

BRS RESOURCES LTD.

*Management Discussion & Analysis
For the Three Months Ended
January 31, 2016*

Suite 575, 510 Burrard Street
Vancouver, BC V6C 3A8

**MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JANUARY 31, 2016**
(as of May 9, 2016)

INTRODUCTION

The following management's discussion and analysis ("MD&A"), prepared as of May 9, 2016, is management's assessment and analysis of the results and financial condition of BRS Resources Ltd. (the "Company" or "BRS") for the three month period ended January 31, 2016 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2015, 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.

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 and its unaudited interim financial statements for the three and nine months ended July 31, 2015.. The re-filed financial statements for the fiscal year ended October 31, 2014 and the nine months ended July 31, 2015 include note disclosure that detail the effect of the restatement for the periods indicated. Certain 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 (the "Exchange"). The Company intends to issue a news release announcing the revocation of the cease trade orders and the reinstatement of trading of its common shares on the Exchange once the date of same has been determined.

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 May 9, 2016. 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 April 6, 2016.

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 510 Burrard Street, Suite 575, Vancouver, BC V6C 3A8. Its registered and records offices are located at Suite 800 - 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 14% interest in AleAnna Resources LLC ("AleAnna Resources"), a company that has assembled a land position currently encompassing 725,947 net acres (32.938 net 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 eight years.

AleAnna Resources holds nine Exploration Permits, five Applications for Exploration Permits, and one Production Concession Applications 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").

To date, AleAnna Resources has acquired more than 86,000 acres (350 sq. km) of 3-D geophysical data, making it one of Italy's largest owners 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 km²) 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. AleAnna Resources expects to drill the well in the second half of 2016.

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 acquired a 10% interest in the fully awarded exploration license La Prospera 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.

On February 1, 2016, the Company announced that AleAnna Resources acquired PVE's 75% interest in La Prospera and PVE's 75% interest in the preliminarily awarded adjacent exploration license, Zanza. La Prospera exploration permit area is located northwest of Corte dei Signori in the Ferrara province of north of Bologna. AleAnna now owns 85% of the La Prospera permit, 85% of the Gradizza production concession and 85% of the Zanza exploration license.

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.

AleAnna Resources submitted a drilling permit application for its Viconoco prospect, located approximately 3.5 miles (5.6 km) southwest of the Gradizza-1 discovery well.

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, 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. 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-km²) 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			
	January 31 2016	October 31, 2015	July 31, 2015	April 30, 2015
Income (Loss)	\$(255,745)	\$1,081,823	\$(180,361)	\$(1,573,750)
Income (Loss) Per Share ⁽¹⁾	(0.00)	\$(0.01)	\$0.00	\$(0.02)
	January 31, 2015	October 31, 2014	July 31, 2014	April 30, 2014
Income (Loss)	\$191,447	\$(1,685,995)	\$(647,755)	\$(311,234)
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 January 31, 2016 compared to quarter ended January 31, 2015

Net loss for the quarter ended January 31, 2016 totaled \$(167,500) (or \$nil per share), versus net income of \$191,444 (or \$nil per share) for the quarter ended January 31, 2015.

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

		2016	2015	Increase (Decrease)
Management fee revenues	A	38,578	68,260	(29,682)
Wages and benefits	B	71,212	135,504	(64,292)

Engineering and consulting fees	C	-	17,504	(17,504)
Legal and accounting	D	6,133	17,705	(11,572)
Office and general	E	7,930	18,191	(10,261)
Rent	F	9,024	15,086	(6,062)
Investor relations	G	90	13,349	(13,259)
Depreciation and amortization	H	12,113	4,039	8,074
Travel	I	3,464	2,395	1,069

- A. Decrease due to lower expenses at AleAnna Resources and exchange rate fluctuations.
- B. Decrease due to lower expenses at AleAnna Resources and exchange rate fluctuations.
- C. Decrease due to lower expenses at AleAnna Resources and exchange rate fluctuations.
- D. Decrease due to lower expenses at AleAnna Resources and exchange rate fluctuations.
- 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. Decrease due to less IR activities because of less investor outreach
- H. Decrease due to abandonment of equipment in connection with office closure.
- I. No material change.

FINANCING, LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2016, the Company had cash of \$42,439 compared to \$41,125 at October 31, 2015.

Working capital at January 31, 2016 was \$(39,010), a decrease of \$47,790 from \$8,780 at October 31, 2015. Current liabilities were \$87,130 during the quarter ended January 31, 2016 compared to \$116,054 for the period ended October 31, 2015. The Company's accumulated deficit at January 31, 2016 was \$(33,832,819), a decrease of \$167,500 from the accumulated deficit of \$(33,665,319) at October 31, 2015.

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 January 31, 2016, the President of the Company's U.S. subsidiary incurred \$810 in travel and office expenses on behalf of the Company (2015-\$451). At January 31, 2016, the President of the Company's U.S. subsidiary owed the Company \$nil for expense advances.

During the period ended January 31, 2016, a director of the Company incurred \$nil (2015-\$5,000) in consulting fees and \$nil in travel and office expenses (2015-\$1,828).

During the period ended January 31, 2016, the Company charged a management fee of \$45,221 to AleAnna Resources, of which \$6,643 was eliminated in consolidation (2015-\$82,389). The Company has receivables from and unbilled charges to AleAnna Resources of \$nil for unpaid management fees and expenses at January 31, 2016.

On March 26, 2015, the Company announced that it has entered into a debt settlement agreement dated March 26, 2015 with Double Black Diamond L.P. (the "Holder") with respect to the settlement of a secured convertible note dated March 31, 2014 (the "Note") in the principal amount of \$2,126,825 issued by the Company to the Holder. Pursuant to the terms of the agreement, on March 31, 2015, the Company issued 69,154,170 common shares at a deemed price of \$0.035 per share, in settlement of \$2,420,396, being the aggregate principal amount of the Note and accrued interest thereon.

OUTSTANDING SHARE DATA

The Company had the following securities outstanding as of May 6, 2016:

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	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.

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 January 31, 2016, 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 with respect to the Italian operations 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 MD&A of the financial position and results of operations of the Company for the period ended January 31, 2016 should be read in conjunction with the Company's audited consolidated annual financial statements for the year ended October 31, 2015. 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 approved this MD&A effective as of May 9, 2016.