

Amended

BRS RESOURCES LTD.

*Management Discussion & Analysis
for the Nine Months Ended*

July 31, 2022

308 - 1441 Johnston Road
White Rock B.C., V4B 3Z7

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR NINE MONTHS ENDED JULY 31, 2022

INTRODUCTION

The following management's discussion and analysis (this "MD&A"), prepared as of October 28, 2022, is management's assessment and analysis of the results and financial condition of BRS Resources Ltd. (the "Company" or "BRS") for the nine months ended July 31, 2022 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the period ended July 31, 2022, 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.

BUSINESS OF THE COMPANY

The Company, incorporated in the Province of British Columbia, is a reporting issuer in British Columbia and Alberta and was cease traded on March 6, 2019 for failure to file its annual filings for the year ended October 31, 2018. As a result of the cease trade order, the Company's shares, that were previously traded on the TSX Venture Exchange, were delisted on May 21, 2021. The Company was primarily engaged in production, exploration, and acquisition of petroleum and natural gas properties in Italy through its investment in AleAnna Energy, LLC ("**AleAnna Energy**") but has been inactive since the imposition of the cease trade order.

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 308 - 1441 Johnston Road, White Rock BC, V4B 3Z7 and its registered and records office is located at 800 - 885 West Georgia Street, Vancouver, BC V6C 3H1.

OVERALL PERFORMANCE

The Company was previously 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's 100% owned subsidiary, Bonanza Resources, owns a minority interest in AleAnna Energy which owns 100% of AleAnna Resources LLC ("**AleAnna Resources**"). AleAnna Resources holds "Exploration Permits" and "Applications for Exploration Permits" that have been approved by the Italian Ministry of Economic Development (General Directorate for Energy and Mining Resources, National Mining Office for Hydrocarbons and Geothermics). AleAnna Resources had amassed a large portfolio of acquired 3D geophysical data onshore in Italy and has two other successful wells in final stage of production concession award.

COVID-19 (the coronavirus) has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company's financing capabilities. The extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the

effectiveness of actions taken in Canada, the United States and other countries to contain and treat the virus. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these financial statements, these conditions could have a significant adverse impact on the Company's financial position and results of operations for future periods.

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			
	July 31, 2022 (\$)	April 30, 2022 (\$)	January 31, 2022 (\$)	October 31, 2021 (\$)
Total revenue	-	-	-	-
Net loss	(87,839)	(43,161)	(55,000)	(78,024)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)
	Quarter Ended			
	July 31, 2021 (\$)	April 30, 2021 (\$)	January 31, 2021 (\$)	October 31, 2020 (\$)
Total revenue	-	-	-	-
Net loss	(32,900)	(32,900)	(32,900)	(93,498)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

RESULTS OF OPERATIONS

For the nine months ended July 31, 2022 compared to the nine months ended July 31, 2021

Net loss for the nine months ended July 31, 2022 totaled \$185,835, compared to a net loss of \$98,700 for the nine months ended July 31, 2021. The difference relates to legal, accounting and regulatory fees incurred in order to update the books and records to lift the cease trade order during the nine months ended July 31, 2022.

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

		Nine Months Ended July 31, 2022 (\$)	Nine Months Ended July 31, 2021 (\$)	Increase (Decrease) (\$)
Interest expenses	A	6,248	-	6,248
Legal and accounting	B	81,817	8,700	73,117
Regulatory fees	C	7,576	-	7,576

- A. Primarily relates to accretion of interest from issuance of convertible debentures.
- B. Primarily relates to an increase in accounting fees incurred by a third party provider to update the books and records to lift the cease trade order.
- C. Related to fees paid to BC Securities Commission in order to lift the cease trade order.

For the three months ended July 31, 2022 compared to the Three months ended July 31, 2021

Net loss for the three months ended July 31, 2022 totaled \$87,839, compared to a net loss of \$32,900 for the three months ended July 31, 2021. The difference relates to legal, accounting and regulatory fees incurred in order to update the books and records to lift the cease trade order during the three months ended July 31 2022.

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

		Three Months Ended July 31, 2022 (\$)	Three Months Ended July 31, 2021 (\$)	Increase (Decrease) (\$)
Interest expenses	A	6,248	-	6,248
Legal and accounting	B	46,417	2,900	43,517
Regulatory fees	C	5,000	-	5,000

- A. Primarily relates to accretion of interest from issuance of convertible debentures.
- B. Primarily relates to an increase in accounting fees incurred by a third party provider to update the books and records to lift the cease trade order.
- C. Related to fees paid to BC Securities Commission in order to lift the cease trade order.

FINANCING, LIQUIDITY AND CAPITAL RESOURCES

Working capital deficiency at July 31, 2022 was \$832,675, compared to \$625,213 as at October 31, 2021. The increase in the deficiency is due to the Company accruing additional payables but not having sufficient cash resources to pay off its current obligations. Current liabilities were \$913,394 at July 31, 2022 compared to \$640,352 at October 31, 2021. The Company's accumulated deficit at July 31, 2022 was \$38,404,899, compared to \$38,219,064 as at October 31, 2021.

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'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. If the Company is not able to continue as a going concern, the Company may be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim consolidated financial statements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate value of transactions relating to key management personnel were as follows:

	Period ended July 31, 2022	Period ended July 31, 2021
Consulting fees	\$ 90,000	\$ 90,000

As at July 31, 2022, \$444,450 (2021 - \$313,674.92) was owing to Byron Coulthard, the CEO of the Company and the amounts were included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment. The amounts include payments made on behalf of the Company for legal fees, audit fees, transfer agent fees and for accrued management fees payable by the Company to Mr. Coulthard.

As at July 31, 2022, \$37,927.50 (2021 - \$37,927.50) was owing to Sharon Lewis, a former director of the Company for fees.

As at July 31, 2022, \$31,290 (2021 - nil) was owing to Cyrus Driver, a director and officer of the Company for accrued management fees.

OUTSTANDING SHARE DATA

The Company had the following securities outstanding as of October 28, 2022:

- a) Issued and outstanding share capital

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

The Debentures were sold pursuant to the partial revocation order (the "**Partial Revocation Order**") issued by the British Columbia Securities Commission (the "**BCSC**") on April 22, 2022, which was varied by the BCSC on May 24, 2022 to permit the conversion of the Debentures into Units. The Partial Revocation Order issued by the BCSC partially revoked a cease trade order (the "**Cease Trade Order**") that was issued by the Executive Director of the BCSC against the Company on March 6, 2019 as a result of the Company's failure to file: (i) annual audited financial statements for the year ended October 31, 2018; (ii) annual management's discussion and analysis for the year ended October 31, 2018; and (iii) accompanying certifications for the year ended October 31, 2018.

The proceeds of the offering of the Debentures will be used to pay: (i) past due audit fees; (ii) audit fees for work to be done; (iii) accounting fees; (iv) accounting fees for work to be done; (v) fees for 51-101 reports; (vi) outstanding TSX Venture Exchange fees; (vii) legal fees; (viii) outstanding commission filing fees; (ix) transfer agent and AGM fees; and (x) SEDAR filing agent fees. Completion of the Offering will allow the Company to prepare and file all outstanding continuous disclosure documents with the applicable regulatory authorities. Once those filings have been completed, the Company expects to apply for a full revocation of the Cease Trade Order.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company's cash is classified at FVTPL and its accounts payable and accrued liabilities are carried at amortized cost.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are other than quoted prices in Level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The fair value of cash is determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. As at July 31, 2022, the Company believes that the carrying values of accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as fair value through profit or loss, and cause fluctuations in the fair value of future cash flows for assets or liabilities measured at fair value. Currently, the Company is not exposed to significant market risk.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The carrying value of this financial asset represents the Company's maximum exposure to credit risk. The Company manages its credit risk by maintaining its cash in a federally regulated financial institution in Canada.

Foreign Exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. A significant change in the currency exchange rates between the US dollar and the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. However, because most of the Company's financial instruments are denominated in Canadian dollars, the Company does not believe it is subject to any significant foreign exchange risk at this time.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they become due. The Company's financial liabilities consist of its accounts payable and accrued liabilities. As at July 31, 2022, the Company had a working capital deficiency of \$832,675 (October 31, 2021 - \$625,213).

The Company will manage its liquidity risk, by gaining access to funding at market rates through equity and debt markets once it lifts its cease trade order. In the future, the Company may issue new shares, adjust its debt levels or mix between short-term and long-term borrowings.

PROPOSED TRANSACTIONS

There are no proposed transactions.

CONTINGENCIES

There are no contingent liabilities.

OUTLOOK

The Company is focused bringing all its regulatory filings up to date which will then allow it to apply for a revocation order to remove the cease trade order imposed by the Commission.

FORWARD-LOOKING INFORMATION

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations, performance (both operational and financial) and business prospects and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

This MD&A contains information on risks, uncertainties and other factors relating to the forward-looking information (see "Risks and Uncertainties"). Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Company's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Company's operations. The extent of the impact of this outbreak and related containment measures on the Company's operations is not material.

Early stage – Need for additional funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available. The Company has not been successful in the past in obtaining financing through equity, therefore there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

Price Volatility

In recent years securities markets have experienced extremes in price and volume volatility. The market price of securities of many early-stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's securities will be subject to market trends generally and the value of the Company's securities may be affected by such volatility. In addition, as the Company's securities are not currently listed on a stock exchange, this may further impact the market for, and value of, the Company's securities.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Conflicts of interest

The Company's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the *Business Corporations Act* (British Columbia) (the "Act") in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

OTHER INFORMATION

You should read this MD&A of the financial position and results of operations of the Company for the period ended July 31, 2022 in conjunction with the Company's unaudited condensed interim consolidated financial statements for the period ended July 31, 2022. Additional information relating to the Company is available through the Company's public filings on SEDAR at www.sedar.com.