RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2016 and 2015

This 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 May 25, 2016. The MD&A should be read in conjunction with the unaudited condensed interim financial statements for the three months ended March 31, 2016, together with the notes thereto. Relentless's Board of Directors reviewed and approved the March 31, 2016 condensed interim financial statements and related MD&A on May 25, 2016.

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 plus 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.

Corporate Update

Relentless averaged 232 boed (52% oil and liquids) in Q1 2016, down 1% from the same period last year, and up 3% from the previous quarter. Approximately 50 boed of gas production was shut-in during the quarter. Royalties payable decreased 10% to $1.55/boe compared to the previous quarter due to lower commodity pricing on variable Crown royalties. Operating costs were down 11% to $13.10/boe compared to the previous quarter. General and administration ("G&A") costs were consistent with the previous quarter at $5.25/boe.

As of the date of this release, Relentless has net debt of approximately $2.7 million dollars on a newly confirmed credit facility of $3.0 million dollars. The demand facilities are subject to annual review, provided that the first such review date shall not occur prior to May 31, 2017.

Although current commodity prices have reduced capital spending and have not allowed for production growth, the Company's Heathdale property provides high impact oil projects which can be easily ramped in an improved price environment. Relentless views the industry downturn as an opportunity to optimize the Heathdale asset and potentially align itself inside a larger company, with similar corporate direction. In the meantime, Relentless is moving forward several recompletion ideas on its W5 asset base as well as contemplating further delineation drilling at Heathdale.

Relentless' go forward capital program depends on the price of oil and natural gas and the ability to finance. Without further increases to 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 values.

Relentless is a unique low G&A, high insider ownership and conforming junior oil and gas company with low risk, high working interest medium gravity oil opportunities at Heathdale. The Management and Directors once again thank you for your patience and continued support.

Financial summary

	Three months ended March 31		
	2016	2015	% Change
Oil and gas revenue	$ **481,013**	$ 632,026	(24)
Cash flow from operations (1)	**17,578**	20,038	12
Per share - basic and diluted (1)	**0.000**	0.000	20
Comprehensive income (loss)	**(378,059)**	(686,787)	(45)
Per share - basic and diluted	**(0.01)**	(0.01)	(50)
Total assets	**11,505,813**	12,710,273	(9)
Net surplus debt (1)	**(2,701,014)**	(2,639,588)	2
Capital expenditures, net	$ **41,419**	$ 3,643,654	(99)
Shares outstanding - end of period	**70,061,595**	63,759,095	10

(1) Non IFRS measure

Production and pricing summary

	Three months ended March 31		
	2016	2015	% Change
Daily production			
Oil and NGLs (bbl/d)	**120**	107	12
Natural gas (mcf/d)	**674**	769	(12)
Oil equivalent (boe/d @ 6:1)	**232**	235	(1)
Realized commodity prices ($CDN)			
Oil and NGLs (bbl)	**$31.58**	$42.12	(25)
Natural gas (mcf)	**$2.32**	$3.27	(29)
Oil equivalent (boe @ 6:1)	**$23.03**	$29.85	(23)

Cash flow and comprehensive loss

Three months ended March 31,	**2016**	2015	% Change	**2016**	2015	% Change
				($ / boe)	($ / boe)	
Oil and natural gas sales	**481,013**	632,026	(24)	**23.03**	29.85	(23)
Royalties	**(32,376)**	(65,718)	(51)	**(1.55)**	(3.10)	(50)
Revenue after royalties	**448,637**	566,308	(21)	**21.48**	26.75	(20)
Production, operating and transportation expenses	**(273,696)**	(423,073)	(35)	**(13.10)**	(19.98)	(34)
Operating cash flow (1)	**174,941**	143,235	22	**8.38**	6.77	24
General & administrative expenses	**(109,742)**	(124,308)	(12)	**(5.25)**	(5.87)	(11)
Interest and other financing charges	**(47,621)**	1,111	4,386	**(2.28)**	0.05	4,443
Cash flow from operations (1)	**17,578**	20,038	(12)	**0.84**	0.95	11
Other income	**-**	166,666	100	**0.00**	7.87	100
Accretion	**(16,213)**	(50,165)	(68)	**(0.78)**	(2.37)	(67)
Depletion and depreciation	**(256,558)**	(438,157)	(41)	**(12.28)**	(20.70)	(41)
Impairment	**(122,866)**	(385,169)	(68)	**(5.88)**	(18.19)	(68)
Comprehensive loss	**(378,059)**	(686,787)	(45)	**(18.10)**	(32.45)	(44)
$ Per Share – Basic	(0.01)	(0.01)				
$ Per Share - Diluted	(0.01)	(0.01)				

(1) Non-IFRS measure

Eight Quarter Analysis

Daily Production and Commodity Prices

Three months ended	2016 March 31	2015 December 31	2015 September 30	2015 June 30	2015 March 31	2014 December 31	2014 September 30	2014 June 30
Daily production								
Oil and NGLs (bbl/d)	120	125	162	204	107	145	93	37
Natural gas (mcf/d)	674	600	745	901	769	691	744	308
Oil equivalent (boe/d @ 6:1)	232	225	286	354	235	260	217	88
Realized commodity prices ($CDN)								
Oil and NGLs (bbl)	$31.58	$40.62	$46.73	$56.84	$42.12	$62.58	$90.72	$95.98
Natural gas (mcf)	$2.32	$2.67	$1.91	$2.53	$3.27	$4.08	$4.40	$5.16
Oil equivalent (boe @ 6:1)	$23.03	$29.68	$31.40	$39.17	$29.85	$45.70	$53.97	$58.64

Oil and Natural Gas Revenue by Product

Three months ended	2016 March 31	2015 December 31	2015 September 30	2015 June 30	2015 March 31	2014 December 31	2014 September 30	2014 June 30
Oil and NGL revenue	340,505	465,946	694,579	1,053,383	406,163	834,781	777,090	326,729
Natural gas revenue	140,508	147,363	130,742	207,905	225,863	259,110	300,885	144,628
Total revenue	481,013	613,309	825,321	1,261,288	632,026	1,093,891	1,077,975	471,357
% Oil and NGLs	71%	76%	84%	84%	64%	76%	72%	69%
% Natural gas	29%	24%	16%	16%	36%	24%	28%	31%

Cash Flow from Operations

Three months ended	2016 March 31	2015 December 31	2015 September 30	2015 June 30	2015 March 31	2014 December 31	2014 September 30	2014 June 30
Oil and natural gas sales	481,013	613,309	825,321	1,261,288	632,026	1,093,891	1,077,975	471,357
Royalties	(32,376)	(35,565)	(99,679)	(212,643)	(65,718)	(133,678)	(134,559)	(54,795)
Revenue after royalties	448,637	577,744	725,642	1,048,645	566,308	960,213	943,416	416,562
Production, operating and transportation expenses	(273,696)	(303,177)	(382,359)	(398,239)	(423,073)	(518,526)	(261,177)	(177,491)
Operating cash flow (1)	**174,941**	**274,567**	**343,283**	**650,406**	**143,235**	**441,687**	**682,239**	**239,071**
General & administrative expenses	(109,742)	(109,994)	(142,395)	(174,748)	(124,308)	(178,093)	(144,663)	(175,178)
Bad debt expense	-	(181,018)	-	-	-	-	-	-
Interest and other financing charges	(47,621)	(36,305)	(25,197)	(12,237)	1,111	1,582	178	664
Flow through share indemnification expense	-	(15,732)	-	-	-	(350,186)	-	-
Cash flow from operations (1)	**17,578**	**(68,482)**	**175,691**	**463,421**	**20,038**	**(85,010)**	**537,754**	**64,557**

(1) Non IFRS measure

Operating and Cash Flow Netbacks

Three months ended	2016 March 31	2015 December 31	2015 September 30	2015 June 30	2015 March 31	2014 December 31	2014 September 30	2014 June 30
($/boe)								
Revenue	23.03	29.68	31.40	39.17	29.85	45.70	53.97	58.64
Royalties	(1.55)	(1.72)	(3.79)	(6.60)	(3.10)	(5.58)	(6.74)	(6.82)
Production, operating and transportation expenses	(13.10)	(14.67)	(14.55)	(12.37)	(19.98)	(21.65)	(13.07)	(22.08)
Operating netback (1)	**8.38**	**13.29**	**13.06**	**20.20**	**6.77**	**18.47**	**34.16**	**29.74**
General and administrative expenses	(5.25)	(5.32)	(5.42)	(5.43)	(5.87)	(7.44)	(7.24)	(21.90)
Bad debt expense	-	(8.76)	-	-	-	-	-	-
Interest expense	(2.28)	(1.76)	(0.96)	(0.38)	0.05	0.07	0.01	0.08
Flow through share indemnification expense	-	(0.76)	-	-	-	(14.63)	-	-
Cash flow netback (1)	**0.84**	**(3.31)**	**6.68**	**14.39**	**0.95**	**(3.53)**	**26.93**	**7.92**

(1) Non IFRS measure

Daily Production and Commodity Prices

In Q1 of 2016, total production decreased 1% to 232 boe/d when compared to 235 boe/d for the same period a year ago. Oil and NGLs production averaged 120 bbl/d in Q1 2016 as compared to 107 bb/d in Q1 2015. Natural gas production averaged 674 mcf/d in the first quarter of 2016 compared to 769 mcf/d in the same period a year ago.

In Q1 2016, oil and gas prices decreased significantly from Q1 2015. The average price of oil and NGL dropped 25% from $42.12/bbl to $31.58/bbl. Natural gas prices dropped 29% from $3.27/mcf to $2.32/mcf.

Three months ended March 31,	**2016**	2015	% Change
Daily production			
Oil and NGLs (bbl/d)	**120**	107	12
Natural gas (mcf/d)	**674**	769	(12)
Oil equivalent (boe/d @ 6:1)	**232**	235	(1)
Realized commodity prices ($CDN)			
Oil and NGLs (bbl)	$ **31.58**	$ 42.12	(25)
Natural gas (mcf)	**2.32**	3.27	(29)
Oil equivalent (boe @ 6:1)	$ **23.03**	$ 29.85	(23)

Oil and Natural Gas Revenues

Due to a 23% decrease in average commodity prices, production revenues decreased 24% to $481,013 in the first quarter of 2016 compared to $632,026 in the same period in 2015. Oil revenues dropped by 16% and natural gas revenues fell by 38%.

Three months ended March 31,		2016		2015	% Change
Oil and NGLs	$	**340,505**	$	406,163	(16)
Natural gas		**140,508**		225,863	(38)
Total revenue	$	**481,013**	$	632,026	(24)
% Oil and NGLs		**71%**		64%	
% Natural gas		**29%**		36%	

Royalties

For the three months ended March 31, 2016, royalties decreased by 51% to $32,376 from $65,718 for the same period a year ago due to a 23% decrease in production revenues. In Q1 2016 the royalty rate was 6.7% of revenue as comparted to 10.4% in Q1 2015.

Three months ended March 31,		2016		2015	% Change		2016 ($ / boe)		2015 ($ / boe)
Royalties	**$**	**32,376**	$	65,718	(51)	**$**	**1.55**	$	3.10

Production, Operating and Transportation Expenses

For the three months ended March 31, 2016, production, operating and transportation expenses decreased 35% to $273,696 as compared to $423,073 for the same period a year ago. On a per boe basis, production and operating expenses decreased 34% to $13.10 per boe, down from $19.98 per boe for the same period in 2015 due to due to field efficiencies.

Three months ended March 31,		2016		2015	% Change		2016 ($ / boe)		2015 ($ / boe)
Production, operating and transportation	**$**	**273,696**	$	423,073	(35)	**$**	**13.10**	$	19.98

General & Administrative Expenses

General and administrative expenses, after overhead recoveries, decreased 12% to $109,763 for the three months ended March 31, 2016 down from $124,308 in Q1 2015. The decrease in general and administrative expense is attributable to negotiated decreases with suppliers on major outlays. General and administrative expenses per boe decreased by 11% to $5.25 from $5.87 in Q1 2015.

Three months ended March 31,		2016		2015	% Change		2016 ($ / boe)		2015 ($ / boe)
General & administrative	**$**	**109,742**	$	124,308	(12)	**$**	**5.25**	$	5.87

Finance Expense

Interest expense in Q1 2016 increased over Q1 2015 as the Company carried average bank debt of $3.3 million during the quarter as compared to nil in Q1 2015.

Three months ended March 31,		2016		2015	% Change		2016 ($ / boe)		2015 ($ / boe)
Interest expense (income)	$	47,621	$	(1,111)	4,386	$	2.28	$	(0.05)
Accretion		16,213		50,165	(68)		0.78		2.37
Finance	$	63,834	$	49,054	40	$	3.06	$	2.32

Depletion and Depreciation

In Q1 2016, depletion and depreciation decreased by 41% to $256,558 as compared to $438,157 in Q1 2015. Q1 2016 production volumes totaled 20,888 boe and based on year end 2015 proved plus probable reserves of 1,106,637 boe the depletion rate was 1.9% as compared to 3.2% in Q1 2015.

Three months ended March 31,		2016		2015	% Change		2016 ($ / boe)		2015 ($ / boe)
Depletion and depreciation	$	256,558	$	438,157	(41)	$	12.28	$	20.70

Impairment

At March 31, 2016, the Company evaluated its PP&E assets for impairment and recorded an impairment of $122,866 on the Hayes, 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.

Three months ended March 31,		2016		2015	% Change		2016 ($ / boe)		2015 ($ / boe)
Impairment	$	122,866	$	385,169	(68)	$	5.88	$	18.19

Property plant and equipment assets (PP&E)

Assets		PP&E Assets
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
Additions		41,419
Change in decommissioning obligations		93,303
Balance at March 31, 2016	$	19,045,553

		PP&E Assets
Depletion, depreciation and impairment		
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)
Impairment		(122,866)
Depletion and depreciation		(256,558)
Balance at March 31, 2016	$	(8,792,513)
Net book value		
Balance at December 31, 2014	$	8,298,459
Balance December 31, 2015		10,497,742
Balance at March 31, 2016	$	10,253,040

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.

At March 31, 2016, the Company evaluated its PP&E assets for impairment and recorded an impairment of $122,866 on the Hayes, 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 CGU's were written down to their recoverable amount based on the future value of cash flows.

Capital expenditure summary

Area	**Description**		**Three months ended March 31, 2016**		Three months ended March 31, 2015
Alberta	P&NG Acquisitions	**$**	**-**	$	-
	Drill and complete		**-**		2,444,427
	Equip and tie-in		**27,264**		725,104
	Land and lease		**6,944**		21,463
	Abandonment		**6,873**		352,134
	Other		**338**		100,525
Total		**$**	**41,419**	$	3,643,653

Demand operating facilities

As at March 31, 2016, 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 Company's working capital ratio at March 31, 2016 was 3.02:1. As at March 31, 2016 the Company had drawn $3,453,346 on this loan facility and net debt was $2,701,014.

On May 12, 2016, the Company renewed its revolving demand operating loan facility, with the principal amount decreasing from $4,000,000 to $3,000,000. The facility is available until May 31, 2017 at which time it may be extended, at the lenders option. Interest payable on amounts drawn under the facility is at the lenders' prime rate plus 1.50 percent. The credit facility is collateralized by a general security agreement and a first ranking charge on all lands of the Company.

At the date of this report the estimated net debt was $2,700,000.

Cash Flow from Operations

Three months ended March 31		**2016**		2015
Comprehensive loss for the period	**$**	**(378,059)**	$	(686,787)
Other income		**-**		(166,666)
Accretion expense		**16,213**		50,165
Impairment		**122,866**		385,169
Depletion and depreciation		**256,558**		438,157
Cash flow from operations (1)	**$**	**17,578**	$	20,038
Cash flow from operations per share – basic and diluted	**$**	**0.00**	$	0.00

(1) Non IFRS measure

Net debt

March 31		**2016**		2015
Cash	**$**	**900,000**	$	599,962
Accounts receivable		**290,388**		781,257
Prepaid expenses and deposits		**62,385**		51,282
Accounts payable and accrued liabilities		**(500,441)**		(4,072,089)
Bank debt		**(3,453,346)**		-
Net debt (1)	**$**	**(2,701,014)**	$	(2,639,588)

(1) Non IFRS measure

Net debt to cash flow from operations

Three months ended March 31		2016		2015
Net debt (1)	**$**	**2,701,014**	$	2,639,588
Annualized cash flow from operations (1)	**$**	**70,312**	$	80,152
Net debt to annualized cash flow		**38.41**		32.93

(1) Non-IFRS measure

Decommissioning Obligations

A reconciliation of the decommissioning obligations is provided below:

	Three months ended March 31, 2016	Year ended December 31, 2015
Balance, beginning of year	**$4,164,419**	$3,791,022
Additions	**-**	269,958
Change in estimate	**93,303**	38,536
Accretion	**16,213**	64,901
Balance, end of period	**4,273,935**	4,164,419
Less current portion of decommissioning obligations	**(95,773)**	(95,773)
Non-current decommissioning obligations	**$4,178,162**	$4,068,646

The total undiscounted amount of the estimated cash flows required to settle the decommissioning obligations is approximately $4,078,097 (2015 – $3,805,872) which will be incurred over the next 30 years (2015 – 30 years) with the majority of costs to be incurred between 2016 and 2042. An average risk-free rate of 0.93% (2015 – 0.97%) and an inflation rate of 2.00% (2015 – 2.00%) were used to calculate the net present value of the decommissioning obligations. Accretion expense is included in finance expense on the statement of comprehensive loss.

Share Capital

	Three months ended March 31, 2016		Year ended December 31, 2015	
	Shares	**Amount**	Shares	Amount
Balance, beginning of period	**70,061,595**	**$13,969,981**	63,759,095	$13,413,878
Exercise of stock options	**-**	**-**	677,500	84,685
Issuance of common shares	**-**	**-**	5,625,000	900,000
Flow through share premium	**-**	**-**	-	(393,750)
Share issuance costs	**-**	**-**	-	(34,832)
Balance, end of period	**70,061,595**	**$13,969,981**	70,061,595	$13,969,981

On December 18, 2015, Relentless closed a non-brokered private placement for gross proceeds of $900,000. The Company issued 5,625,000 common shares on a flow-through basis at 16 cents per share for gross proceeds of $900,000. Share issuance costs were $34,832 resulting in net proceeds of $865,168.

As a result of the flow-through share issuance in December of 2015, the Company recorded a flow-through share premium liability of $393,750 with an offsetting adjustment to share capital. At March 31, 2016, the Company has a commitment to spend $900,000 on eligible flow through expenditures before December 31, 2016.

Stock options

	Three months ended March 31, 2016		Year ended December 31, 2015	
	Options	**Weighted average exercise price**	Options	Weighted average exercise price
Outstanding, beginning of period	**5,698,410**	**$0.22**	5,246,080	$0.208
Exercised			(677,500)	0.10
Granted	**-**	**-**	1,129,830	$0.145
Cancelled	**(5,698,410)**	**0.22**	-	-
Outstanding and exercisable, end of period	**-**	**-**	5,698,410	$0.22

On February 4, 2016 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 14 cents to 30 cents per common share. Following the cancellation of the options, the company has no options outstanding.

Warrants

	Three months ended March 31, 2016		Year ended December 31, 2015	
	Warrants	**Amount**	Warrants	Amount
Balance, beginning of year	**2,142,856**	**-**	2,142,856	-
Balance, end of period	**2,142,856**	**-**	2,142,856	-

As at March 31, 2016, 2,142,856 warrants (2015 – 2,142,856) were outstanding.

Historical Quarterly Information

	2016 Q1	2015 Q4	2015 Q3	2015 Q2
Oil and Gas Revenue	$ 481,013	$ 613,309	$ 825,321	$ 1,261,288
Cash Flow from operations (1)	17,578	(68,482)	175,691	463,421
Cash Flow / share - basic	0.00	0.00	0.00	0.01
Comprehensive Income (Loss)	(378,059)	(393,538)	(1,286,084)	(228,627)
Comprehensive Income (Loss) / share - basic	(0.01)	(0.01)	(0.02)	(0.00)
Capital Expenditures	41,419	47,543	1,050,245	443,343
Total Assets	11,505,813	11,708,587	11,360,785	11,950,979
Net surplus (debt) (1)	(2,701,014)	(2,677,173)	(3,426,314)	(2,619,511)
Shareholders' Equity	$ 2,884,341	$ 3,262,400	$ 3,184,520	$ 4,402,855
Shares outstanding	70,061,595	70,061,595	64,436,595	63,759,095
Production (boe/d)	232	225	286	354
Oil and NGLs (bbl/d)	120	125	162	204
Natural gas (mcf/d)	674	600	745	901

	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Oil and Gas Revenue	$ 632,026	$ 1,093,891	$ 1,077,975	$ 471,357
Cash Flow from operations (1)	20,038	(85,010)	537,754	64,557
Cash Flow / share - basic	0.00	0.00	0.01	0.00
Comprehensive (Loss)	(686,787)	(2,722,305)	388,978	(153,532)
Comprehensive (Loss) / share - basic	(0.01)	(0.04)	0.00	(0.00)
Capital Expenditures	3,643,653	1,181,988	1,737,930	3,646,534
Total Assets	12,710,273	10,541,170	9,036,918	8,790,090
Net surplus (debt) (1)	(2,639,588)	984,028	(509,823)	719,511
Shareholders' Equity	$ 4,499,455	$ 5,186,242	$ 5,009,285	$ 4,649,465
Shares outstanding	63,759,095	63,759,095	52,462,466	52,462,466
Production (boe/d)	235	260	217	88
Oil and NGLs (bbl/d)	107	145	93	37
Natural gas (mcf/d)	769	691	744	308

(1) Non-IFRS measure

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 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 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.

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

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