BRS RESOURCES LTD.

Amended and Restated Management Discussion & Analysis
For the Fiscal Year Ended
October 31, 2014

575 – 510 Burrard Street
Vancouver, BC V6C 3A8

AMENDED AND RESTATED
MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2014

INTRODUCTION

This amended and restated Management's discussion and analysis (this "MD&A") should be read in conjunction with the restated audited consolidated financial statements of BRS Resources Ltd. ("BRS" or the "Company") and notes thereto for the fiscal year ended October 31, 2014. The information in this amended and restated MD&A continues to be as of February 27, 2014. All dollar amounts set out herein are expressed in Canadian dollars. Additional information and filings are available for review on the Company's SEDAR profile at www.sedar.com.

In connection with the preparation of the Company's annual financial statements for the fiscal year ended October 31, 2015, management of the Company determined that the Company needed to restate its annual consolidated financial statements for the fiscal years ended October 31, 2014 and 2013 and its interim consolidated financial statements for the interim periods ended July 31, 2015 and 2014 to change the presentation of its interest in its operating partner, AleAnna Energy LLC ("AleAnna"). The Company previously reported its investment in AleAnna by consolidating its pro-rata share of assets, liabilities, income and expenses in its consolidated financial statements of the Company on a proportional consolidation basis. The Company has now determined that its investment in AleAnna should have been reported on an equity investee basis. The net effect of the restatement is a difference in presentation to reflect the equity investee method. In connection with the foregoing, the Company re-filed its audited annual financial statements for the year ended October 31, 2014. The re-filed financial statements for the fiscal year ended October 31, 2014 include note disclosure that detail the effect of the restatement for the periods indicated. The historical information in this MD&A has been restated on that basis.

As a result of the identification of the restatement, the Company was unable to file its audited annual financial statements for the year ended October 31, 2015, and the related MD&A and certifications by the applicable regulatory deadline. As a result, the British Columbia Securities Commission and the Alberta Securities Commission issued cease trade orders ordering that all trading in the securities of the Company cease until the Company files the required records and the cease trade orders are revoked. In addition, as a result of the cease trade orders, trading in the Company's common shares was halted by the TSX Venture Exchange.

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 October 31,

2014. 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 this MD&A.

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 targeting the European upstream energy business, with a primary focus on natural gas extraction in Italy. Through its membership interest in AleAnna Energy LLC ("AleAnna Energy"), BRS holds an approximately 17% interest in AleAnna Resources LLC ("AleAnna Resources"), a company that has assembled a land position currently encompassing more than 800,000 acres (3,250 sq. km) in the Po Valley and Bradano basins in on-shore 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" and four "Applications for Exploration Permits" that have been approved by the Italian Ministry of Economic Development (General Directorate for Energy and Mining Resources, National Mining Office for Hydrocarbons and Geothermics) (the "Ministry"). Nine of the exploration permit applications, totalling 670,396 acres, are located in the Po Valley in northern Italy, and four exploration permit applications, totalling 132,483 acres, are located in the Bradano Basin in southern Italy.

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 km^2) 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 Graddizza-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 Diavalo 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 sp. 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 that appear to have significant potential, but do not factor into AleAnna Resources' near-term plans due to environmental restrictions.

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, which has the production potential to reach 50,000 barrels of oil per day. The 16,300 acre (66 sp. km) Torrente Acqua Fredda permit is surrounded by a number of existing oil and gas fields. The much larger 116,100-acre (470-km^2) 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.

Other Corporate Activities

On March 31, 2014, the Company obtained a loan from a fund managed by Carlson Capital, L.P. ("Carlson"). Carlson loaned the Company CDN$2,126,825 (the "2014 Notes"). In 2013, Carlson previously purchased, through one fund, $1,000,000 in convertible notes (the "2013 Notes"). The proceeds of the 2014 Notes were used to retire the principal and accrued interest of the 2013 Notes and the balance will be used for general corporate purposes and funding of capital calls from AleAnna Energy, which will allow BRS to continue its exploration activities in Italy.

The 2014 Notes bear interest at 13% per annum, compounded monthly, payable on maturity, which is March 31, 2015. All obligations under the Loan are convertible, at the option of the lender, into common shares of the Company at a conversion price of $0.06 per common share. The 2014 Notes are secured by all of the assets of the Company and each of its subsidiaries, and each of its subsidiaries have guaranteed repayment of the 2014 Notes. All obligations under the 2014 Notes are exchangeable into any new financing conducted by the Company prior to repayment of the 2014 Notes, and Carlson has, until six months after repayment of the 2014 Notes, a right to participate in any financings conducted by the Company.

Effective September 1, 2014, AleAnna Energy acquired the remaining 65% interest in AleAnna Resources. The Company elected to not participate for its pro-rata share of the acquisition. Accordingly, the Company's interest in AleAnna Energy was reduced to its original interest in AleAnna Resources.

At the Company's Annual General Meeting on September 14, 2014, Richard G. Green and Sioux Sinnott choose not to stand for reelection to the Company's Board of Directors. Sinnott remains president of the Company's wholly-owned subsidiary Bonanza Resources (Texas) Inc.

On November 1, 2014, Michael Noonan resigned as the Company's Chief Financial Officer, but remains a director of the Company. Steven Moore assumed the role of interim Chief Financial Officer until a replacement has been named.

SELECTED ANNUAL INFORMATION

The following table summarized selected consolidated financial information for the Company's three most recently completed financial years reported in Canadian dollars in accordance with IFRS.

	FISCAL YEAR ENDED		
	October 31, 2014	October 31, 2013	October 31, 2012
Net Loss	$(2,897,550)	$(1,470,203)	$(3,928,673)
Loss Per Share (1)	($0.05)	($0.03)	($0.08)
Total Assets	$5,260,611	$6,642,143	$7,157,754
Total Non-Current Liabilities	$909,338	$342,893	$162,500

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

The information in the table above should be considered in conjunction with the Company's annual audited consolidated financial statements for the years then ended, which are available on SEDAR at www.sedar.com.

RESULTS OF OPERATIONS

For the year ended October 31, 2014 compared to year ended October 31, 2013

Net loss for the year totalled $2,897,569 or $0.05 per share, versus net loss of $1,468,592 or $0.03 per share in 2013. The following is a summary of the changes in the components of revenue and expense and the reasons for the changes:

		2014	**2013**	**Increase (Decrease)**
Management fee	A	245,674	245,618	56
Interest & other income	B	25,281	26,534	(1,253)
Stock based compensation	C	0	107,867	(107,867)
Legal and accounting	D	206,703	248,769	(42,066)
Wages and benefits	E	569,062	554,230	14,832
Engineering and consulting fees	F	194,243	195,459	(1,216)
Office and general	G	74,047	65,929	8,118
Depletion, depreciation and amortization	H	16,125	16,321	(196)
Regulatory fees	I	12,988	19,526	(6,538)
Investor relations	J	76,990	49,765	27,225
Rent	K	89,504	73,189	16,315
Travel	L	9,866	5,688	4,178
Interest expense	M	220,236	73,208	147,028

A. No material change.
B. No material change
C. Decrease due to no stock based compensation being offered during the year.

D. Decrease due to less filings
E. Increase due to increased salaries in AleAnna of approximately $12,000 and increase in average currency exchange rate for year.
F. No material changes
G. Increase due to higher administration costs, staff and reclassification of certain amounts by AleAnna Resources, LLC.
H. No material change.
I. Decrease due correction of overbooked amount in prior year.
J. Increase due to increase cost of investor relations services including greater outreach.
K. Increase due to larger rental space.
L. No material change.
M. Increase due to note payable.

SELECTED QUARTERLY INFORMATION

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			
	October 31, 2014	**July 31, 2014**	**April 30, 2014**	**January 31, 2014**
Income (Loss)	$(1,686,013)	$(647,755)	$(311,234)	$(252,567)
Income (Loss) Per Share (1)	$(0.02)	$(0.01)	$(0.01)	$(0.01)
	October 31, 2013	**July 31, 2013**	**April 30, 2013**	**January 31, 2013**
Income (Loss)	$(143,132)	$(358,585)	$(367,822)	$(600,663)
Income (Loss) Per Share (1)	$(0.00)	$(0.01)	$(0.01)	$(0.01)

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

RESULTS OF OPERATIONS

For the quarter ended October 31, 2014 compared to quarter ended October 31, 2013

Net loss for the quarter ended October 31, 2014 totalled $1,686,013 or $0.03 per share, versus a loss of $143,132 or $0.00 per share for the quarter ended October 31, 2013.

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

		2014	**2013**	**Increase (Decrease)**
Management fee revenues	A	67,605	53,483	14,122
Interest & other income	B	10,578	7,177	3,401
Legal and accounting	C	21,389	14,577	6,812
Wages and benefits	D	140,002	139,697	305
Engineering and consulting fees	E	45,955	44,149	1,806

		2014	2013	Increase (Decrease)
Office and general	F	19,780	19,315	465
Depletion, depreciation and amortization	G	4,039	4,067	(28)
Regulatory fees	H	(6,090)	-	(6,090)
Investor relations	I	8,882	1,576	7,306
Rent	J	23,042	21,328	1,714
Travel	K	6,438	3,749	2,689
Impairment expenses	L	1,208,149	(273,480)	1,481,629

A. Increase due to additional management fees.
B. Increase due to largest loan balance.
C. Increase due to increased legal fees by AleAnna Resources, LLC and increase in average foreign currency exchange rate for the period.
D. No material change.
E. No material change
F. No material change
G. No material change.
H. Overbooked regulatory fees in an prior year.
I. Increase due to additional investor relations services and outreach.
J. No material change.
K. No material change.
L. The increase occurred when AleAnna Energy purchased the remaining 65% of AleAnna Resources on September 4, 2014 at a discount, thereby resetting value for the entire AleAnna Resources.

FINANCING, LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2014, the Company had cash of $170,302 compared to $344,345 at October 31, 2013.

Working capital at October 31, 2014 was $(1,347,641), a decrease from $(315,061) at October 31, 2013. Current liabilities were $1,876,365 for the year ended October 31, 2014 compared to $954,043 for the year ended October 31, 2013. The Company’s accumulated deficit at October 31, 2014 was $31,002,832.

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 year end 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 year ended October 31, 2014 the President of Bonanza Resources, and director of the Company, incurred $5,333 in travel and office expenses compared to $3,333 for the same period in 2013. At October 31, 2014 the President of Bonanza Resources owed the Company $10,453 for travel and other advances.

During the year ended October 31, 2014 the President and a director of the Company incurred $ nil in travel and other expenses compared to $4,617 for the same period in 2013. At October 31, 2014 the Company owed the President $ nil for unreimbursed expenses.

During the year ended October 31, 2014, a director of the Company incurred $45,100 compared to $48,026 for the same period in 2013 in consulting fees and $ nil in travel and related expenses compared to $1,623 for the same period in 2013. At October 31, 2014 the Company owed the director $ nil for consulting fees and related expenses.

During the year ended October 31, 2014, a director of the Company incurred $62,013 compared to $73,003 for the same period in 2013 in consulting fees and $ nil in travel and office expenses compared to $1,656 for the same period in 2013. At October 31, 2014 the Company owed the director $ nil for consulting fees and related expenses.

During the year ended October 31, 2014 the Company charged a management fee of $296,528 (2013-$294,775) to AleAnna Resources, of which $50,855 (2013-$50,554) was eliminated in consolidation. The Company has receivables from AleAnna Resources of $326,942 for unpaid management fees and expenses at October 31, 2014.

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. The note provides, among other things, for the conversion of the note and accrued interest into stock of the Company.

OUTSTANDING SHARE DATA

The Company had the following securities outstanding as of October 31, 2014:

a) Issued and outstanding share capital

Class	Par Value	Authorized	Outstanding
Common	No Par Value	Unlimited	52,724,776

b) Stock Options

Security	Number	Exercise Price	Expiry Date
Options	135,000	$0.50	March 3, 2015
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

The Company's consolidated annual audited financial statements have been prepared in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting".

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, 2014:
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 October 31, 2014, the Company held the majority of its cash funds in the Company's accounts at the Bank of Montreal located at 595 Burrard St., Vancouver, BC, and the 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.

RISK FACTORS

The Company has a history of losses and this trend may continue and may negatively impact its ability to achieve its business objectives.

The Company's accumulated deficit was $31,002,832 at October 31, 2014. The Company has experienced net losses since inception, and expects to continue to incur substantial losses for the foreseeable future. The Company may not be able to generate significant revenues in the future. As a result, management expects the Company to continue to experience negative cash flows for the foreseeable future and cannot predict when, if ever, the business might become profitable. The Company will need to raise additional funds, and such funds may not be available on commercially acceptable terms, if at all. If the Company is unable to raise funds on acceptable terms, it may not be able to execute its business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements. This may seriously harm the Company's business, financial condition and results of operations.

The Company's operations and proposed exploration activities will require significant capital expenditures for which it may not have sufficient funding and if it does obtain additional financing, its existing shareholders may suffer substantial dilution.

The Company intends to make capital expenditures in excess of its existing capital resources to develop, acquire and explore oil and gas properties. It intends to rely on funds from operations and external sources of financing to meet its capital requirements to continue acquiring, exploring and developing oil and gas properties and to otherwise implement its business plan. The Company plans to obtain additional funding through the debt and equity markets, but it can offer no assurance that it will be able to obtain additional funding when it is required or that it will be available to it on commercially acceptable terms, if at all. In addition, any additional equity financing may involve substantial dilution to the Company's then existing shareholders.

The successful implementation of the Company's business plan is subject to risks inherent in the oil and gas business, which if not adequately managed could result in additional losses.

The Company's oil and gas operations are subject to the economic risks typically associated with exploration and development activities, including the necessity of making significant expenditures to locate and acquire properties and to drill exploratory wells. In addition, the availability of drilling rigs and the cost and timing of drilling, completing and, if warranted, operating wells is often uncertain. In conducting exploration and development activities, the presence of unanticipated pressure or irregularities in formations, miscalculations or accidents may cause the Company's exploration, development and, if warranted, production activities to be unsuccessful. This could result in a total loss of the Company's investment in a particular well.

In addition, market conditions or the unavailability of satisfactory oil and gas transportation arrangements may hinder the Company's access to oil and gas markets, which may delay its production timelines. The availability of a ready market for its prospective oil and gas production depends on a number of factors, including the demand for and supply of oil and gas and the proximity of reserves to pipelines and other facilities. The Company's ability to market such production, if any, will depend in substantial part on the availability and capacity of gathering systems, pipelines and processing facilities, in most cases owned and operated by third parties. The Company's failure to obtain such services on acceptable terms could materially harm its business. The Company may be required to shut in wells for lack of a market or a significant reduction in the price of oil or gas or because of inadequacy or unavailability of pipelines or gathering system capacity. If that occurs, the Company would be unable to realize revenue from those wells until arrangements are made to deliver such production to market.

We may rely on third party providers in relation to certain of the activities we undertake on our Italian projects, which will expose us to uncertain control issues and potential liabilities.

The Company or an affiliated entity designated by the Company may serve as operator in Italy. The Company intends to use affiliated entities to hold and operate its interests. The Company may hire third parties to conduct certain activities in Italy. The Company's success will depend on its ability to provide adequate oversight of these third party providers and to ensure that the work provided is adequate for its purposes. If the Company is unable to provide adequate oversight of the work being conducted, the Company's operations in Italy could be adversely affected and the Company could be exposed to certain liabilities for the actions of the third party providers.

The Company's future performance is dependent upon its ability to identify, acquire and develop oil and gas properties, the failure of which could result in under use of capital and losses.

The Company's future performance depends upon its ability to identify, acquire and develop additional oil and gas reserves that are economically recoverable. Its success will depend upon its ability to acquire, directly or indirectly, working and revenue interests in properties upon which oil and gas reserves are ultimately discovered in commercial quantities, and its ability to develop prospects that contain proven oil and gas reserves to the point of production. Without successful acquisition and exploration activities, the Company will not be able to develop additional oil and gas reserves or generate revenues. The Company cannot provide shareholders with any assurance that it will be able to identify and acquire additional oil and gas reserves on acceptable terms, or that oil and gas deposits will be discovered in sufficient quantities to enable it to recover its exploration and development costs or sustain its business.

The successful acquisition and development of oil and gas properties requires an assessment of recoverable reserves, future oil and gas prices and operating costs, potential environmental and other liabilities, and other factors. Such assessments are necessarily inexact and their accuracy inherently uncertain. In addition, no assurance can be given that the Company's exploration and development activities will result in the discovery of additional reserves. Its operations may be curtailed, delayed or cancelled as a result of lack of adequate capital and other factors, including lack of availability of rigs and other equipment, title problems, weather, issues pertaining to compliance with governmental regulations or price controls, mechanical difficulties, or unusual or unexpected formations, pressures or work interruptions. In addition, the costs of exploration and development may materially exceed the Company's initial estimates.

Market conditions or operation impediments may hinder the Company's access to natural gas and oil markets or delay its production.

The marketability of production from the Company's properties will depend, in part, upon the availability, proximity and capacity of pipelines, natural gas gathering systems and processing facilities. This dependence is heightened where this infrastructure is less developed. Therefore, if drilling results are positive in certain of our properties, a new gathering system may need to be built to handle the potential volume of gas produced. The Company might be required to shut in wells, at least temporarily, for lack of a market or because of the inadequacy or unavailability of transportation facilities. If that were to occur, the Company would be unable to realize revenue from those wells until arrangements were made to deliver production to market.

The Company's ability to produce and market natural gas and oil may be affected and harmed by:

- the lack of pipeline transmission facilities or carrying capacity;
- government regulation of natural gas and oil production;
- government transportation, tax and energy policies;
- changes in supply and demand; and
- general economic conditions.

The Company's properties might not produce, and the Company may not be able to determine reserve potential, identify liabilities associated with the properties or obtain protection from sellers against them, which could cause the Company to incur losses.

Although the Company has reviewed and evaluated its properties in a manner consistent with industry practices, such review and evaluation might not necessarily reveal all existing or potential problems. This is also true for any future acquisitions. Inspections may not always be performed on every well, and environmental problems, such as groundwater contamination, are not necessarily observable even when an inspection is undertaken. Even when problems are identified, a seller may be unwilling or unable to provide effective contractual protection against all or part of those problems, and the Company may assume environmental and other risks and liabilities in connection with the acquired properties.

If the Company fails to maintain adequate insurance, its business could be materially and adversely affected.

The Company's operations are subject to risks inherent in the oil and gas industry, such as blowouts, cratering, explosions, uncontrollable flows of oil, gas or well fluids, fires, pollution, earthquakes and other environmental risks. These risks could result in substantial losses due to injury and loss of life, severe damage to and destruction of property and equipment, pollution and other environmental damage, and suspension of operations. The Company could be liable for environmental damages caused by previous property owners. Substantial liabilities to third parties or governmental entities could be incurred, the payment of which could have a material adverse effect on the Company's financial condition and results of operations.

The oil and gas industry is highly competitive, and the Company may not have sufficient resources to compete effectively.

The oil and gas industry is highly competitive. The Company competes with oil and natural gas companies and other individual producers and operators, many of which have longer operating histories and substantially greater financial and other resources than the Company, as well as companies in other industries supplying energy, fuel and other needs to consumers. The Company's larger competitors, by reason of their size and relative financial strength, can more easily access capital markets than the Company can and may enjoy a competitive advantage in the recruitment of qualified personnel. They may be able to absorb the burden of any changes in laws and regulation in the jurisdictions in which the Company does business and handle longer periods of reduced prices for oil and gas more easily than the Company can. Its competitors may be able to pay more for oil and gas leases and properties and may be able to define, evaluate, bid for and purchase a greater number of leases and properties than it can. Further, these companies may enjoy technological advantages and may be able to implement new technologies more rapidly than the Company can. The Company's ability to acquire additional properties in the future will depend upon its ability to conduct efficient operations, evaluate and select suitable properties, implement advanced technologies and consummate transactions in a highly competitive environment.

Complying with environmental and other government regulations could be costly and could negatively impact the Company's production.

The Company's business is governed by numerous laws and regulations at various levels of government. Such laws and regulations may, among other potential consequences, require that the Company acquire permits before commencing drilling and restrict the substances that can be released into the environment with drilling and production activities. Under these laws and regulations, the Company could be liable for personal injury, clean-up costs and other environmental and property damages, as well as administrative, civil and criminal penalties. Prior to commencement of drilling operations, the Company may secure limited insurance coverage for sudden and accidental environmental damages as well as environmental damage that occurs over time. However, the Company does not believe that insurance coverage for the full potential liability of environmental damages is available at a reasonable cost. Accordingly, it could be liable, or could be required to cease production on properties, if environmental damage occurs.

The costs of complying with environmental laws and regulations in the future may harm the Company's business. Furthermore, future changes in environmental laws and regulations could result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, any of which could have a material adverse effect on its financial condition or results of operations.

Shortages of rigs, equipment, supplies and personnel could delay or otherwise adversely affect the cost of operations or the Company's ability to operate according to its business plans.

The demand for and wage rates of qualified drilling rig crews generally rise in response to the increasing number of active rigs in service and could increase sharply in the event of a shortage. Shortages of drilling and completion rigs, field equipment or qualified personnel could delay, restrict or curtail the Company's exploration and development operations, which could in turn harm its operating results.

The geographic concentration of all of the Company's primary properties in Italy subjects it to an increased risk of loss of revenue or curtailment of production from factors affecting those areas.

The geographic concentration of all of the Company's property interests in Italy means that its properties could be affected by the same event should the country experience:

- severe weather;
- delays or decreases in production, the availability of equipment, facilities or services;
- delays or decreases in the availability of capacity to transport, gather or process production; or
- changes in the regulatory environment.

The oil and gas exploration and production industry historically is a cyclical industry and market fluctuations in the prices of oil and gas could adversely affect the Company's business.

Prices for oil and gas tend to fluctuate significantly in response to factors beyond the Company's control. These factors include:

- weather conditions wherever the Company's property interests are located;
- economic conditions, including demand for petroleum-based products;
- actions by the Organization of Petroleum Exporting Countries;
- political instability in the Middle East and other major oil and gas producing regions;
- governmental regulations, both domestic and foreign;
- domestic and foreign tax policy;
- the pace adopted by foreign governments for the exploration, development, and production of their national reserves;
- the price of foreign imports of oil and gas;
- the cost of exploring for, producing and delivering oil and gas;

- the discovery rate of new oil and gas reserves;
- the rate of decline of existing and new oil and gas reserves;
- available pipeline and other oil and gas transportation capacity;
- the ability of oil and gas companies to raise capital;
- the overall supply and demand for oil and gas; and
- the availability of alternate fuel sources.

Changes in commodity prices may significantly affect the Company's capital resources, liquidity and expected operating results. Price changes will directly affect revenues and can indirectly impact expected production by changing the amount of funds available to reinvest in exploration and development activities. Reductions in oil and gas prices not only reduce revenues and profits, but could also reduce the quantities of reserves that are commercially recoverable. Significant declines in prices could result in non-cash charges to earnings due to impairment.

Changes in commodity prices may also significantly affect the Company's ability to estimate the value of producing properties for acquisition and divestiture and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on the value of the properties. Price volatility also makes it difficult to budget for and project the return on acquisitions and the exploration and development of projects. The Company expects that commodity prices will continue to fluctuate significantly in the future.

The Company's ability to produce oil and gas from its properties may be adversely affected by a number of factors outside of its control, which may result in a material adverse effect on its business, financial condition or results of operations.

The business of exploring for and producing oil and gas involves a substantial risk of investment loss. Drilling oil and gas wells involves the risk that the wells may be unproductive or that, although productive, the wells may not produce oil or gas in economic quantities. Other hazards, such as unusual or unexpected geological formations, pressures, fires, blowouts, loss of circulation of drilling fluids or other conditions may substantially delay or prevent completion of any well. Adverse weather conditions can also hinder drilling operations. A productive well may become uneconomic if water or other deleterious substances are encountered that impair or prevent the production of oil or gas from the well. There can be no assurance that oil and gas will be produced from the properties in which the Company has interests. In addition, the marketability of oil and gas that may be acquired or discovered may be influenced by numerous factors beyond the Company's control. These factors include the proximity and capacity of oil and gas, gathering systems, pipelines and processing equipment, market fluctuations in oil and gas prices, taxes, royalties, land tenure, allowable production and environmental protection. The Company cannot predict how these factors may affect its business.

A decline in the price of the Company's common shares could affect its ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of the Company's common shares could result in a reduction in the liquidity of its common shares and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of the Company's common stock could be especially detrimental to its liquidity and operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on its business plan and operations, including its ability to develop new properties and continue current operations. If the Company's share price declines, it can offer no assurance that it will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, it may not be able to have the resources to continue its normal operations.

If the Company issues additional shares in the future, it will result in the dilution of its existing shareholders.

The Company's notice of articles authorizes the issuance of an unlimited number of common shares. The Company's board of directors may choose to issue some or all of such shares to acquire one or more businesses or to provide additional financing in the future. The issuance of any such shares will result in a reduction of the book value and market price of the Company's outstanding common shares. If the Company issues any such additional shares, such issuance will cause a reduction in the proportionate ownership and voting power of all current shareholders. Further, such issuance may result in a change of control of the Company.

The Company's legal rights under the Membership Interest Purchase Agreement with AleAnna Energy are difficult to assess.

The assessment of economic viability of our land positions in Italy and the options available to the Company will be difficult to assess. We may not be able to enforce our rights under the Membership Interest Purchase Agreement with AleAnna Energy, and we may receive an unfavorable interpretation of such agreement if there is a dispute.

We depend on our executive officers for critical management decisions and industry contacts.

We are dependent upon the continued services of Steven Moore, our president and Sioux Sinnott, the president of our US subsidiary, both of which have significant experience in the oil and gas industry. We do not carry key person insurance on their lives. The loss of the services of either of our executive officers, through incapacity or otherwise, would be costly to us and would require us to seek and retain other qualified personnel.

OTHER INFORMATION

This management's discussion and analysis of the financial position and results of operations of the Company for the period ended October 31, 2014 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.