Depreciation and amortization	G	12,908	12,806	822
Investor relations	H	20,235	69,892	(49,657)
Rent	I	68,488	66,463	2,025
Travel	J	41,701	14,184	27,517
Regulatory fees	K	4,410	19,078	(14,668)

- A. Increase due to high management services fees charged to AleAnna Resources.
- B. Increase due primarily to transfer of accounting software licenses to AleAnna Resources.
- C. Decrease due to lower expenses at AleAnna Resources and exchange rate fluctuations.
- D. Increase due to higher expenses at AleAnna Resources and exchange rate fluctuations.
- E. Decrease due to lower expenses at AleAnna Resources and exchange rate fluctuations.
- F. No material change.
- G. No material change.
- H. Decrease due to lower expenses for external services.
- I. No material change.

- J. Increase due to higher expenses at AleAnna Resources and exchange rate fluctuations.
- K. Decrease due to fewer filing requirements.

FINANCING, LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2015, the Company had cash of \$466,288 compared to \$217,170 at October 31, 2014.

Working capital at July 31, 2015 was \$419,083, an increase of \$1,785,338 from \$(1,366,255) at October 31, 2014. Current liabilities were \$140,711 during the quarter ended July 31, 2015 compared to \$1,944,114 for the period ended October 31, 2014. The Company's accumulated deficit at July 31, 2015 was \$(32,649,624), a decrease of \$1,562,662 from the accumulated deficit of \$(31,086,962) at October 31, 2014.

BRS has historically relied on the issuance of share capital to raise funds. The Company is continually evaluating additional financing opportunities to meet its operational needs. Notwithstanding previous success in acquiring financing on acceptable terms, there is no guarantee that the Company will be able to obtain funding or on what terms any such capital may be available to the Company.

The Company currently has sufficient working capital to continue operations in the very near term. However, the Company is expected to incur future losses which cast doubt as to the Company's ability to continue as a going concern, as doing so is dependent upon the Company's ability to raise the necessary funds and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. General market conditions may have an impact on the Company's ability to raise funds 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 balances referred to below are non-interest bearing, unsecured, payable on demand and have arisen from advances or the provision of services as described.

During the period ended July 31, 2015, the President of the Company's U.S. subsidiary incurred \$751 in travel and office expenses on behalf of the Company (2014-\$2,740). At July 31, 2015, the President to the Company's U.S. subsidiary owed the Company \$6,787 expense advances.

During the period ended July 31, 2015, a director of the Company incurred \$6,524 (2014-\$38,115) in consulting fees and \$2,385 in travel and office expenses (2014-\$nil).

During the period ended July 31, 2015, the Company charged a management fee of \$339,151 to AleAnna Resources, of which \$56,469 was eliminated in consolidation (2014-\$36,860). The Company has receivables from and unbilled charges to AleAnna Resources of \$46,797 for unpaid management fees and expenses at July 31, 2015.

During the year ended October 31, 2014, the Company entered into a financing arrangement with a shareholder for an additional principal amount of \$1,000,000 and rolling accrued interest on the existing note into a new note with a principal amount of \$2,126,825. The original financing arrangement was entered into during 2013 with an initial amount of \$1,000,000. On March 31, 2015 the Company paid the note and accrued interest totaling \$2,420,396 by issuing 69,154,170 shares of common stock at a price of \$0.035.

OUTSTANDING SHARE DATA

The Company had the following securities outstanding as of September 28, 2015:

- a) Issued and outstanding share capital

<u>Class</u>	<u>Par Value</u>	<u>Authorized</u>	<u>Outstanding</u>
Common	No Par Value	Unlimited	121,878,946

- b) Stock Options

<u>Security</u>	<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Options	680,000	\$0.27	November 15, 2015
Options	3,360,000	\$0.35	February 3, 2016
Options	70,000	\$0.25	June 9, 2016
Options	1,555,000	\$0.30	December 6, 2016
Options	3,000,000	\$0.10	May 7, 2018

ADOPTION OF NEW ACCOUNTING STANDARDS

These consolidated interim financial statements have been prepared in accordance with International Accounting Standards (IAS) 34 “Interim Financial Reporting”. The consolidated interim financial statements do not include all of the information required for full annual financial statements.

The following accounting standards become effective for the dates listed. The Company has not early adopted these revised standards and is currently assessing the impact, if any, that these standards will have on the consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2015:

New standard IFRS 9 *Financial Instruments* □ Partial replacement of IAS 39 *Financial Instruments: Recognition and Measurement*

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 July 31, 2015, the Company held the majority of its cash funds in the Company’s interest bearing account at Bank of America located at 5500 Preston Road, Dallas, Texas.

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.

Certain current expenditures are in European Union Euros in the Italian operation of AleAnna Resources

and these expenditures are affected by currency fluctuations. The Company currently maintains certain of its cash holdings in Canadian dollars.

OTHER INFORMATION

This management's discussion and analysis of the financial position and results of operations of the Company for the periods ended July 31, 2015 should be read in conjunction with the audited consolidated annual financial statements for the year ended October 31, 2014. Additional information relating to the Company can be accessed through the Company's public filings on SEDAR at www.sedar.com or on the Company's website at www.brsresources.com.

BOARD APPROVAL

The Board of Directors of the Company has approved this MD&A effective as of September 28, 2015.