RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and six months ended June 30, 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 August 18, 2014. The MD&A should be read in conjunction with the condensed interim financial statements dated June 30, 2014 and the annual audited financial statements for the year ended December 31, 2013. Relentless's Board of Directors reviewed and approved the June 30, 2014 condensed interim financial statements and related MD&A on August 18, 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 June 27, 2014, Relentless closed a non-brokered private placement for gross proceeds of $3.75 million, made up of 4,166,666 flow-through shares at 24 cents per share and 13,750,000 common shares at 20 cents per share. The shares are subject to a four-month hold period.

The proceeds of the common share portion of the offering were used to finance the $3 million purchase of oil and natural gas assets from a private company.

The assets consist of approximately 127 barrels of oil equivalent per day ("boe/d") of conventional producing petroleum and natural gas properties in the Peace River Arch area of Alberta.

Highlights of the acquisition are as follows:

- 127 boe/d of 64 per cent natural gas production (6:1 conversion) from 12 gross (7.4 net) producing wells, two gross (1.2 net) suspended wells and one gross (0.23 net) abandoned well;
- Production from the Doe Creek and Charlie Lake intervals with 2013 historical operating netbacks in excess of $30 per barrel of oil equivalent;
- A 2.08-per-cent working interest in the Saddle Hills Doe Creek unit No. 1;
- Largely operated production and corresponding high Alberta Energy Regulator licensee liability rating;
- Accretive purchase metrics of $24,000 per boe/d and $9.38 per boe for total proved plus probable reserves;
- Forecast 15-per-cent annual production decline with significant infill and horizontal drilling upside.

On June 27, 2014 Relentless also announced that Sony Gill was appointed as corporate secretary of the Company. Mr. Gill is a partner in the CFMA Group in the Calgary office of the national law firm McCarthy Tetrault LLP. Mr. Gill replaced Leigh Stewart, who resigned as corporate secretary. Relentless wishes to thank Mr. Stewart for providing guidance to the company for a number of years.

In connection with his appointment as corporate secretary, the company granted Mr. Gill an option to acquire 200,000 common shares. The grant of the option is for a five-year term. The options vested immediately and are exercisable at a price of 30 cents per common share.

On June 12, 2014, the Company closed the acquisition of a 100% working interest in one producing well and 3 non-producing well bores at Heathdale, Alberta for $700,000. Average production from the one well is 8 barrels of oil per day ("bbl/d").

The acquisition included a farm in and a drilling commitment on certain lands in the area. In July, 2014, Relentless recompleted the 3 non-producing wells in the glauconitic formation and will be placing the wells on production in the near future.

Subsequent to the quarter end, Relentless renewed its credit facility increasing the amount available from $700,000 to $3,000,000. At June 30, 2014, the Company had a working capital surplus of $719,511.

Relentless's current production volumes are approximately 211 boe/d comprised of 86 bbl/d of oil and NGLs and 750 thousand cubic feet per day ("mcf/d") of natural gas.

Financial summary

	Three months ended June 30		
	2014	2013	% Change
Oil and gas revenue	$ **471,357**	$ 368,906	28
Cash flow from operations (1)	**64,557**	121,386	(47)
Per share - basic and diluted (1)	**0.00**	0.00	-
Comprehensive loss	**(153,532)**	(122,205)	26
Per share - basic and diluted	**(0.00)**	(0.00)	-
Total assets	**8,790,090**	3,030,049	190
Net surplus (1)	**719,511**	72,471	893
Capital expenditures, net	$ **3,646,534**	$ 192,829	1,791
Shares outstanding - end of period	**52,462,466**	30,025,085	75

	Six months ended June 30		
	2014	2013	% Change
Oil and gas revenue	$ **821,163**	$ 667,244	23
Cash flow from operations (1)	**140,172**	193,680	(28)
Per share - basic and diluted (1)	**0.00**	0.01	-
Comprehensive loss	**(280,583)**	(427,321)	(34)
Per share - basic and diluted	**(0.01)**	(0.01)	-
Total assets	**8,790,090**	3,030,049	190
Net surplus (1)	**719,511**	72,471	893
Capital expenditures, net	$ **3,785,637**	$ 501,733	655
Shares outstanding - end of period	**52,462,466**	30,025,085	75

(1) Non IFRS measure

Cash Flow and Net loss

Three months ended June 30	***2014***	*2013*	*% Change*	***2014*** ***($ / boe)***	*2013* *($ / boe)*	*% Change*
Oil and natural gas sales	**471,357**	368,906	28	**58.92**	52.53	12
Royalties	**(54,795)**	(21,656)	153	**(6.85)**	(3.08)	122
Revenue after royalties	**416,562**	347,250	20	**52.07**	49.45	5
Production, operating and transportation expenses	**(177,491)**	(120,020)	48	**(22.19)**	(17.09)	30
Operating cash flow (1)	**239,071**	227,230	5	**29.88**	32.36	(8)
General & administrative expenses	**(175,178)**	(101,848)	72	**(21.90)**	(14.50)	51
Interest and other financing charges	**664**	(3,546)	(119)	**0.08**	(0.50)	(116)
Cash flow from operations (1)	**64,557**	121,836	(47)	**8.07**	17.35	(53)
Other income	**-**	-	-	**0.00**	0.00	-
Share based compensation	**(51,627)**	-	-	**(6.45)**	0.00	-
Accretion	**(20,218)**	(179,131)	(89)	**(2.53)**	(25.51)	(90)
Impairment	**-**	-	-	**0.00**	0.00	-
Depletion and depreciation	**(146,244)**	(64,910)	125	**(18.28)**	(9.24)	98
Comprehensive loss	**(153,532)**	(122,205)	26	**(19.20)**	(17.42)	10
$ Per Share – Basic	(0.00)	(0.00)				
$ Per Share - Diluted	(0.00)	(0.00)				

Six months ended June 30	***2014***	*2013*	*% Change*	***2014*** ***($ / boe)***	*2013* *($ / boe)*	*% Change*
Oil and natural gas sales	**821,163**	667,244	23	**58.58**	47.88	22
Royalties	**(87,906)**	(29,345)	200	**(6.27)**	(2.11)	198
Revenue after royalties	**733,257**	637,899	15	**52.30**	45.77	14
Production, operating and transportation expenses	**(319,037)**	(280,241)	14	**(22.76)**	(20.11)	13
Operating cash flow (1)	**414,220**	357,658	16	**29.55**	25.66	15
General & administrative expenses	**(260,350)**	(161,097)	62	**(18.57)**	(11.56)	61
Interest and other financing charges	**(13,698)**	(2,881)	375	**(0.98)**	(0.21)	373
Cash flow from operations (1)	**140,172**	193,680	(28)	**10.00**	13.90	(28)
Other income	**-**	192,000	(100)	**0.00**	13.78	(100)
Share based compensation	**(155,723)**	-	100	**(11.11)**	0.00	100
Accretion	**(32,255)**	(179,228)	(82)	**(2.30)**	(12.86)	(82)
Impairment	**-**	(470,777)	100	**0.00**	(33.78)	100
Depletion and depreciation	**(232,777)**	(162,996)	43	**(16.60)**	(11.70)	42
Comprehensive loss	**(280,583)**	(427,321)	(34)	**(20.01)**	(30.66)	(35)
$ Per Share – Basic	(0.01)	(0.01)				
$ Per Share - Diluted	(0.01)	(0.01)				

(1) Non IFRS measure

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Eight Quarter Analysis

Daily Production and Commodity Prices

Three months ended	2014 June 30	2014 March 31	2013 December 31	2013 September 30	2013 June 30	2013 March 31	2012 December 31	2012 September 30
Daily production								
Oil and NGLs (bbl/d)	37	23	24	38	35	32	27	32
Natural gas (mcf/d)	308	250	237	301	253	222	195	169
Oil equivalent (boe/d @ 6:1)	88	65	64	88	77	68	60	60
Realized commodity prices ($CDN)								
Oil and NGLs (bbl)	$95.98	$96.75	$84.65	$90.14	$86.63	$76.81	$76.34	$75.18
Natural gas (mcf)	$5.16	$6.31	$3.96	$2.83	$3.87	$3.54	$3.76	$2.56
Oil equivalent (boe @ 6:1)	$58.92	$59.75	$46.39	$48.60	$52.54	$48.52	$46.56	$47.32

Oil and Natural Gas Revenue by Product

Three months ended	2014 June 30	2014 March 31	2013 December 31	2013 September 30	2013 June 30	2013 March 31	2012 December 31	2012 September 30
Oil and NGL revenue	326,729	204,732	186,900	315,127	278,941	226,120	189,625	221,335
Natural gas revenue	144,628	145,075	86,266	78,338	89,965	72,218	67,501	39,857
Total revenue	471,357	349,807	273,166	393,465	368,906	298,338	257,126	261,192
% Oil and NGLs	69%	59%	68%	80%	76%	76%	74%	85%
% Natural gas	31%	41%	32%	20%	24%	24%	26%	15%

Cash Flow from Operations

Three months ended	2014 June 30	2014 March 31	2013 December 31	2013 September 30	2013 June 30	2013 March 31	2012 December 31	2012 September 30
Oil and natural gas sales	471,357	349,807	273,166	393,465	368,906	298,337	257,008	261,192
Royalties	(54,795)	(33,112)	(32,076)	(42,299)	(21,656)	(7,689)	(18,982)	(7,817)
Revenue after royalties	416,562	316,695	241,090	351,166	347,250	290,648	238,026	253,375
Prodcution, operating and transportation expenses	(177,491)	(141,546)	(136,075)	(111,262)	(120,020)	(160,220)	(106,812)	(122,007)
Operating cash flow (1)	**239,071**	**175,149**	**105,015**	**239,904**	**227,230**	**130,428**	**131,214**	**131,368**
General & administrative expenses	(175,178)	(85,172)	(99,206)	(70,823)	(101,848)	(59,249)	(109,272)	(65,389)
Interest and other financing charges	664	(14,362)	579	(545)	(3,546)	576	(6,015)	(11,079)
Cash flow from operations (1)	**64,557**	**75,615**	**6,388**	**168,536**	**121,836**	**71,755**	**15,927**	**54,900**

Operating and Cash Flow Netbacks

Three months ended	2014 June 30	2014 March 31	2013 December 31	2013 September 30	2013 June 30	2013 March 31	2012 December 31	2012 September 30
($/boe)								
Revenue	58.92	59.75	46.39	48.60	52.54	48.52	46.56	47.32
Royalties	(6.85)	(5.66)	(5.45)	(5.22)	(3.08)	(1.25)	(3.44)	(1.42)
Prodcution, operating and transportation expenses	(22.19)	(24.18)	(23.11)	(13.74)	(17.09)	(26.06)	(19.35)	(22.10)
Operating netback (1)	**29.88**	**29.91**	**17.84**	**29.63**	**32.36**	**21.21**	**23.77**	**23.80**
General and administrative expenses	(21.90)	(14.55)	(16.85)	(8.75)	(14.50)	(9.64)	(19.80)	(11.85)
Interest expense	0.08	(2.45)	0.10	(0.07)	(0.50)	0.11	(1.09)	(2.01)
Cash flow netback (1)	**8.07**	**12.91**	**1.08**	**20.82**	**17.35**	**11.68**	**2.89**	**9.95**

(1) Non IFRS measure

Daily Production and Commodity Prices

For the second quarter of 2014, total production increased 14% to 88 boe/d when compared to 77 boe/d for the same period a year ago. The increase is due to the acquisition of 135 boepd in June, 2014. Oil and NGLs production averaged 37 bbl/d in Q2 2014 as compared to 35 bb/d in Q2 2013. Natural gas production averaged 308 mcf/d in the first quarter of 2014 compared to 253 mcf/d in the same period a year ago.

For the three months ended June 30, 2014, oil prices increased 12% to $98.16/bbl, compared to $87.58/bbl for the same period a year ago. For the three months ended June 30, 2014, natural gas prices increased 32% to $5.16/mcf, when compared to $3.91/mcf realized in the same period in 2013.

Three months ended June 30,	2014	2013	% Change
Daily production			
Oil and NGLs (bbl/d)	**37**	35	6
Natural gas (mcf/d)	**308**	253	23
Oil equivalent (boe/d @ 6:1)	**88**	77	14
Realized commodity prices ($CDN)			
Oil and NGLs (bbl/d)	$ **98.16**	$ 87.58	12
Natural gas (mcf/d)	**5.16**	3.91	32
Oil equivalent (boe/d @ 6:1)	$ **58.92**	$ 52.53	12

For the six months ended June 30,2014, total production increased 6% to 77 boe/d when compared to 73 boe/d for the same period a year ago. Oil and NGLs production averaged 31 bbl/d in the first six months of 2014 as compared to 33 bb/d in the same period in 2013. Natural gas production averaged 278 mcf/d in the first quarter of 2014 compared to 237 mcf/d in the same period a year ago.

For the six months ended June 30,2014, oil prices increased 22% to $94.96/bbl, compared to $84.78/bbl for the same period a year ago. For the six months ended June 30,2014, natural gas prices increased 54% to $5.77/mcf, when compared to $3.78/mcf realized in the same period in 2013.

Six months ended June 30,	2014	2013	% Change
Daily production			
Oil and NGLs (bbl/d)	**31**	33	(5)
Natural gas (mcf/d)	**278**	237	18
Oil equivalent (boe/d @ 6:1)	**77**	73	6
Realized commodity prices ($CDN)			
Oil and NGLs (bbl/d)	$ **94.96**	$ 84.57	22
Natural gas (mcf/d)	**5.77**	3.78	54
Oil equivalent (boe/d @ 6:1)	$ **58.78**	$ 50.85	16

Oil and Natural Gas Revenues

Production revenues increased 28% to $471,357 in the second quarter of 2014 compared to $368,906 in the same period in 2013, due to a 12% increase in commodity prices and a 14% increase in production volumes.

Three months ended June 30,	2014	2013	% Change
Oil and NGLs (bbl/d)	$ **326,729**	$ 278,955	17
Natural gas (mcf/d)	**144,628**	89,951	61
Total revenue	$ **471,357**	$ 368,906	28
% Oil and NGLs	**69%**	76%	
% Natural gas	**31%**	24%	

Production revenues for the six months ended June 30, 2014 increased 23% to $821,163, compared to $667,244 for the same period in 2013, due to a 16% increase in commodity prices and a 6% increase in production volumes.

Six months ended June 30,	2014	2013	% Change
Oil and NGLs (bbl/d)	$ **531,477**	$ 505,108	5
Natural gas (mcf/d)	**289,686**	162,136	79
Total revenue	$ **821,163**	$ 667,244	23
% Oil and NGLs	**65%**	76%	
% Natural gas	**35%**	24%	

Royalties

For the three months ended June 30, 2014, royalties increased by 153% to $54,795 from $21,656 for the same period a year ago. Royalties as a percentage of revenues for the first quarter of 2014 increased to 12% when compared to 6% 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 June 30,	2014	2013	% Change	2014 ($ / boe)	2013 ($ / boe)
Royalties	$ **54,795**	$ 21,656	153	$ **6.85**	$ 3.08

For the six months ended June 30, 2014, royalties increased by 200% to $87,806 from $29,345 for the same period a year ago. Royalties as a percentage of revenues for the first six months of 2014 increased to 11% when compared to 5% for the same period in 2013.

Six months ended June 30,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
Royalties	$	87,806	$	29,345	200	$	6.27	$	2.11

Production, Operating and Transportation Expenses

Overall production and operating expense increased year over year due to higher cost properties acquired in May, 2013 asset swap. The major increases were in chemicals, gas transportation, repairs and maintenance, surface lease rentals and trucking oil.

For the three months ended June 30, 2014, operating expenses increased 48% to $177,491 as compared to $120,020 for the same period a year ago. On a per boe basis production and operating expenses increased 30% to $22.19 per boe, up from $17.09 per boe for the same period in 2013.

Three months ended June 30,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
Production, operating and transportation	$	177,491	$	120,020	48	$	22.19	$	17.09

For the six months ended June 30, 2014, operating expenses increased 14% to $319,037 as compared to $280,241 for the same period a year ago. On a per boe basis production and operating expenses increased 13% to $22.76 per boe, up from $20.11 per boe for the same period in 2013.

Six months ended June 30,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
Production, operating and transportation	$	319,037	$	280,241	14	$	22.76	$	20.11

General & Administrative Expenses

Overall G&A expenses have increased year over year due to the hiring of two new officers in February, 2014 and legal and engineering costs associated with the acquisitions and financings completed in the first six months of 2014.

General and administrative expenses, after overhead recoveries, increased 72% to $175,178 for the three months ended June 30, 2014 from $101,848 in Q2 2013.

Three months ended June 30,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
General & administrative expenses	$	175,178	$	101,848	72	$	21.9	$	14.50

General and administrative expenses, after overhead recoveries, increased 62% to $260,350 for the six months ended June 30, 2014 from $161,097 in the same period in 2013.

Six months ended June 30,	2014	2013	% Change	2014 ($ / boe)	2013 ($ / boe)
General & administrative expenses	**$ 260,350**	$ 161,097	62	**$ 18.57**	$ 11.56

Finance Expense

Three months ended June 30,	2014	2013	% Change	2014 ($ / boe)	2013 ($ / boe)
Interest expense (income)	**$ (664)**	$ 3,546	(119)	**$ (0.08)**	$ 0.50
Accretion	**20,218**	179,131	(89)	**2.53**	25.51
	$ 19,554	$ 182,677	(89)	**$ 2.45**	$ 26.01

Six months ended June 30,	2014	2013	% Change	2014 ($ / boe)	2013 ($ / boe)
Interest expense	**$ 13,698**	$ 2,881	375	**$ 0.98**	$ 0.21
Accretion	**32,255**	179,228	(82)	**2.30**	12.86
	$ 45,953	$ 182,109	(75)	**$ 3.28**	$ 13.07

Share Based Compensation

In 2014 the Company issued the following stock options:

February 3, 2014 – options to purchase 240,000 common shares of the Company at a price of $0.14, exercisable until February 2, 2019.

February 11, 2014 – options to purchase 428,580 common shares of the Company at a price of $0.19 per share, exercisable until February 11, 2019.

June 27, 2014 – options to purchase 200,000 common shares of the Company at a price of $0.30 per share, exercisable until June 27, 2019.

Three months ended June 30,	2014	2013	% Change	2014 ($ / boe)	2013 ($ / boe)
Share Based Compensation	**$ 51,627**	$ -	100	**$ 6.45**	$ -

Six months ended June 30,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
Share Based Compensation	**$**	**155,723**	$	-	100	**$**	**11.11**	$	-

Depletion and Depreciation

Depletion charges increased year over year due to a decrease in reserves at December 31, 2013 in the Willesden Green producing property. The Willesden Green reserves are depleting at an annual rate of 28% and the property has a current book value of $1.6 million.

In Q2 2014 depletion and depreciation increased by 125% to $146,244 as compared to $64,910 in Q2 2013.

Three months ended June 30,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
Depletion and Depreciation	**$**	**146,244**	$	64,910	125	**$**	**18.28**	$	9.24

In the six months ended June 30, 2014 depletion and depreciation increased by 43% to $232,777 as compared to $162,996 in the same period in 2013.

Six months ended June 30,		2014		2013	% Change		2014 ($ / boe)		2013 ($ / boe)
Depletion and Depreciation	**$**	**232,777**	$	162,996	43	**$**	**16.60**	$	11.70

Cash Flow from Operations

Three months ended June 30		2014		2013
Comprehensive loss for the period	**$**	**(153,532)**	$	(122,205)
Other income		**-**		(192,000)
Accretion expense		**20,218**		179,131
Share based compensation expense		**51,627**		-
Depletion and depreciation		**146,244**		64,910
Impairment		**-**		470,777
Cash flow from operations (1)	**$**	**64,557**	$	121,386
Cash flow from operations per share – basic and diluted	**$**	**0.00**	$	0.00

Six months ended June 30,		**2014**		2013
Comprehensive loss for the period	**$**	**(280,583)**	$	(427,321)
Other income		**-**		(192,000)
Accretion expense		**32,255**		179,228
Share based compensation expense		**155,723**		-
Depletion and depreciation		**232,777**		162,996
Impairment		**-**		470,777
Cash flow from operations (1)	**$**	**140,172**	$	193,680
Cash flow from operations per share – basic and diluted	**$**	**0.00**	$	0.01

(1) Non IFRS measure

Property plant and equipment assets (PP&E)

		PP&E Assets
Total 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
Additions		3,646,536
Change in decommissioning obligations		615,533
Balance at June 30, 2014	$	9,011,184
Depletion and depreciation		
Balance at December 31, 2013	$	(2,370,630)
Depletion and depreciation for the period		(86,533)
Balance at March 31, 2014	$	(2,457,163)
Depletion and depreciation for the period		(146,244)
Balance at June 30, 2014	$	(2,603,407)
Net book value		
Balance at December 31, 2013	$	2,202,574
Balance March 31, 2014		2,291,952
Balance at June 30, 2014	$	6,407,777

On May 23, 2014 the Company 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 are payable on demand and bear interest at the annual rate of 3%.

Relentless had the exclusive right to acquire the assets from Nominee or its common shares and loans payable for $3 million. On June 27, 2014 Relentless exercised its right to acquire the assets and loans from 1819113 Alberta Ltd.

The details of the acquisition are as follows:

Assumption of bank debt	($1,300,000)
Assumption of loans from related parties	($1,600,000)
Acquisition of P&NG assets	$2,719,372
Net revenue from effective date to closing date	$180,628

On June 11, 2014 the Company acquired a 100% interest in one producing well and three non-producing wellbores for total consideration of $700,000.

Capital expenditure summary for the three months and six months ended June 30, 2014:

Area	Description		Three months ended June 30		Six months ended June 30
Alberta	P&NG Acquisitions	$	3,510,603	$	3,510,603
	Drill and complete		57,003		120,889
	Equip and tie-in		-		16,321
	Land and lease		74,458		128,388
	Other		4,470		9,636
Total		$	3,646,534	$	3,785,837

Demand operating facilities

As at June 30, 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. 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 June 30, 2014 the Company had drawn $83,490 on this loan facility.

Working Capital surplus

June 30	2014	2013
Cash	**$ -**	$ 6,197
Accounts receivable	**351,613**	213,011
Share subscriptions receivable	**1,955,117**	-
Prepaid expenses and deposits	**75,583**	27,463
Accounts payable and accrued liabilities	**(479,312)**	(174,200)
Bank debt	**(83,490)**	-
Loans from related parties	**(1,100,000)**	-
Working capital surplus	**$ 719,511**	$ 72,471

Decommissioning Obligations

A reconciliation of the decommissioning obligations is provided below:

	June 30, 2014	June 30, 2013
Balance, beginning of year	$1,626,558	$303,172
Additions	652,343	-
Change in estimate	-	315,600
Accretion	32,255	179,228
Balance, end of period	2,311,156	798,000
Less current portion of decommissioning obligations	161,009	-
Non-current decommissioning obligations	$2,150,147	$798,000

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 $2,580,232 (2013 - $ 808,000) which will be incurred over the next 30 years (2013 – 30 years). The current decommissioning obligation is $161,009.

An average risk-free rate of 1.76% (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

	June 30, 2014		June 30, 2013	
	Shares	Amount	Shares	Amount
Balance, beginning of year	30,025,085	$6,925,722	30,025,085	$6,927,571
Issuance of common shares	22,202,381	4,200,000	-	-
Exercise of stock options	235,000	31,250	-	-
Flow through share premium	-	(166,667)	-	-
Share issuance costs	-	(47,919)	-	-
Balance, end of period	52,462,466	$10,942,386	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 2,142,856 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.

On June 27, 2014 Relentless closed a non-brokered private placement for gross proceeds of $3,750,000. The Company issued 4,166,666 common shares on a flow-through basis at 24 cents per share and 13,750,000 million common shares at 20 cents per common share. Share issuance costs were $21,099 resulting in net proceeds of $3,728,901.

As a result of the flow-through share issuance in June of 2014, the Company recorded a flow-through share premium liability of $166,667 with an offsetting adjustment to share capital. At June 30, 2014 the Company had an obligation to spend $1,000,000 on eligible flow-through expenditures.

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.

Warrants

	June 30, 2014		June 30, 2013	
	Warrants	Amount	Warrants	Amount
Balance, beginning of period	-	-	66,750	-
Warrants issued	2,142,856	-	-	-
Balance, end of period	2,142,856	-	66,750	-

In conjunction with the February 11, 2014 private placement offering of units the company issued 2,142,856 warrants.

As at June 30, 2014, 2,142,856 warrants (2013 – 66,750) were outstanding.

Subsequent event

On August 15, 2014 the Company renewed its demand operating loan facility with its banker increasing the total available revolving loan to $3,000,000. The facility is available until May 31, 2015 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 1.375 percent. The credit facility is secured by a general security agreement and a first ranking charge on all lands of the Company.

Historical Quarterly Information

	2014 Q2	2014 Q1	2013 Q4	2013 Q3
Oil and Gas Revenue	$ 471,357	$ 349,807	$ 273,166	$ 393,465
Cash Flow from operations (1)	64,557	75,615	23,376	168,536
Cash Flow / share - basic	0.00	0.00	0.00	0.01
Comprehensive Loss	(153,532)	(127,051)	(1,153,943)	(109,402)
Comprehensive Loss / share - basic	(0.00)	(0.00)	(0.04)	(0.00)
Capital Expenditures	3,646,534	139,101	36,384	46,353
Total Assets	8,790,090	3,246,717	2,650,046	2,940,618
Net surplus (debt)	719,511	541,339	181,645	194,655
Shareholders' Equity	$ 4,816,132	$ 1,157,886	$ 757,661	$ 1,860,604
Shares outstanding	52,462,466	34,310,799	30,025,085	30,025,085
Production (boe/d)	88	65	64	88
Oil and NGLs (bbl/d)	37	23	24	38
Natural gas (mcf/d)	308	250	237	301

	2013 Q2	2013 Q1	2012 Q4	2012 Q3
Oil and Gas Revenue	$ 368,906	$ 298,338	$ 257,126	$ 261,192
Cash Flow from operations(1)	121,836	71,844	15,926	129,732
Cash Flow / share - basic	0.00	0.00	0.01	0.00
Comprehensive Income (Loss)	(122,205)	(305,116)	(750,946)	30,112
Comprehensive Income (Loss) / share - basic	(0.00)	(0.01)	(0.03)	0.00
Capital Expenditures	(192,829)	694,562	-	23,976
Total Assets	2,830,668	3,326,862	2,940,618	3,364,000
Net surplus (debt)	72,471	(242,194)	380,524	(390,000)
Shareholders' Equity	$ 1,858,468	$ 1,980,673	$ 1,860,604	$ 2,471,000
Shares outstanding	30,025,085	30,025,085	30,025,085	26,825,085
Production (boe/d)	77	68	60	60
Oil and NGLs (bbl/d)	35	32	27	32
Natural gas (mcf/d)	253	222	195	169

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 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. Accordiingly, 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 June 30, 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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