BRS RESOURCES LTD.

Management Discussion & Analysis
For the Fiscal Year Ended
October 31, 2017

Suite 404 – 999 Canada Place
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MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017

INTRODUCTION

The following discussion (the "MD&A"), prepared as of February 28, 2018, is management's assessment and analysis of the results and financial condition of BRS Resources Ltd. (the "Company" or "BRS") for the year ended October 31, 2017 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2016, and related notes attached thereto. The preparation of financial data is in accordance with International Financial Reporting Standards ("IFRS") consistently applied. All figures are reported in Canadian dollars unless otherwise indicated.

Additional information relating to the Company is available on SEDAR at www.sedar.com. The date of this MD&A is February 28, 2018.

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 February 28, 2018. 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.

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 the Province of British Columbia and its principal business activity is the acquisition and exploration of oil and gas interests in Italy. The Company's wholly-owned subsidiary, Bonanza Resources (Texas) Inc., a Texas corporation, 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 Suite 404, 999 Canada Place, Vancouver, BC V6C 3E2. 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 Energy 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-filing**"). 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 (the "**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 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. The Company is active in Italy through its ownership in AleAnna Energy LLC which owns 100% of AleAnna Resources LLC ("AleAnna Resources"). BRS owns 8.33% of AleAnna Energy LLC.

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 holds thirty-one exploration applications and permits for over 2.9 million acres (11,782 sq. km) in Italy. To date, AleAnna has also amassed the largest portfolio of newly acquired 3D geophysical data onshore in Italy and has two other successful wells in final stage of production concession award.

To date, AleAnna Resources has acquired 134,672 acres (545 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 2D commenced drilling on February 24, 2017 and was directionally drilled from a surface location which minimized environmental impact yet allows for drilling of multiple wells from the same surface pad. The bottom hole location targeted a prominent amplitude imaged by 3D seismic up structure of an unsuccessful 2003 dry hole, Trava 1well, drilled by the previous permit holder. The Trava 2D was 49 ft (15 m) structurally up dip as anticipated and found significantly better reservoir rock properties than Trava 1 well, which was drilled using only 2D seismic data.

The Trava 2D tested at rates up to 1.89 million cubic feet (MMcf) per day (53,500 scm), with bottom hole pressures exceeding 1,700 psi (114 bars). A PTL log verified gas flow from only an upper interval of Pliocene age Porto Garibaldi PL-2 sand while lower intervals also perforated were still unloading completion fluids as evidenced by consistently increasing gas rates and flowing tubing pressures. The Trava 2D well has been shut in and AleAnna immediately filed documentation for government approval of a production concession permit. Additional development wells will be needed to fully develop the field area.

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 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, 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 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 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. Theseprospects, 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-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 September 22, 2016, the Company completed a non-brokered private placement financing, pursuant to which it sold an aggregate of 3,000,000 units at a price of $0.03 per unit for gross proceeds of $90,000. Each unit consisted of one common share in the capital of the Company and one share purchase warrant. Each warrant is exercisable into one additional share at a price of $0.06 per share until September 22, 2021.

On July 28, 2017 the Company completed a brokered private placement of 5,550,000 units at $0.03 per unit for aggregate gross proceeds of $166,500. Each unit was comprised of one common share of the Company and on additional share purchase warrant, with each warrant exercisable into one additional share at $0.10 per share until July 31, 2020. In connection with the private placement, the Company paid finder's fees to 2 finders, comprised of: cash, $15,925.

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, 2017 $	**October 31, 2016 $**	**October 31, 2015 $**
Net Loss	1,320,328	783,703	2,662,487
Loss Per Share (basic and diluted)	0.01	0.01	0.03
Total Assets	142,105	44,501	3,679,024
Total Non-Current Liabilities	-	-	1,691

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 PERATIONS

For the year ended October 31, 2017 compared to year ended October 31, 2016

Net loss for the year totaled $1,320,328 or $0.01 per share, versus net loss of $783,703 or $0.01

per share in 2016. The following is a summary of the changes in material components of expenses during the year ended October 31, 2017 and the reasons for the changes:

		2017 $	2016 $	Increase (Decrease) $
Revenues from management fee	A	-	40,432	(40,432)
Wages and benefits	B	-	66,974	(66,974)
Engineering and consulting	C	57,324	(2,279)	59,513
Legal and accounting	D	83,070	120,524	(37,454)
Office and general	E	23,226	40,592	(17,366)
Rent	F		7,826	(7,826)
Impairment of investment	G	(1,186,155)	-	(1,186,155)
Write off of AP	H	35,097		35,097
Interest and other income	I	-	6,654	(6,654)

A. The reduction in revenue was due to the termination of the management fee contract with AleAnna Resources.
B. The reduction in expense was due to the closing of the Dallas office.
C. The increase was due to an officer of the company offering consulting service during the last quarter of the year.
D. The reduction in expense was due to the closing of the Dallas office.
E. The reduction in expense was due to the closing of the Dallas office.
F. The reduction in expense was due to the closing of the Dallas office.
G. An impairment to the AleAnna Investment value was required in 2017.
H. Certain old AP items were removed from the ledger during the 2017.
I. The reduction in expense was due to the closing of the Dallas office.

The reduction in the Company's expenses for the fiscal year ended October 31, 2017 were primarily attributable to the move of the Company's head office from Dallas to Vancouver, and reduced management salaries and benefits.

SUMMARY OF QUARTERLY RESULTS

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

	Quarter Ended[1]			
	October 31, 2017 $	**July 31, 2017 $**	**April 30, 2017 $**	**January 31, 2017 $**
Total revenue[2]	-	-	-	-
Income (Loss) from continuing operations before share of loss from equity investment	(1,243,795)	(19,580)	(43,573)	(13,380)
Net income (Loss)	(693,628)	(287,374)	117,847	(457,200)
Income (loss) per share[3]	(0.01)	0.00	0.00	0.00
	October 31, 2016	**July 31, 2016**	**April 30, 2016**	**January 31, 2016**
Total revenue[2]	-	-	2,244	38,578
Income (Loss) from continuing operations before share of loss from equity investment	(37,278)	(74,069)	(38,260)	(66,268)
Net income (Loss)	(248,137)	(171,377)	(187,710)	(167,500)
Income (loss) per share[3]	(0.01)	0.00	0.00	0.00

(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 (if any) 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.

RESULTS OF OPERATIONS

For the quarter ended October 31, 2017 compared to quarter ended October 31, 2016

Net loss for the quarter ended October 31, 2017 totaled $693,628 or $0.01 per share, versus a loss of $257,116 or $0.01 per share for the quarter ended October 31, 2016. The following is a summary of the changes in material expenses and the reasons for the changes in the fourth quarter of 2017 as compared to the fourth quarter of 2016:

		2017	**2016**	**Increase (Decrease)**
Legal and accounting	A	79,646	31,481	48,165
Wages and benefits	B		(4,180)	4,180
Engineering and consulting	C	57,324	(2,279)	59,603
Office and general	D	42,817	7,588	35,229
Depreciation and amortization	E	96	(12,374)	12,470

A. This increase is due to timing of recording of invoices. The legal fees for the year remained constant.
B. The headquarter's were moved in the prior year, all employees were terminated.
C. One of the officers of the company has begun providing consulting services.
D. The increase in office and general expenses is only due to timing of the recording of the expenses. The office expenses actually decreased for the year as a whole.
E. The apparent increase in depreciation was due to the write-off of assets.

FINANCING, LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2017, the Company had cash of $128,459 compared to $40,811 at October 31, 2016.

Working capital at October 31, 2017 was $32,810 as compared to working capital of $41,125 as at October 31, 2016. Current liabilities were $109,295 for the year ended October 31, 2016 compared to $140,298 for the year ended October 31, 2015. The Company's accumulated deficit at October 31, 2017 was $35,769,350.

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 does not have sufficient working capital to continue operations in the very near term. 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 October 31, 2017, the Company advanced a director $6,669 (2016 $0) to the company for consulting services. The company owed the director $ nil as of October 31, 2017.

During the period ended October 31, 2017, the Company charged no management fee (2016-$0) to AleAnna Resources, and therefore there was nothing to eliminate (2016-$0). The Company has receivables from and unbilled charges to AleAnna Resources of $nil for unpaid management fees and expenses at October 31, 2017.

OUTSTANDING SHARE DATA

The Company had the following securities outstanding as of February 28, 2018:

a) Issued and outstanding share capital

Class	Par Value	Authorized	Outstanding
Common	No Par Value	Unlimited	130,428,946

b) Stock Options

Number	Exercise Price	Expiry Date
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 audited condensed interim financial statements for the year ended October 31, 2017, 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 October 31, 2016 ($)	As at October 31, 2015 ($)
Assets	4,847,307	8,041,769
Liabilities	1,108,358	2,284,438
Net loss	745,893	838,420
Ownership percentage of the Company	8.48%	9.74%

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 $34,769,350 at October 31, 2017. 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, such as the sector has been experiencing in recent months, 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.

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, 2017 should be read in conjunction with the audited consolidated annual financial statements for the year ended October 31, 2017. 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 March 1, 2018.