

BRS RESOURCES LTD.

*Management Discussion & Analysis
for the Three and Six Months
Ended April 30, 2016*

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

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2016

INTRODUCTION

The following management's discussion and analysis (this "MD&A"), prepared as of June 29, 2016, is management's assessment and analysis of the results and financial condition of BRS Resources Ltd. (the "Company" or "BRS") for the three and six month periods ended April 30, 2016 and should be read in conjunction with the Company's audited consolidated annual 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.

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 June 29, 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.

Readers should not place undue reliance 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, except as required in accordance with applicable laws.

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 "TSXV") under the symbol "BRS".

In early 2016, the Company moved its head office from Dallas, Texas to Vancouver, British Columbia in order to reduce general and administrative expenses. 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.

In connection with the preparation of the Company's annual financial statements for the fiscal year ended October 31, 2015, management 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 Energy**"). 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 subsequently determined that it should have reported its investment in AleAnna Energy on an equity investee basis. The net effect of the restatement was 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.

Because 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 filed the required records. In addition, because of the cease trade orders, the TSX Venture Exchange (the TSXV) halted trading in the Company's common shares. The cease trade orders were subsequently revoked on May 10, 2016 and trading of the Company's common shares on the TSXV was reinstated on June 2, 2016.

OVERALL PERFORMANCE

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, 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 Application 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. 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.

The Trava-2 well, located in the southern half of Corte dei Signori, received final approvals from the Ministry and UNMIG Bologna on June 8, 2016. The Trava-2 well has multiple reservoir targets in the prolific Pliocene age Porto Garibaldi sand section offsetting a significant dry hole that logged gas and gas shows but was never brought to production. The objective intervals are near 900 meters in depth and the gross reserves were estimated by Chapman Engineering as of October 31, 2015 as 5.2 Bcf Probable and 12.8 Bcf Possible reserves (see the Company's Form NI 51-101F1 as filed on April 6, 2016). The well is planned for drilling in the fourth quarter of 2016. Bids for services in connection with this drilling are currently being solicited.

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 Limited ("PVE"), AleAnna Resources acquired a 10% interest in the fully awarded exploration license for La Prospera and in 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 1/4-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, pending the installation of surface facilities, pipeline hookup and receipt of necessary regulatory approvals.

On February 1, 2016, the Company announced that AleAnna Resources had acquired PVE's 75% interest in La Prospera and PVE's 75% interest in the preliminarily awarded adjacent exploration license, Zanza. AleAnna Resources 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 expects to be able to 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 has 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 Grilli 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 Grilli permit area, 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 Grilli 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 completed a 3-D geophysical survey on Belgioioso. 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 Resources has filed an exploration application with the Ministry for the La Stefanina permit area contiguous to the southern border of its Corte dei Signori permit area. The application area is 34,526 acres (140 sq km).

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 out selected unaudited interim financial information, in Canadian dollars, in accordance with IFRS for each of the eight most recently completed quarters.

	Quarter Ended ⁽¹⁾			
	April 30, 2016 (\$)	January 31, 2016 (\$)	October 31, 2015 (\$)	July 31, 2015 (\$)
Total revenue ⁽²⁾	2,244	38,578	119,718	107,376
Income (loss) from continuing operations before share of loss from equity investment	(38,260)	(66,268)	(133,130)	(105,729)
Net income (loss)	(187,710)	(167,500)	(873,834)	(255,745)
Income (loss) per share ⁽³⁾	0.00	0.00	(0.01)	0.00
	April 30, 2015 (\$)	January 31, 2015 (\$)	October 31, 2014 (\$)	July 31, 2014 (\$)
Total revenue ⁽²⁾	107,046	68,260	67,605	59,148
Income (loss) from continuing operations before share of loss from equity investment	(1,490,023)	311,969	(393,976)	(609,970)
Net income (loss)	(1,581,447)	191,444	(1,6893,192)	(654,678)
Income (loss) per share ⁽³⁾	(0.02)	0.00	(0.02)	(0.01)

(1) The amounts shown in this table have been adjusted to reflect the restatement of the Company's prior financial statements as discussed above under the heading "Business of the Company".

(2) Revenue is derived from the management fee payable to the Company in connection with its interest in AleAnna Energy.

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

The changes between quarters set out in the table above are attributable to changes in levels of operations between periods, the move of the Company's head office from Dallas to Vancouver in early 2016, including concurrent reductions in general and administrative expenses, and the effect of exchange rates given that certain of the Company's operations are conducted in or from the United States and Italy.

As discussed above under the heading "Overall Performance - Operations", through its membership interest in AleAnna Energy, BRS holds an approximately 14% interest in 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 Company treats AleAnna Energy as an equity investee for accounting purposes because it exercises significant influence over the operations of AleAnna Energy.

RESULTS OF OPERATIONS

For the Three Months ended April 30, 2016 compared to the Three Months ended April 30, 2015

Net loss for the three months ended April 30, 2016 totaled \$187,710 (or \$nil per share), versus a net loss of \$1,581,447 (or \$0.02 per share) for the three months ended April 30, 2015.

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

		Three Months Ended April 30, 2016 (\$)	Three Months Ended April 30, 2015 (\$)	Increase (Decrease) (\$)
Revenues from management fee	A	2,244	107,046	(104,802)
Wages and benefits	B	-	154,890	(154,890)
Engineering and consulting fees	C	-	6,657	(6,657)
Legal and accounting	D	24,338	102,871	(78,533)
Office and general	E	15,939	14,090	1,849
Rent	F	(1,135)	26,617	(27,752)
Investor relations	G	1,101	16	1,085
Depreciation and amortization	H	261	3,907	(3,646)
Travel	I	-	121	(121)
Regulatory fees	J	-	4,410	(4,410)

- A. Decrease due to the Company no longer receiving management fees from AleAnna Resources.
- B. Decrease due to the elimination of salaries.
- 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. No material change.
- F. Decrease due to transfer of head office from Dallas to Vancouver.
- G. No material change.
- H. No material change.
- I. No material change.
- J. No material change.

For the Six Months ended April 30, 2016 compared to the Six Months ended April 30, 2015

Net loss for the six months ended April 30, 2016 totaled \$355,210 (or \$nil per share), versus a net loss of \$1,390,003 (or \$0.02 per share) for the six months ended April 30, 2015.

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

		Six Months Ended April 30, 2016 (\$)	Six Months Ended April 30, 2015 (\$)	Increase (Decrease) (\$)
Revenues from management fee	A	40,822	175,306	(134,484)
Wages and benefits	B	71,154	290,693	(219,539)
Engineering and consulting fees	C	-	24,161	(24,161)
Legal and accounting	D	30,471	120,575	(90,104)
Office and general	E	23,930	32,284	(8,354)
Rent	F	7,889	41,702	(33,813)
Investor relations	G	1,191	13,365	(12,174)
Depreciation and amortization	H	12,374	7,946	4,428
Travel	I	3,461	2,515	946
Regulatory fees	J	-	4,410	(4,410)

- A. Decrease due to the Company no longer receiving management fees from AleAnna Resources.
- B. Decrease due to the elimination of salaries.
- 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 transfer of head office from Dallas to Vancouver.
- G. Decrease due to reduced investor relations activities.
- H. No material change.
- I. No material change.
- J. No material change.

FINANCING, LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2016, the Company had cash of \$15,370 compared to \$41,125 at October 31, 2015.

Working capital at April 30, 2016 was \$(72,476), a decrease of \$81,256 from \$8,780 at October 31, 2015. Current liabilities were \$95,299 at April 30, 2016 compared to \$114,363 at October 31, 2015. The Company's accumulated deficit at April 30, 2016 was \$(34,020,529), a decrease of \$355,210 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.

While the Company currently has sufficient working capital to continue operations in the very near term, the Company expects to incur future losses, which casts doubt as to the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its 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 three months ended April 30, 2016, the Company charged a management fee of \$35,166 to AleAnna Resources, of which \$6,637 was eliminated on consolidation (2015 - \$82,389). The Company had receivables from, and unbilled charges to, AleAnna Resources of \$nil for unpaid management fees and expenses at April 30, 2016.

OUTSTANDING SHARE DATA

The Company had the following securities outstanding as of June 29, 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	121,878,949
b)	Stock Options			
		<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
		1,555,000	\$0.30	December 6, 2016
		3,000,000	\$0.10	May 7, 2018

ADOPTION OF NEW ACCOUNTING STANDARDS

For a summary of changes in accounting policy, including initial adoption, see Note 3 to the Company's unaudited condensed interim financial statements for the three and six months ended April 30, 2016, which the Company has filed concurrently with this MD&A.

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 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.

The carrying amounts of cash, accounts receivables, accounts payable and accrued liabilities, demand loans payable, and due to related parties approximate their values due to the short-term nature of these instruments.

Certain current expenditures are denominated in Euros with respect to the Italian operations of AleAnna Resources. These expenditures are affected by currency fluctuations. The Company also currently maintains certain of its cash holdings in Canadian dollars.

ADDITIONAL DISCLOSURE FOR REPORTING ISSUERS WITH SIGNIFICANT EQUITY INVESTEES

The following table summarizes financial information with respect to AleAnna Energy, which is a significant equity investee of the Company:

	As at April 30, 2016 (\$)	As at April 30, 2015 (\$)
Total assets	34,276,877	29,828,876
Total liabilities	955,420	497,132
Revenue	26,932	23,693
Net loss	(1,135,211) ⁽¹⁾	1,176,606 ⁽¹⁾
Ownership percentage of the Company	13.41%	16.65%

⁽¹⁾Does not include foreign exchange gain.

OTHER INFORMATION

You should read this MD&A of the financial position and results of operations of the Company for the period ended April 30, 2016 in conjunction with the Company's audited consolidated annual financial statements for the year ended October 31, 2015. Additional information relating to the Company is available through the Company's public filings on SEDAR at www.sedar.com.

BOARD APPROVAL

The Board of Directors of the Company approved this MD&A effective as of June 29, 2016.