

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and years ended December 31, 2015 and 2014

Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Relentless Resources Ltd. ("Relentless", or the "Company"), is dated April 19, 2015. The MD&A should be read in conjunction with the audited financial statements for the years ended December 31, 2015, and 2014 together with the notes thereto. Relentless's Board of Directors reviewed and approved the December 31, 2015 audited financial statements and related MD&A on April 19, 2015.

Additional information about Relentless is available on SEDAR at www.sedar.com or on the Company's website at www.relentless-resources.com.

IFRS - This MD&A and the financial statements and comparative information have been prepared in accordance with International Financial Reporting Standards ("IFRS").

NON-IFRS MEASURES - This MD&A provides certain financial measures that do not have a standardized meaning prescribed by IFRS. These non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Cash flow from operations, operating netback and net debt are not recognized measures under IFRS. Management believes that in addition to net income (loss), cash flow from operations, operating netback and net debt are useful supplemental measures that demonstrate the Company's ability to generate the cash necessary to repay debt or fund future capital investment. Investors are cautioned, however, that these measures should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indication of Relentless's performance. Relentless's method of calculating these measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. Cash flow from operations is calculated by adjusting net income (loss) for deferred income taxes, other income, accretion, share based compensation, decommissioning obligations, impairment, and depletion and depreciation. Operating netback is calculated based on oil and gas revenue less royalties and operating expenses. Net debt is the total of accounts receivable plus prepaids and deposits, less accounts payable and bank debt.

BOE REFERENCE - Reference is made to barrels of oil equivalent ("BOE" or "boe"). BOE may be misleading, particularly if used in isolation. In accordance with National Instrument 51-101, a BOE conversion ratio of six mcf of natural gas to one bbl of oil has been used, which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

READER ADVISORY REGARDING FORWARD LOOKING INFORMATION - Certain information set forth in this document, including management's assessment of Relentless's future plans and operations, contains forward-looking statements including: (i) forecasted capital expenditures and plans; (ii) exploration, drilling and development plans; (iii) prospects and drilling inventory and locations; (iv) anticipated production rates; (v) expected royalty rates; (vi) anticipated operating and service costs; (vii) financial strength; (viii) incremental development opportunities; (ix) total shareholder return; (x) growth prospects; (xi) sources of funding; (xii) decommissioning costs; (xiii) future crude oil and natural gas prices; (xiv) future drilling completion and tie-in of wells; and future acquisitions, which are provided to allow investors to better understand our business. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue", "budget", "outlook", "forecast" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no obligation except as required by law to update or review them to reflect new events or circumstances.

Forward-looking statements and other information contained herein concerning the oil and gas industry and the Company's general expectations concerning this industry are based on estimates prepared by management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

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Corporate Update

Relentless averaged 225 boed (56% oil and liquids) in Q4 2015, down 13% from the same period last year, and down 21% from the previous quarter. Approximately 55 boed of production was shut in Q4 2015 due to low pricing. Royalties payable decreased 55% to \$1.72/boe compared to the previous quarter due to the effect of lower commodity pricing on variable crown royalties. Operating costs were consistent compared to the previous quarter (\$14.67/boe vs. \$14.55/boe). General and administrative costs were also similar (\$5.32/boe vs, \$5.42/boe), but were down 23% on a gross basis compared to the previous quarter.

The independent reserves report prepared by Sproule Associates Ltd. effective December 31, 2015 assigned Relentless 514,900 boe (52% liquids) of Proved Developed Producing reserves, 663,400 boe (53% liquids) of Total Proved reserves and 1,106,900 boe (58% liquids) of Total Proved plus Probable reserves. The net present values of future revenue, before tax, discounted at 10% are \$6,731,000, \$8,915,000 and \$15,730,000 respectively.

As of December 31, 2015 Relentless had net debt of \$2.7 million dollars on a credit line of \$4.0 million dollars which is currently under review.

At Heathdale, Relentless is currently producing 90 boed (65% oil). In July, 2015, a vertical step out well drilled at 16-6-27-9 W4 was successfully cased, completed and tied in for Mannville oil. The vertical oil well serves as a control point for drilling future horizontal wells in the south half of the Heathdale property. The well was pipeline tied-in to the 9-7 multi-well battery and enables the drilling of up to 8 future horizontal oil wells without any significant additional tie-in capital. Relentless has constructed Heathdale so that production can be ramped up when feasible.

Relentless currently has approximately 80 boed of shut in gas due to poor pricing. It is expected that these volumes will come back on once the market improves.

Relentless' go forward capital program depends on the price of oil and natural gas and the ability to finance, both of which are uncertain as of today. With current realized pricing, the Company will defer any drilling projects to conserve reserves and cash flow for future benefit. Relentless continues to explore various opportunities to grow and enhance shareholder value as we continue to move through challenging times for the industry.

Operating costs continue to be evaluated and reduced. Relentless would like to thank our service providers for their assistance while the Company positions to capitalize on a commodity price recovery.

The Management and Directors of Relentless once again thank-you for your patience and continued support.

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Financial summary

Three months ended December 31				
	2015		2014	% Change
Oil and gas revenue	\$	613,309	\$ 1,093,891	(44)
Cash flow from operations (1)		(68,482)	(85,010)	19
Per share - basic and diluted (1)		(0.001)	(0.002)	32
Comprehensive income (loss)		(393,538)	(2,722,305)	(86)
Per share - basic and diluted		(0.01)	(0.06)	(90)
Total assets		11,708,587	10,541,710	11
Net surplus (debt) (1)		(2,677,173)	984,028	(372)
Capital expenditures, net	\$	47,543	\$ 1,181,988	(96)
Shares outstanding - end of period		70,061,595	63,759,095	10

Years ended December 31				
	2015		2014	% Change
Oil and gas revenue	\$	3,331,944	\$ 2,993,030	11
Cash flow from operations (1)		590,668	592,916	(0)
Per share - basic and diluted (1)		0.009	0.014	(32)
Comprehensive income (loss)		(2,595,036)	(2,613,910)	(1)
Per share - basic and diluted		(0.04)	(0.06)	(33)
Total assets		11,708,587	10,541,710	11
Net surplus (debt) (1)		(2,677,173)	984,028	(372)
Capital expenditures, net	\$	5,184,786	\$ 6,727,480	(23)
Shares outstanding - end of period		70,061,595	63,759,095	10

(1) Non IFRS measure

Production and pricing summary

Three months ended December 31				
	2015		2014	% Change
Daily production				
Oil and NGLs (bbl/d)		125	145	(14)
Natural gas (mcf/d)		600	691	(13)
Oil equivalent (boe/d @ 6:1)		225	260	(13)
Realized commodity prices (\$CDN)				
Oil and NGLs (bbl)		\$40.62	\$62.58	(35)
Natural gas (mcf)		\$2.67	\$4.08	(34)
Oil equivalent (boe @ 6:1)		\$29.68	\$45.70	(35)

Years ended December 31				
	2015		2014	% Change
Daily production				
Oil and NGLs (bbl/d)		150	74	103
Natural gas (mcf/d)		766	500	53
Oil equivalent (boe/d @ 6:1)		278	157	77
Realized commodity prices (\$CDN)				
Oil and NGLs (bbl)		\$47.95	\$79.35	(40)
Natural gas (mcf)		\$2.55	\$4.66	(45)
Oil equivalent (boe @ 6:1)		\$32.91	\$52.12	(37)

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Cash flow and comprehensive loss

<i>Three months ended December 31,</i>	2015	2014	% Change	2015 (\$ / boe)	2014 (\$ / boe)	% Change
Oil and natural gas sales	613,309	1,093,891	(44)	29.68	45.70	(35)
Royalties	(35,565)	(133,678)	(73)	(1.72)	(5.58)	(69)
Revenue after royalties	577,744	960,213	(40)	27.96	40.12	(30)
Production, operating and transportation expenses	(303,177)	(518,526)	(42)	(14.67)	(21.65)	(32)
Operating cash flow ⁽¹⁾	274,567	441,687	(38)	13.29	18.47	(28)
General & administrative expenses	(109,994)	(178,093)	(38)	(5.32)	(7.44)	(28)
Bad debt expense	(181,018)	-	100	(8.76)	0.00	100
Flow through share indemnification expense	(15,732)	(350,186)	(96)	(0.76)	(14.63)	(95)
Interest and other financing charges	(36,305)	1,582	(2,395)	(1.76)	0.07	2,758
Cash flow from operations ⁽¹⁾	(68,482)	(85,010)	(19)	(3.31)	(3.53)	6
Other income	26,192	-	100	1.27	0.00	100
Share based compensation	-	(421,711)	(100)	0.00	(17.62)	(100)
Accretion	21,758	(829)	(2,725)	1.05	(0.03)	(3,140)
Impairment	(234,506)	(1,745,934)	(87)	(11.35)	(72.94)	(84)
Depletion and depreciation	(138,500)	(468,821)	(70)	(6.70)	(19.59)	(66)
Comprehensive loss	(393,538)	(2,722,305)	(86)	(19.04)	(113.71)	(83)
\$ Per Share – Basic	(0.01)	(0.06)				
\$ Per Share - Diluted	(0.01)	(0.06)				

<i>Year ended December 31,</i>	2015	2014	% Change	2015 (\$ / boe)	2014 (\$ / boe)	% Change
Oil and natural gas sales	3,331,944	2,993,030	11	32.91	52.12	(37)
Royalties	(413,605)	(356,144)	16	(4.08)	(6.20)	(34)
Revenue after royalties	2,918,339	2,636,886	11	28.83	45.92	(37)
Production, operating and transportation expenses	(1,506,848)	(1,100,027)	37	(14.88)	(19.16)	(22)
Operating cash flow ⁽¹⁾	1,411,491	1,536,859	(8)	13.95	26.76	(48)
General & administrative expenses	(551,445)	(583,106)	(5)	(5.45)	(10.15)	(46)
Bad debt expense	(181,018)	-	100	(1.79)	0.00	100
Flow through share indemnification expense	(15,732)	(350,186)	(96)	(0.16)	(6.10)	(97)
Interest and other financing charges	(72,628)	(10,651)	582	(0.72)	(0.19)	287
Cash flow from operations ⁽¹⁾	590,668	592,916	(0)	5.83	10.32	(43)
Other income	305,223	166,667	83	3.01	2.90	4
Share based compensation	(132,027)	(577,434)	(77)	(1.30)	(10.06)	(87)
Accretion	(64,901)	(47,599)	36	(0.64)	(0.83)	(23)
Impairment	(1,903,931)	(1,745,934)	9	(18.80)	(30.40)	(38)
Depletion and depreciation	(1,390,068)	(1,002,526)	39	(13.73)	(17.46)	(21)
Comprehensive loss	(2,595,036)	(2,613,910)	(1)	(25.63)	(45.53)	(44)
\$ Per Share – Basic	(0.04)	(0.06)				
\$ Per Share - Diluted	(0.04)	(0.06)				

(1) Non-IFRS measure

RELENTLESS RESOURCES LTD.

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Eight Quarter Analysis

Daily Production and Commodity Prices

<i>Three months ended</i>	2015	2015	2015	2015	2014	2014	2014	2014
	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Daily production								
Oil and NGLs (bbl/d)	125	162	204	107	145	93	37	23
Natural gas (mcf/d)	600	745	901	769	691	744	308	250
Oil equivalent (boe/d @ 6:1)	225	286	354	235	260	217	88	65
Realized commodity prices (\$CDN)								
Oil and NGLs (bbl)	\$40.62	\$46.73	\$56.84	\$42.12	\$62.58	\$90.72	\$95.98	\$98.90
Natural gas (mcf)	\$2.67	\$1.91	\$2.53	\$3.27	\$4.08	\$4.40	\$5.16	\$6.45
Oil equivalent (boe @ 6:1)	\$29.68	\$31.40	\$39.17	\$29.85	\$45.70	\$53.97	\$58.64	\$60.10

Oil and Natural Gas Revenue by Product

<i>Three months ended</i>	2015	2015	2015	2015	2014	2014	2014	2014
	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Oil and NGL revenue	465,946	694,579	1,053,383	406,163	834,781	777,090	326,729	204,732
Natural gas revenue	147,363	130,742	207,905	225,863	259,110	300,885	144,628	145,075
Total revenue	613,309	825,321	1,261,288	632,026	1,093,891	1,077,975	471,357	349,807
% Oil and NGLs	76%	84%	84%	64%	76%	72%	69%	59%
% Natural gas	24%	16%	16%	36%	24%	28%	31%	41%

Cash Flow from Operations

<i>Three months ended</i>	2015	2015	2015	2015	2014	2014	2014	2014
	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31
Oil and natural gas sales	613,309	825,321	1,261,288	632,026	1,093,891	1,077,975	471,357	349,807
Royalties	(35,565)	(99,679)	(212,643)	(65,718)	(133,678)	(134,559)	(54,795)	(33,112)
Revenue after royalties	577,744	725,642	1,048,645	566,308	960,213	943,416	416,562	316,695
Production, operating and transportation expenses	(303,177)	(382,359)	(398,239)	(423,073)	(518,526)	(261,177)	(177,491)	(141,546)
Operating cash flow (1)	274,567	343,283	650,406	143,235	441,687	682,239	239,071	175,149
General & administrative expenses	(109,994)	(142,395)	(174,748)	(124,308)	(178,093)	(144,663)	(175,178)	(85,172)
Bad debt expense	(181,018)	-	-	-	-	-	-	-
Interest and other financing charges	(36,305)	(25,197)	(12,237)	1,111	1,582	178	664	(14,362)
Flow through share indemnification expense	(15,732)	-	-	-	(350,186)	-	-	-
Cash flow from operations (1)	(68,482)	175,691	463,421	20,038	(85,010)	537,754	64,557	75,615

Operating and Cash Flow Netbacks

<i>Three months ended</i>	2015	2015	2015	2015	2014	2014	2014	2014
	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31
(\$/boe)								
Revenue	29.68	31.40	39.17	29.85	45.70	53.97	58.64	60.10
Royalties	(1.72)	(3.79)	(6.60)	(3.10)	(5.58)	(6.74)	(6.82)	(5.69)
Production, operating and transportation expenses	(14.67)	(14.55)	(12.37)	(19.98)	(21.65)	(13.07)	(22.08)	(24.32)
Operating netback (1)	13.29	13.06	20.20	6.77	18.47	34.16	29.74	30.09
General and administrative expenses	(5.32)	(5.42)	(5.43)	(5.87)	(7.44)	(7.24)	(21.90)	(14.63)
Bad debt expense	(8.76)	-	-	-	-	-	-	-
Interest expense	(1.76)	(0.96)	(0.38)	0.05	0.07	0.01	0.08	(2.47)
Flow through share indemnification expense	(0.76)	-	-	-	(14.63)	-	-	-
Cash flow netback (1)	(3.31)	6.68	14.39	0.95	(3.53)	26.93	7.92	12.99

(1) Non IFRS measure

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Daily Production and Commodity Prices

In Q4 of 2015, total production decreased 13% to 225 boe/d when compared to 260 boe/d for the same period a year ago. The decrease is attributable to the shut-in of certain natural gas wells at Gold Creek producing 55-60 boe/day. The wells were shut-in due to low natural gas prices and high gathering and processing costs.

Oil and NGLs production averaged 125 bbl/d in Q4 2015 as compared to 145 bb/d in Q4 2014. Natural gas production averaged 600 mcf/d in the fourth quarter of 2015 compared to 691 mcf/d in the same period a year ago.

In Q4 2015 average oil and gas prices decreased by 35% as compared to Q4 2014. The average price of oil and NGL dropped 35% from \$62.58/bbl to \$40.62/bbl. Natural gas prices dropped 34% from \$4.08/mcf to \$2.67/mcf.

<u>Three months ended December 31,</u>	<u>2015</u>	<u>2014</u>	<u>% Change</u>
Daily production			
Oil and NGLs (bbl/d)	125	145	(14)
Natural gas (mcf/d)	600	691	(13)
Oil equivalent (boe/d @ 6:1)	225	260	(13)

<u>Realized commodity prices (\$CDN)</u>			
Oil and NGLs (bbl)	\$ 40.62	\$ 62.58	(35)
Natural gas (mcf)	2.67	4.08	(34)
Oil equivalent (boe @ 6:1)	\$ 29.68	\$ 45.70	(35)

In the year ended December 31, 2015, total production increased 76% to 278 boe/d when compared to 157 boe/d for the same period a year ago.

Oil and NGLs production increased by 103% to 150 bbl/d for the year ended December 31, 2015 as compared to 74 bbl/d in 2014. Natural gas production increased by 53% to 766 mcf/d in the year ended December 31, 2015 compared to 500 mcf/d in 2014.

For the year ended December 31, 2015 2015, average oil and gas prices decreased by 37% as compared to 2014. The average price of oil and NGL dropped 40% from \$79.35/bbl to \$47.95/bbl. Natural gas prices dropped 45% from \$4.66/mcf to \$2.55/mcf.

<u>Years ended December 31,</u>	<u>2015</u>	<u>2014</u>	<u>% Change</u>
Daily production			
Oil and NGLs (bbl/d)	150	74	103
Natural gas (mcf/d)	766	500	53
Oil equivalent (boe/d @ 6:1)	278	157	76

<u>Realized commodity prices (\$CDN)</u>			
Oil and NGLs (bbl)	\$ 47.95	\$ 79.35	(40)
Natural gas (mcf)	2.55	4.66	(45)
Oil equivalent (boe @ 6:1)	\$ 32.91	\$ 52.12	(37)

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Oil and Natural Gas Revenues

For the three months ended December 31, 2015, total revenue decreased by 44% as compared to the same period last year, as average daily production decreased by 13% and average commodity prices fell by 35% compared to the same period in 2014.

Three months ended December 31,	2015	2014	% Change
Oil and NGLs	\$ 465,946	\$ 834,781	(44)
Natural gas	147,363	259,110	(43)
Total revenue	\$ 613,309	\$ 1,093,891	(44)
% Oil and NGLs	76%	76%	
% Natural gas	24%	24%	

For the year ended December 31, 2015, total revenues increased by 11% as compared to the same period last year, as average daily production increased by 76% while average commodity prices fell by 37% compared to the same period in 2014.

Years ended December 31,	2015	2014	% Change
Oil and NGLs	\$ 2,620,071	\$ 2,143,350	22
Natural gas	711,873	849,680	(16)
Total revenue	\$ 3,331,944	\$ 2,993,030	11
% Oil and NGLs	79%	72%	
% Natural gas	21%	28%	

Royalties

For the three months ended December 31, 2015, royalties decreased by 73% to \$35,565 from \$133,678 for the same period a year ago due to Crown gas cost allowance credits received in Q4. Royalties as a percentage of sales decreased to 6% as compared to 12% in 2014.

Three months ended December 31,	2015	2014	% Change	2015 (\$ / boe)	2014 (\$ / boe)
Royalties	\$ 35,565	\$ 133,678	(73)	\$ 1.72	\$ 5.58

For the year ended December 31, 2015, royalties increased by 16% to \$413,605 from \$356,144 as compared to the same period a year ago. The increase was due to an 11% increase in total production revenue. Royalties as a percentage of sales remained level at 12%.

Years ended December 31,	2015	2014	% Change	2015 (\$ / boe)	2014 (\$ / boe)
Royalties	\$ 413,605	\$ 356,144	16	\$ 4.08	\$ 6.20

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Production, Operating and Transportation Expenses

For the three months ended December 31, 2015, production, operating and transportation expenses decreased by 42% to \$303,177 as compared to \$518,526 for the same period a year ago due to a 13% decrease in production volumes.

On a per boe basis production, operating and transportation expenses decreased 32% to \$14.67 per boe, down from \$21.65 per boe for the same period in 2014.

Three months ended December 31,	2015	2014	% Change	2015	2014
				(\$ / boe)	(\$ / boe)
Production, operating and transportation	\$ 303,177	\$ 518,526	(42)	\$ 14.67	\$ 21.65

For the year ended December 31, 2015, production, operating and transportation expenses increased 37% to \$1,506,848 as compared to \$1,100,027 in 2014 due to a 76% increase in production volumes.

On a per boe basis production, operating and transportation expenses decreased 22% to \$14.88 per boe, down from \$19.16 per boe in 2014.

Years ended December 31,	2015	2014	% Change	2015	2014
				(\$ / boe)	(\$ / boe)
Production, operating and transportation	\$ 1,506,848	\$ 1,100,027	37	\$ 14.88	\$ 19.16

General & Administrative Expenses

General and administrative expenses, after overhead recoveries, decreased by 38% to \$109,994 for the three months ended December 31, 2015 compared to \$178,093 in Q4 2014. General and administrative expenses per boe decreased by 28% to \$5.32 down from \$7.44 in Q4 2014.

Three months ended December 31,	2015	2014	% Change	2015	2014
				(\$ / boe)	(\$ / boe)
General & administrative expenses	\$ 109,994	\$ 178,093	(38)	\$ 5.32	\$ 7.44

General and administrative expenses, after overhead recoveries, decreased 5% to \$551,445 for the year ended December 31, 2015 down from \$583,106 in 2014. General and administrative expenses per boe decreased by 46% to \$5.45 from \$10.15 in 2014.

Years ended December 31,	2015	2014	% Change	2015	2014
				(\$ / boe)	(\$ / boe)
General & administrative expenses	\$ 551,445	\$ 583,106	(5)	\$ 5.45	\$ 10.15

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Finance Expense

In April, 2015, the Company began to draw on its bank loan to finance capital expenditures of \$5,184,786 in the year ended December 31, 2015. At December 31, 2015, \$3,276,531 was drawn on an available line of \$4,000,000.

Three months ended December 31,	2015	2014	% Change	2015	2014
				(\$ / boe)	(\$ / boe)
Interest expense (income)	\$ 36,305	\$ (1,582)	2,395	\$ 1.76	\$ (0.07)
Accretion	(21,758)	829	(2,725)	(1.05)	0.03
Finance expense	\$ 14,547	\$ (753)	2,056	\$ 0.71	\$ (0.04)

Years ended December 31,	2015	2014	% Change	2015	2014
				(\$ / boe)	(\$ / boe)
Interest expense	\$ 72,628	\$ 10,651	582	\$ 0.72	\$ 0.19
Accretion	64,901	47,599	36	0.64	0.83
Finance expense	\$ 137,529	\$ 58,250	136	\$ 1.36	\$ 1.02

Share Based Compensation

On April 27, 2015, the Company issued options to various directors and officers to purchase 1,129,830 common shares of the Company at a price of \$0.145 per share, exercisable until April 27, 2020. Based on the Black-Scholes model calculation share based compensation was charged \$132,027 with an offsetting entry to contributed surplus.

Three months ended December 31,	2015	2014	% Change	2015	2014
				(\$ / boe)	(\$ / boe)
Share Based Compensation	\$ -	\$ 421,711	(100)	\$ -	\$ 17.62

Years ended December 31,	2015	2014	% Change	2015	2014
				(\$ / boe)	(\$ / boe)
Share Based Compensation	\$ 132,027	\$ 577,434	(77)	\$ 1.30	\$ 10.06

Depletion and Depreciation

In Q4 2015, depletion and depreciation decreased by 70% to \$138,500 as compared to \$468,821 in Q4 2014 due to a 13% decrease in average daily volumes. The average depletion rate for the fourth quarter of 2015 was 2.6%.

Three months ended December 31,	2015	2014	% Change	2015	2014
				(\$ / boe)	(\$ / boe)
Depletion and depreciation	\$ 138,500	\$ 468,821	(70)	\$ 6.70	\$ 19.59

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and years ended December 31, 2015 and 2014

For the year ended December 31, 2015, depletion and depreciation increased by 39% to \$1,390,068 as compared to \$1,002,526 in 2014 due to a 76% increase in average daily volumes.

Years ended December 31,	2015	2014	% Change	2015 (\$ / boe)	2014 (\$ / boe)
Depletion and depreciation	\$ 1,390,068	\$ 1,002,526	39	\$ 13.73	\$ 17.46

Impairment

At December 31, 2014, the Company evaluated its PP&E assets for impairment and recorded an impairment of \$1,745,934 on the Willesden Green, Heathdale, Niton, and Peace River Arch CGU's. The impairment was based on the difference between the net book value of the assets and the recoverable amount. The recoverable amount was determined using fair value less costs to sell (2%) based on discounted cash flows of proved plus probable reserves using forecast future prices and a discount rate of 15%. The CGU's were written down to their recoverable amount based on the future value of cash flows less costs to sell.

During the year ended December 31, 2015, the Company evaluated its PP&E assets for impairment and recorded an impairment of \$1,903,931 on the Gordondale, Peace River Arch and Willesden Green CGU's. The impairment was based on the difference between the net book value of the assets and the recoverable amount. The recoverable amount was determined based on discounted cash flows of proved plus probable reserves using forecast future prices and a discount rate of 15%. The PP&E assets were written down to their recoverable amount based on the future value of cash flows less costs to sell.

Three months ended December 31,	2015	2014	% Change	2015 (\$ / boe)	2014 (\$ / boe)
Impairment	\$ 234,506	\$ 1,745,934	(87)	\$ 11.35	\$ 72.94

Years ended December 31,	2015	2014	% Change	2015 (\$ / boe)	2014 (\$ / boe)
Impairment	\$ 1,903,931	\$ 1,745,934	9	\$ 18.80	\$ 30.40

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and years ended December 31, 2015 and 2014

Property plant and equipment (PP&E)

Cost:	PP&E Assets
Balance at December 31, 2013	\$4,573,204
Additions	4,983,276
Acquisitions	3,301,535
Dispositions	(134,309)
Change in decommissioning obligations	693,843
Balance at December 31, 2014	\$13,417,549
Additions	5,184,786
Change in decommissioning obligations	308,496
Balance at December 31, 2015	\$18,910,831
Depletion, depreciation and impairment:	
Balance at December 31, 2013	(\$2,370,630)
Impairment	(1,745,934)
Depletion and depreciation	(1,002,526)
Balance at December 31, 2014	(\$5,119,090)
Impairment	(1,903,931)
Depletion and depreciation	(1,390,068)
Balance at December 31, 2015	(\$8,413,089)
Net book value:	
Balance at December 31, 2014	\$8,298,459
Balance at December 31, 2015	\$10,497,742

In the year ended December 31, 2015, the Company spent approximately \$4.5 million to further develop its core property at Heathdale, Alberta. In Q1 and Q2 of 2015, two horizontal wells were drilled completed and tied in, and a multi-well battery was constructed to handle production from 5 of the wells in the field. In June 2015, the Company drilled a vertical oil well at 16-6-27-9W4 to a depth of 1,200 meters. The well was completed and tied in to the central battery for production.

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and years ended December 31, 2015 and 2014

Liquidity and capital resources

During 2015, the Company expended \$5,184,786 on acquisitions, drilling, completion, tie-in, facility construction and abandonment. Relentless financed these expenditures with available cash and credit lines.

Net debt

	December 31, 2015	December 31, 2014
Cash	\$ 600,000	\$ 1,630,784
Accounts receivable	581,683	597,207
Prepaid expenses and deposits	29,162	15,260
Accounts payable and accrued liabilities	(611,487)	(1,259,223)
Bank debt	(3,276,531)	-
Net (debt) surplus (1)	\$ (2,677,173)	\$ 984,028

(1) Non-IFRS measure

Cash flow from operations

Years ended December 31	2015	2014
Comprehensive loss for the period	\$ (2,595,036)	\$ (2,613,910)
Other income	(305,223)	(166,667)
Depletion and depreciation	1,390,068	1,002,526
Impairment	1,903,931	1,745,934
Share based compensation expense	132,027	577,434
Accretion expense	64,901	47,599
Cash flow from operations (1)	\$ 590,668	\$ 592,916
Cash flow from operations per share – basic and diluted	\$ 0.01	\$ 0.01

(1) Non IFRS measure

Net debt to cash flow from operations

	Year ended December 31, 2015	Year ended December 31, 2014
Net debt (surplus) (1)	\$ 2,677,173	\$ (984,028)
Annualized cash flow from operations (1)	\$ 590,668	592,916
Net debt to annualized cash flow	4.53	(1.66)

(1) Non-IFRS measure

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and years ended December 31, 2015 and 2014

Demand operating facilities

As at December 31, 2015, the Company had a \$4,000,000 demand operating loan facility, subject to the banks' annual review of the Company's petroleum and natural gas properties. Interest payable on amounts drawn under the facility is at the lenders' prime rate plus 1.375 percent. The credit facility is secured by a general security agreement and a first ranking charge on all lands of the Company.

Under the terms of the facility, the Company is required to maintain a working capital ratio of not less than 1:1. The working capital ratio is calculated as current assets plus the undrawn balance of the loan facility divided by current liabilities less any amount drawn under the facility. The Company was in compliance with this covenant at December 31, 2015 as the working capital ratio was 2.73:1.

As at December 31, 2015, the Company had drawn \$3,276,531 on this loan facility. The next annual review will take place in before the end of May, 2016.

Subsequent event

On February 4, the Company cancelled a total of 5,698,410 incentive stock options, granted under the Company's stock option plan to certain officers, directors, employees and consultants of the Company. The cancelled options were voluntarily surrendered by the holders thereof for no consideration. The exercise prices of the cancelled options ranged from \$0.14 to \$0.30 per common share. Following the cancellation of the options, the Company has no options outstanding.

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Historical Quarterly Information

	2015 Q4	2015 Q3	2015 Q2	2015 Q1
Oil and Gas Revenue	\$ 613,309	\$ 825,321	\$ 1,261,288	\$ 632,026
Cash Flow from operations ⁽¹⁾	(68,482)	175,691	463,421	20,038
Cash Flow / share - basic	0.00	0.00	0.01	0.00
Comprehensive Income (Loss)	(393,538)	(1,286,084)	(228,627)	(686,787)
Comprehensive Income (Loss) / share - basic	(0.01)	(0.02)	(0.00)	(0.01)
Capital Expenditures	47,543	1,050,245	443,343	3,643,655
Total Assets	11,708,587	11,360,785	11,950,979	12,710,273
Net surplus (debt)	(2,677,173)	(3,426,314)	(2,619,511)	(2,639,588)
Shareholders' Equity	\$ 3,262,400	\$ 3,184,520	\$ 4,402,855	\$ 4,499,455
Shares outstanding	70,061,595	64,436,595	63,759,095	63,759,095
Production (boe/d)	225	286	354	235
Oil and NGLs (bbl/d)	125	162	204	107
Natural gas (mcf/d)	600	745	901	769

	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Oil and Gas Revenue	\$ 1,093,891	\$ 1,077,975	\$ 471,357	\$ 349,807
Cash Flow from operations ⁽¹⁾	(85,010)	537,754	64,557	75,615
Cash Flow / share - basic	0.00	0.01	0.00	0.00
Comprehensive (Loss)	(2,722,305)	388,978	(153,532)	(127,051)
Comprehensive (Loss) / share - basic	(0.04)	0.00	(0.00)	(0.00)
Capital Expenditures	1,181,988	1,737,930	3,646,534	139,101
Total Assets	10,541,170	9,036,918	8,790,090	3,246,717
Net surplus (debt)	984,028	(509,823)	719,511	541,339
Shareholders' Equity	\$ 5,186,242	\$ 5,009,285	\$ 4,649,465	\$ 1,157,886
Shares outstanding	63,759,095	52,462,466	52,462,466	34,310,799
Production (boe/d)	260	217	88	65
Oil and NGLs (bbl/d)	145	93	37	23
Natural gas (mcf/d)	691	744	308	250

¹ Non-IFRS measure

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and years ended December 31, 2015 and 2014

Disclosure controls and procedures - Disclosure controls and procedures have been designed to ensure that information to be disclosed by Relentless is accumulated and communicated to management, as appropriate, to allow timely decisions regarding required disclosures. The Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures, as defined by National Instrument 52-109 Certification, to provide reasonable assurance that (i) material information relating to the Company is made known to the Company's Chief Executive Officer and Chief Financial Officer by others, particularly during the period in which the annual and interim filings are prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. All control systems by their nature have inherent limitations and, therefore, the Company's disclosure controls and procedures are believed to provide reasonable, but not absolute, assurance that the objectives of the control system are met.

Internal control over financial reporting - The Company's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, internal controls over financial reporting, as defined by National Instrument 51-109. Internal controls over financial reporting is a process designed to provide reasonable assurance that all assets are safeguarded, transactions are appropriately authorized and to facilitate the preparation of relevant, reliable and timely information. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objective of the control system is met. There were no changes made to Relentless's internal controls over financial reporting during the period beginning on January 1, 2015 and ending on December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

CRITICAL ACCOUNTING ESTIMATES

The financial statements have been prepared in accordance with IFRS. A summary of the significant accounting policies are presented in note 3 of the Notes to the Financial Statements. Certain Accounting policies are critical to understanding the financial condition and results of operations of Relentless.

- a) Proved and probable oil and natural gas reserves - Reserve estimates are based on engineering data, estimated future prices, expected future rates of production and the timing of future capital expenditures, all of which are subject to interpretation and uncertainty. Relentless expects that over time its reserve estimates will be revised either upward or downward depending upon the factors as stated above. These reserve estimates can have a significant impact on net income, as it is a key component in the calculation of depletion, depreciation and amortization, and also for the determination of potential asset impairments.
- b) Depreciation and depletion - property, plant and equipment is measured at cost less accumulated depreciation and depletion. Relentless's oil and natural gas properties are depleted using the unit-of-production method over proved and probable reserves for each cash-generating unit (CGU). The unit-of-production method takes into account capital expenditures incurred to date along with future development capital required to develop both proved and probable reserves
- c) Impairment - Relentless assesses its property, plant and equipment for impairment when events or circumstances indicate that the carrying value of its assets may not be recoverable. If any indication of impairment exists, Relentless performs an impairment test on the CGU which is the lowest level at which there are identifiable cash flows. The determination of fair value at the CGU level again requires the use of judgements and estimates that include quantities of reserves and future production, future commodity pricing, development costs, operating costs and royalty obligations. Any changes in these items may have an impact on the fair value of the assets.
- d) Decommissioning liabilities - Relentless estimates its decommissioning liabilities based upon existing laws, contracts or other policies. The estimated present value of the Company's decommissioning obligations are recognized as a liability in the three months and years in which they occur. The provision is calculated by discounting the expected future cash flows to settle the obligations at the risk-free interest rate. The liability is adjusted each reporting three months and years to reflect the passage of time, with accretion charged to net income, any other changes whether it be changes in interest rates or changes in estimated future cash flows are capitalized to property, plant and equipment.
- e) Income taxes - The determination of Relentless's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded.

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and years ended December 31, 2015 and 2014

BUSINESS RISKS

Relentless is exposed to risks inherent in the oil and gas business. Operationally, the Company faces risks associated with finding, developing and producing oil and gas reserves, such as the availability of rigs and inclement weather. The Company continues to follow strict exploration criteria on each prospect to ensure high profitability and rate of return on capital investment. Exploration risks are managed by hiring skilled technical staff and by concentrating exploration activity on areas in which Relentless has experience and expertise. Relentless operates most of its production, allowing the Company to manage costs, timing and sales of production. Estimates of economically recoverable reserves and the future net cash flow are based on factors such as commodity prices, projected production and future capital and operating costs. These estimates may differ from actual results. The Company has its reserves evaluated annually by an independent engineering firm. Relentless is also exposed to environmental risks and risks associated with the reliance upon relationships with partners. Relentless carries environmental liability, property, drilling and general liability insurance to mitigate its risks. The Company is also exposed to financial risks in the form of commodity prices, interest rates, the Canadian to U.S. dollar exchange rate and inflation.

NOTE: In this report all currency values are in Canadian dollars (unless otherwise noted). Figures, ratios and percentages in this MD&A may not add due to rounding.

ABBREVIATIONS

bbl	barrel	M ³	cubic meters
bbls	barrels	Mbbls	thousands of barrels
bcf	billion cubic feet	mcf	thousand cubic feet
bhp	brake horsepower	mcf/d	thousand cubic feet per day
boe	barrel of oil equivalent (1 boe = 6 mcf)	MMbbls	millions of barrels
bbls/d	barrels per day	mmcf	million cubic feet
boe/d	barrels of oil equivalent per day	mmcf/d	million cubic feet per day
FNR	future net revenue	NGLs	natural gas liquids
GJ	gigajoule	NPV	net present value
GJs/d	gigajoules per day	HZ	horizontal

RELENTLESS RESOURCES LTD.

Directors and Officers

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Chief Executive Officer & Director
Calgary, Alberta

Ronald J. Peshke ⁽⁴⁾

President & Director
Calgary, Alberta

Hugh M. Thomson

Vice President Finance & Chief Financial Officer
Calgary, Alberta

William C. Macdonald ^(1,2,3)

Director
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Murray Frame ^(1,2,3,4)

Director
Calgary, Alberta

¹ Member of the Audit Committee

² Member of the Compensation Committee

³ Member of the Governance Committee

⁴ Member of the Reserves Committee

Corporate Information

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Stock Listing

TSX Venture Exchange
Trading Symbol: RRL