RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2014 and 2013

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 26, 2014. The MD&A should be read in conjunction with the condensed interim financial statements dated March 31, 2014 and the annual audited financial statements for the year ended December 31, 2013. Relentless's Board of Directors reviewed and approved the March 31, 2014 condensed interim financial statements and related MD&A on May 26, 2014. *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

On May 23, 2014 Relentless announced that its nominee, 1819113 Alberta Ltd. ("1819113" or "the Nominee") completed the purchase of approximately 127 boe/d of conventional producing P&NG assets from a private company for $3 million in cash, subject to industry standard closing adjustments. 1819113 is wholly owned by certain directors and officers of Relentless.

The Nominee funded the purchase with bank financing and loans from its directors and officers. The loans will be payable on demand and bear interest at the annual rate of 3%.

Relentless has the exclusive right to acquire the assets from Nominee or its common shares and loans payable for $3 million.

Completion of the proposed transaction by Relentless is subject to a number of conditions including, without limitation, approval of the TSX Venture Exchange ("TSXV") by August 31, 2014. Relentless will either acquire the assets from the Nominee or amalgamate with the Nominee upon receipt of TSXV approval. Requirements for TSXV approval may include approval of the transactions at a shareholder meeting of Relentless.

The assets to be acquired are located in the Peace River Arch area of Alberta, and are comprised of production of approximately 64% natural gas and 36% light oil and natural gas liquids (based on conversion ratio of 6 mcf = 1 bbl). For the year ended December 31, 2013 the assets produced 46 bbl/day of oil and NGL's and 486 mcf/day of natural gas (127 boe/day). The majority of the production is operated with high working interests. The assets include a total net land base of approximately 5,000 acres (8 sections), and significant oil and gas gathering and processing infrastructure.

Financial summary

		Three months ended March 31			
		2014		2013	% Change
Oil and gas revenue	$	**349,807**	$	298,338	17
Cash flow from operations (1)		**75,615**		71,844	5
Per share - basic and diluted (1)		**0.00**		0.00	-
Comprehensive loss		**(127,051)**		(305,116)	(58)
Per share - basic and diluted		**(0.00)**		(0.01)	(100)
Total assets		**3,246,717**		3,326,862	(2)
Net surplus (debt) (1)		**541,339**		(242,194)	(324)
Capital expenditures, net	$	**139,101**	$	694,562	(80)
Shares outstanding - end of period		**34,310,799**		30,025,085	14

(1) Non IFRS measure

Cash Flow and Net loss

Three months ended March 31	***2014***	*2013*	*% Change*	***2014*** ***($ / boe)***	*2013* *($ / boe)*	*% Change*
Oil and natural gas sales	**349,807**	298,338	17	**59.75**	48.52	23
Royalties	**(33,112)**	(7,689)	331	**(5.66)**	(1.25)	352
Revenue after royalties	**316,695**	290,649	9	**54.09**	47.27	14
Production, operating and transportation expenses	**(141,546)**	(160,221)	(12)	**(24.18)**	(26.06)	(7)
Operating cash flow (1)	**175,149**	130,428	34	**29.91**	21.21	41
General & administrative expenses	**(85,172)**	(59,249)	44	**(14.55)**	(9.64)	51
Interest and other financing charges	**(14,362)**	665	(2,260)	**(2.45)**	0.11	(2368)
Cash flow from operations (1)	**75,615**	71,844	5	**12.91**	11.68	10
Other income	**-**	192,000	(100)	**0.00**	31.22	(100)
Share based compensation	**(104,096)**	-	100	**(17.78)**	0.00	100
Accretion	**(12,037)**	(97)	12,309	**(2.06)**	(0.02)	12,934
Impairment	**-**	(470,777)	100	**0.00**	(76.56)	100
Depletion and depreciation	**(86,533)**	(98,086)	(12)	**(14.78)**	(15.95)	(7)
Comprehensive loss	**(127,051)**	(305,116)	(58)	**(21.71)**	(49.63)	(56)
$ Per Share – Basic	(0.00)	(0.01)				
$ Per Share - Diluted	(0.00)	(0.01)				

(1) Non IFRS measure

In Q1 2014, field operating netbacks per boe were $29.91 as compared to $21.21 in Q1 2013. The 41% increase in field operating netbacks was primarily due to a 78% increase in natural gas prices in Q1 2014 versus Q1 2013.

Cash flow from operating activities before changes in non-cash working capital in Q1 2014 was $75,615 on revenues of $349,807 as compared to cash flow of $71,844 on revenues of $298,338 in 2013. In Q1 2014, cash flow netbacks were $12.91/boe as compared to $11.68/boe in 2013.

Eight Quarter Analysis

Daily Production and Commodity Prices

Three months ended	**2014 March 31**	**2013 December 31**	**2013 September 30**	**2013 June 30**	**2013 March 31**	**2012 December 31**	**2012 September 30**	**2012 June 30**
Daily production								
Oil and NGLs (bbl/d)	23	24	38	35	32	27	32	50
Natural gas (mcf/d)	250	237	301	253	222	195	169	234
Oil equivalent (boe/d @ 6:1)	65	64	88	77	68	60	60	89
Realized commodity prices ($CDN)								
Oil and NGLs (bbl)	$96.75	$84.65	$90.14	$86.63	$76.81	$76.34	$75.18	$77.62
Natural gas (mcf)	$6.31	$3.96	$2.83	$3.87	$3.54	$3.76	$2.56	$2.10
Oil equivalent (boe @ 6:1)	$59.75	$46.39	$48.60	$52.65	$48.52	$46.56	$47.32	$49.70

Oil and Natural Gas Revenue by Product

Three months ended	2014 March 31	2013 December 31	2013 September 30	2013 June 30	2013 March 31	2012 December 31	2012 September 30	2012 June 30
Oil and NGL revenue	204,732	186,900	315,127	278,941	226,120	189,625	221,335	357,071
Natural gas revenue	145,075	86,266	78,338	89,965	72,218	67,501	39,857	45,187
Total revenue	349,807	273,166	393,465	368,906	298,338	257,126	261,192	402,258
% Oil and NGLs	59%	68%	80%	76%	76%	74%	85%	89%
% Natural gas	41%	32%	20%	24%	24%	26%	15%	11%

Cash Flow from Operations

Three months ended	2014 March 31	2013 December 31	2013 September 30	2013 June 30	2013 March 31	2012 December 31	2012 September 30	2012 June 30
Oil and natural gas sales	349,807	273,166	393,465	368,906	298,337	257,008	261,192	402,499
Royalties	(33,112)	(32,076)	(42,299)	(21,656)	(7,689)	(18,982)	(7,817)	(22,848)
Revenue after royalties	316,695	241,090	351,166	347,250	290,648	238,026	253,375	379,651
Prodcution, operating and transportation expenses	(141,546)	(136,075)	(111,262)	(120,020)	(160,220)	(106,812)	(122,007)	(153,177)
Operating cash flow (1)	**175,149**	**105,015**	**239,904**	**227,230**	**130,428**	**131,214**	**131,368**	**226,474**
General & administrative expenses	(85,172)	(99,206)	(70,823)	(101,848)	(59,249)	(109,272)	(65,389)	(113,546)
Interest and other financing charges	(14,362)	579	(545)	(3,456)	576	(6,015)	(11,079)	(4,708)
Cash flow from operations (1)	**75,615**	**6,388**	**168,536**	**121,926**	**71,755**	**15,927**	**54,900**	**108,220**

(1) Non IFRS measure

Operating and Cash Flow Netbacks

Three months ended	2014 March 31	2013 December 31	2013 September 30	2013 June 30	2013 March 31	2012 December 31	2012 September 30	2012 June 30
($/boe)								
Revenue	59.75	46.39	48.60	52.65	48.52	46.56	47.32	49.70
Royalties	(5.66)	(5.45)	(5.22)	(3.09)	(1.25)	(3.44)	(1.42)	(2.82)
Prodcution, operating and transportation expenses	(24.18)	(23.11)	(13.74)	(17.13)	(26.06)	(19.35)	(22.10)	(18.91)
Operating netback (1)	**29.91**	**17.84**	**29.63**	**32.43**	**21.21**	**23.77**	**23.80**	**27.96**
General and administrative expenses	(14.55)	(16.85)	(8.75)	(14.54)	(9.64)	(19.80)	(11.85)	(14.02)
Interest expense	(2.45)	0.10	(0.07)	(0.49)	0.11	(1.09)	(2.01)	(0.58)
Cash flow netback (1)	**12.91**	**1.08**	**20.82**	**17.40**	**11.68**	**2.89**	**9.95**	**13.36**

(1) Non IFRS measure

Daily Production and Commodity Prices

For the first quarter of 2014, total production decreased 5% to 65 boe/d when compared to 68 boe/d for the same period a year ago. Oil and NGL production averaged 23 bbl/d in Q1 2014 as compared to 32 bb/d in Q1 2013. Natural gas production averaged 250 mcf/d in the first quarter of 2014 compared to 222 mcf/d in the same period a year ago.

For the three months ended March 31, 2014, oil prices increased 21% to $97.17/bbl, compared to $80.18/bbl for the same period a year ago. For the three months ended March 31, 2014, natural gas prices increased 78% to $6.45/mcf, when compared to $3.62/mcf realized in the same period in 2013.

Three months ended March 31,	2014	2013	% Change
Daily production			
Oil and NGLs (bbl/d)	**23**	32	(27)
Natural gas (mcf/d)	**250**	222	14
Oil equivalent (boe/d @ 6:1)	**65**	68	(5)
Realized commodity prices ($CDN)			
Oil and NGLs (bbl/d)	$ **97.17**	$ 80.18	21
Natural gas (mcf/d)	**6.45**	3.62	78
Oil equivalent (boe/d @ 6:1)	$ **59.75**	$ 48.52	23

Oil and Natural Gas Revenue by Product

Although oil and NGL prices increased by 21% oil and NGLs revenue decreased by 9% in Q1 2014 as oil volumes decreased by 27% over the same period last year. The 101% increase in natural gas revenues is due to a 14% increase in average daily volumes and a 78% increase in average price as compared to Q1 2013. Oil and NGLs revenue comprised 59% of total revenue in Q1 2014 as compared to 76% for the same period in 2013.

Three months ended March 31,	2014	2013	% Change
Oil and NGLs (bbl/d)	$ **204,732**	$ 226,120	(9)
Natural gas (mcf/d)	**145,075**	72,218	101
Total revenue	$ **349,807**	$ 298,338	17
% Oil and NGLs	**59%**	76%	
% Natural gas	**41%**	24%	

Oil and Natural Gas Revenue

Oil and natural gas revenue for the first quarter of 2014 increased 17% to $349,807 when compared to $298,338 for the same period a year ago, due to a 23% increase in average commodity prices.

Three months ended March 31,	2014	2013	% Change	2014 ($ / boe)	2013 ($ / boe)
Oil and natural gas revenue	**$ 349,807**	$ 298,338	17	**$ 59.75**	$ 48.52

Royalties

For the three months ended March 31, 2014, royalties increased by 331% to $33,112 from $7,689 for the same period a year ago. Royalties as a percentage of revenues for the first quarter of 2014 increased to 10% when compared to 3% for the same three months in 2013.

The increase in royalties is due to higher royalty rates on new wells acquired in the May, 2013 asset swap where Relentless disposed of its oil wells at Loverna, Saskatchewan in exchange for various wells in Central Alberta.

Three months ended March 31,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
Royalties	$	33,112	$	7,689	331	$	5.66	$	1.25

Production, Operating and Transportation Expenses

For the three months ended March 31, 2014, operating expenses decreased 12% to $141,546 as compared to $160,221 for the same period a year ago. On a per boe basis production and operating expenses decreased 7% to $24.18 per boe, from $26.06 per boe for the same three months in 2013.

Three months ended March 31,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
Production, operating and transportation	$	141,546	$	160,221	(12)	$	24.18	$	26.06

General & Administrative Expenses

General and administrative expenses, after overhead recoveries, increased 44% to $85,172 for the three months ended March 31, 2014 from $59,249 in Q1 2013. The increase is due to an increase in consulting fees and office rent. In February, 2014, the Company appointed a new President and a new Vice President Finance.

Three months ended March 31,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
General & administrative expenses	$	85,172	$	59,249	44	$	14.55	$	9.64

Finance Expense

For the three months ended March 31, 2014, interest expense increased to $14,362 from ($655) for the same three months in 2013. The increase was attributable to Part Xii.6 interest paid in relation to a Flow Through share issuance in December, 2012.

On December 20, 2012, the Company completed a private placement of 3,200,000 common shares on a "flow-through basis" at a price of $0.25 per share for total proceeds of $800,000. During the year ended December 31, 2013, the Company made expenditures of $676,219 out of a required $800,000 under the flow through share program noted above. As a result of the spending shortfall, in Q1 2014 the Company paid Part XII.6 interest of $14,224.

Three months ended March 31,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
Interest expense	$	14,362	$	(665)	(2,260)	$	2.45	$	(0.11)
Accretion		12,037		97	12,309		2.06		0.02
	$	26,399	$	(568)	12,000	$	4.51	$	(0.09)

Share Based Compensation

Share based compensation relates to stock options issued in Q1 2014 to new officers. In February, 2014, 668,580 stock options were issued at a weighted average exercise price of $0.17/share.

Three months ended March 31,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
Share Based Compensation	$	104,096	$	-	100	$	17.78	$	-

Depletion and Depreciation

Depletion and depreciation per boe decreased by 12% to $86,533 as compared to $98,086 in Q1 2014 due to a 10% decrease in fixed assets as compared to Q1 2013.

Three months ended March 31,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
Depletion and Depreciation	$	86,533	$	98,086	(12)	$	14.78	$	15.95

Cash Flow from Operations

Three months ended March 31		2014		2013
Comprehensive loss for the period	$	(127,051)	$	(305,116)
Other income		-		(192,000)
Accretion expense		12,037		97
Share based compensation expense		104,096		-
Depletion and depreciation		86,533		98,086
Impairment		-		470,777
Cash flow from operations (1)	$	75,615	$	71,844
Cash flow from operations per share – basic and diluted	$	0.00	$	0.00

(1) Non IFRS measure

Property plant and equipment assets (PP&E)

		PP&E Assets
Balance at December 31, 2013	$	4,573,204
Additions		139,101
Change in decommissioning obligations		36,810
Balance at March 31, 2014	$	4,749,115

		PP&E Assets
Depletion, depreciation and impairment:		
Balance at December 31, 2013	$	(2,370,630)
Depletion and depreciation for the period		(86,533)
Balance at March 31, 2014	$	(2,457,163)
Net book value:		
Balance at December 31, 2013	$	2,202,574
Balance at March 31, 2014	$	2,291,952

Capital expenditure summary for the three months ended March 31, 2014:

Area	Description		Expenditures
Alberta	Drill and complete	$	63,319
	Equip and tie-in		16,131
	Land and lease		54,827
	Other		4,824
Total		$	139,101

Demand operating facilities

As at March 31, 2014 and December 31, 2013, the Company had a $700,000 demand operating loan facility, subject to the banks' semi-annual review of the Company's petroleum and natural gas properties. The facility is available until May 31, 2014 at which time it may be extended, at the lenders option. As at May 26, 2014 the agreement is under review. Interest payable on amounts drawn under the facility is at the lenders' prime rate plus 1.75 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. As at March 31, 2014 and December 31, 2013, the Company had not drawn on this loan facility.

Working Capital surplus (deficiency)

Three months ended March 31		**2014**		2013
Cash	**$**	**644,702**	$	540,063
Trade and other receivables		**151,068**		185,037
Deposits and prepaid expenses		**158,995**		37,620
Trade and other payables		**(413,426)**		(1,004,914)
Working capital surplus (deficiency)	**$**	**541,339**	$	(242,194)

Decommissioning Obligations

A reconciliation of the decommissioning obligations is provided below:

	March 31, 2014	March 31, 2013
Balance, beginning of period	$1,626,558	$303,172
Change in estimate	36,810	38,007
Accretion	12,037	96
Balance, end of period	1,675,405	341,275
Less current portion of decommissioning obligations	(161,418)	-
Non-current decommissioning obligations	$1,513,987	$341,275

The Company's decommissioning obligations result from its ownership interest in oil and natural gas assets including well sites and gathering systems. The total decommissioning obligation is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The total undiscounted amount of the estimated cash flows required to settle the decommissioning obligations is approximately $1,841,776 (2013 - $ 378,000) which will be incurred over the next 30 years (2013 – 30 years) with the majority of costs to be incurred between 2014 and 2042. The current decommissioning obligation is $161,418. An average risk-free rate of 2.02% (2013 – 1.46%) and an inflation rate of 2% (2013 – 2 %) 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

	March 31, 2014		March 31, 2013	
	Shares	Amount	Shares	Amount
Balance, beginning of period	30,025,085	$6,925,722	30,025,085	$6,927,571
Issuance of common shares	4,285,714	450,000	-	-
Share issuance costs	-	(26,820)	-	-
Balance, end of period	34,310,799	$7,348,902	30,025,085	$6,927,571

On February 11, 2014, the Company closed a non-brokered private placement offering of units, by issuing 4,285,714 units at a price of $0.105 per unit for gross proceeds of $450,000. Share issuance costs were $26,820 resulting in net proceeds of $423,180. Each unit comprises one common share and one-half of a share purchase warrant of the Company, resulting in the issuance of 4,285,714 common shares and 2,142,857 warrants under the offering. Subject to vesting, each whole warrant is exercisable into one common share until February 10, 2019, at a price of $0.14 per share. The warrants vest and become exercisable as to one-third upon the 20-day weighted-average trading price of the common shares equalling or exceeding $0.20, an additional one-third upon the market price equalling or exceeding $0.25, and a final one-third upon the market price equalling or exceeding $0.30. All securities issued under the offering, including the common shares issuable upon exercise of the warrants, are subject to a four-month-plus-a-day hold period from the date of issuance expiring June 11, 2014, in accordance with applicable securities laws.

Warrants

	March 31, 2014		March 31, 2013	
	Warrants	**Amount**	**Warrants**	**Amount**
Balance, beginning of period	-	-	66,750	-
Warrants issued	2,142,857	-	-	-
Balance, end of period	2,142,857	-	66,750	-

In conjunction with the common shares issued on a "flow-through basis" in 2013, the Company issued a total of 66,750 finder's warrants exercisable into common shares at a price of $0.25 per share for a term of one year, expiring December 20, 2013. These warrants were valued using the Black-Scholes method. In 2013, $1,849 had been recorded as share issue costs. The warrants expired unexercised.

As at March 31, 2014, 2,142,857 warrants (2013 – 66,750) were outstanding.

Subsequent events

On April 22, 2014 a former director exercised 110,000 stock options at a price of $.010/share for proceeds of $11,000.

On April 23, 2014 a former officer exercised 125,000 stock options at prices of $.016 and $0.165/share for proceeds of $20,250.

Historical Quarterly Information

	2014 Q1	2013 Q4	2013 Q3	2013 Q2
Oil and Gas Revenue	$ 349,807	$ 273,166	$ 393,465	$ 368,906
Cash Flow from operations (1)	75,615	23,376	168,536	121,926
Cash Flow / share - basic	0.00	0.00	0.01	0.00
Comprehensive Loss	(127,051)	(1,153,943)	(109,402)	(122,205)
Comprehensive Loss / share - basic	(0.00)	(0.04)	(0.00)	(0.00)
Capital Expenditures	139,101	36,384	46,353	(192,829)
Total Assets	3,246,717	2,650,046	2,940,618	2,830,668
Net surplus (debt)	541,339	181,645	194,655	72,471
Shareholders' Equity	$ 1,157,886	$ 757,661	$ 1,860,604	$ 1,858,468
Shares outstanding	34,310,799	30,025,085	30,025,085	30,025,085
Production (boe/d)	65	64	88	77
Oil and NGLs (bbl/d)	23	24	38	35
Natural gas (mcf/d)	250	237	301	253

	2013 Q1	2012 Q4	2012 Q3	2012 Q2
Oil and Gas Revenue	$ 298,338	257,126	$ 261,192	$ 402,499
Cash Flow from operations(1)	71,844	15,926	129,732	108,220
Cash Flow / share - basic	0.00	0.01	0.00	0.00
Comprehensive Income (Loss)	(305,116)	(750,946)	30,112	(345)
Comprehensive Income (Loss) / share - basic	(0.01)	(0.03)	0.00	0.00
Capital Expenditures	694,562	-	23,976	501,733
Total Assets	3,326,862	2,940,618	3,364,000	3,454,000
Net surplus (debt)	(242,194)	380,524	(390,000)	(422,000)
Shareholders' Equity	$ 1,980,673	1,860,604	$ 2,471,000	$ 2,494,000
Shares outstanding	30,025,085	30,025,085	26,825,085	26,825,085
Production (boe/d)	68	60	60	89
Oil and NGLs (bbl/d)	32	27	32	50
Natural gas (mcf/d)	222	195	169	234

[1] Non-IFRS measure

Production revenues, cash flow and comprehensive income (loss) have fluctuated over the past eight quarters mainly due to the volatility of commodity prices, and changes in production volumes and production mix.

CRITICAL ACCOUNTING ESTIMATES

The financial statements have been prepared in accordance with IFRS. A summary of the significant accounting policies are presented in note 4 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.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time specified by securities regulations and that information required to be disclosed is accumulated and communicated to management.

DESIGN OF INTERNAL CONTROLS OVER FINANCIAL REPORTING

Internal controls are processes designed and implemented by management to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements and other financial information for external purposes in accordance with International Financial Reporting Standards. For the three months ended March 31, 2014, the Chief Executive Officer and the Chief Financial Officer are responsible for and have designed internal controls over financial reporting, or caused them to be designed under their supervision. Management is aware that there is a lack of segregation of duties due to the small number of employees dealing with general, administrative and financial matters. However, management believes that at this time the potential benefits of adding employees to clearly segregate duties do not justify the costs associated with such increase.

Management has concluded that internal controls are adequately designed in this regard, considering the employees involved and the control procedures in place, including management and Audit Committee oversight. Occasionally, the Company requires outside assistance and advice on taxation, new accounting pronouncements and complex accounting and reporting issues, which is common with companies of a similar size. It should be noted, that a Company's control system, no matter how well designed, can provide only reasonable, but not absolute, assurance of detecting, preventing and deterring errors or fraud. There have been no changes in internal controls from the prior period end.

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		

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[1] Member of the Audit Committee
[2] Member of the Compensation Committee
[3] Member of the Governance Committee
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