

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 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 November 20, 2014. The MD&A should be read in conjunction with the condensed interim financial statements dated September 30, 2014 and the annual audited financial statements for the year ended December 31, 2013. Relentless's Board of Directors reviewed and approved the September 30, 2014 condensed interim financial statements and related MD&A on November 20, 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.

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Corporate Update

Relentless has increased corporate production from 65 boe/d in Q1 2014 to approximately 320 boe/d at the date of this report, an increase of 492%. The increase in daily production is mainly the result of:

- the acquisition of 127 boe/d of Peace River Arch conventional producing petroleum and natural gas properties in May, 2014 for \$3 million and;
- the addition of new production from the Company's Heathdale horizontal well brought on-stream in October, 2014

The Q3 operating and financial results reflect the first full quarter of production added from the May, 2014 acquisition of the Peace River Arch assets.

For the three months ended September 30, 2014 as compared to the same period in 2013:

- Revenues increased 174% to \$1,077,975
- Cash flow increased 219% to \$537,754
- Daily production volumes increased 144% to 217 boe/day

In Q3 2014 Relentless began development of the Heathdale assets acquired in June, 2014. The \$700,000 acquisition included a 100% working interest in 4 wells (1 producing, 3 non-producing) as well as associated lands. In July and August, 2014 Relentless recompleted the 3 non-producing well bores resulting in 2 producing oil wells and 1 suspended gas well.

In September, 2014 Relentless drilled its first horizontal well at Heathdale. The 100-per-cent working interest (before payout) Relentless Heathdale 8-7-27-9 W4 horizontal Glauconite oil well was drilled over eight days to a total measured depth of 2,334 metres and completed with a multistage, water-based fracture completion. The well was then equipped to pump and tied in with all solution gas being conserved.

The well was placed on production on October 17, 2014, 28 days after the initial drilling spud date. After approximately 10 days, the well was shut in for 7 days for the required initial pressure build up. Since that time, it has produced for 18 days up until the time of this update.

Over the first 28 days of production the 8-7 well has averaged 157 boed (85% oil) and is currently producing at 135 boed (85% oil). Relentless has tested the Glauconite over 3 sections in this pool and has used 3D seismic to confirm its potential over a total of 8 sections.

The Company is now positioned on a high working interest, shallow, conventional Glauconite oil pool at Heathdale and intends to drill 4 more horizontal wells within the next 6 months. Given the low capital cost per well and the significant oil development upside, Relentless intends to further de-risk the Heathdale Glauconite oil pool and further assemble lands on similar play types.

Relentless's current production volumes are approximately 320 boe/d comprised of 192 bbl/d of oil and NGLs and 768 mcf/d of natural gas.

The management and directors of Relentless thank you for your continued support.

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Financial summary

Three months ended September 30				
	2014	2013	% Change	
Oil and gas revenue	\$ 1,077,975	\$ 393,465	174	
Cash flow from operations (1)	537,754	168,526	219	
Per share - basic and diluted (1)	0.01	0.01	-	
Comprehensive income (loss)	388,978	(109,042)	(457)	
Per share - basic and diluted	0.01	(0.00)	(304)	
Total assets	9,036,918	2,940,618	207	
Net surplus (debt) (1)	(509,823)	194,655	(362)	
Capital expenditures, net	\$ 1,737,930	\$ 46,353	3,649	
Shares outstanding - end of period	52,462,466	30,025,085	75	

Nine months ended September 30				
	2014	2013	% Change	
Oil and gas revenue	\$ 1,899,139	\$ 1,060,708	79	
Cash flow from operations (1)	677,926	597,562	13	
Per share - basic and diluted (1)	0.02	0.02	-	
Comprehensive income (loss)	108,395	(536,723)	(120)	
Per share - basic and diluted	0.00	(0.02)	(115)	
Total assets	9,036,918	2,940,618	207	
Net surplus (debt) (1)	(509,823)	194,655	(362)	
Capital expenditures, net	\$ 5,523,567	\$ 548,086	908	
Shares outstanding - end of period	52,462,466	30,025,085	75	

(1) Non IFRS measure

Production summary

Three months ended September 30	2014	2013	% Change
Crude Oil and NGL (bbl/d)	93	38	145
Natural Gas (mcf/d)	744	306	143
Oil equivalent (boe/d)	217	89	144

Nine months ended September 30	2014	2013	% Change
Crude Oil and NGL (bbl/d)	52	35	49
Natural Gas (mcf/d)	436	259	68
Oil equivalent (boe/d)	124	78	60

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Cash flow and comprehensive income (loss)

<i>Three months ended September 30</i>	2014	<i>2013</i>	<i>% Change</i>	2014	<i>2013</i>	<i>% Change</i>
				(\$ / boe)	(\$ / boe)	
Oil and natural gas sales	1,077,975	393,465	174	53.95	48.05	12
Royalties	(134,559)	(42,299)	218	(6.73)	(5.17)	30
Revenue after royalties	943,416	351,166	169	47.22	42.89	10
Production, operating and transportation expenses	(261,177)	(111,262)	135	(13.07)	(13.59)	(4)
Operating cash flow ⁽¹⁾	682,239	239,904	184	34.15	29.30	17
General & administrative expenses	(144,663)	(70,823)	104	(7.24)	(8.65)	(16)
Interest and other financing charges	178	(545)	(133)	0.01	(0.07)	(113)
Cash flow from operations ⁽¹⁾	537,754	168,536	219	26.92	20.58	31
Other income	166,667	-	100	8.34	0.00	100
Share based compensation	-	(111,538)	(100)	0.00	(13.62)	(100)
Accretion	(14,515)	(1,000)	1,352	(0.73)	(0.12)	495
Impairment	-	-	-	0.00	0.00	-
Depletion and depreciation	(300,928)	(165,400)	82	(15.06)	(20.20)	(25)
Comprehensive income (loss)	388,978	(109,402)	(456)	19.46	(13.37)	(245)
\$ Per Share – Basic	0.01	(0.00)				
\$ Per Share - Diluted	0.01	(0.00)				

<i>Nine months ended September 30</i>	2014	<i>2013</i>	<i>% Change</i>	2014	<i>2013</i>	<i>% Change</i>
				(\$ / boe)	(\$ / boe)	
Oil and natural gas sales	1,899,139	1,060,708	79	55.88	49.83	12
Royalties	(222,466)	(71,644)	211	(6.55)	(3.37)	94
Revenue after royalties	1,676,673	989,064	70	49.33	46.46	6
Production, operating and transportation expenses	(581,501)	(391,502)	49	(17.11)	(18.39)	(7)
Operating cash flow ⁽¹⁾	1,095,172	597,562	83	32.22	28.07	15
General & administrative expenses	(405,013)	(231,920)	75	(11.92)	(10.90)	9
Interest and other financing charges	(12,233)	(3,426)	257	(0.36)	(0.16)	124
Cash flow from operations ⁽¹⁾	677,926	362,216	87	19.95	17.02	17
Other income	166,667	192,000	(100)	4.90	9.02	(100)
Share based compensation	(155,723)	(111,538)	40	(4.58)	(5.24)	100
Accretion	(46,770)	(180,228)	(74)	(1.38)	(8.47)	(84)
Impairment	-	(470,777)	100	0.00	(22.12)	100
Depletion and depreciation	(533,705)	(328,396)	63	(15.70)	(15.43)	2
Comprehensive income (loss)	108,395	(536,723)	(120)	3.19	(25.21)	(113)
\$ Per Share – Basic	0.00	(0.02)				
\$ Per Share - Diluted	0.00	(0.02)				

(1) Non IFRS measure

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Eight Quarter Analysis

Daily Production and Commodity Prices

<i>Three months ended</i>	2014	2014	2014	2013	2013	2013	2013	2012
	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31
Daily production								
Oil and NGLs (bbl/d)	93	37	23	24	38	35	32	27
Natural gas (mcf/d)	744	308	250	237	306	253	222	195
Oil equivalent (boe/d @ 6:1)	217	88	65	64	89	77	68	60
Realized commodity prices (\$CDN)								
Oil and NGLs (bbl)	\$90.72	\$95.98	\$96.75	\$84.65	\$90.14	\$86.63	\$76.81	\$76.34
Natural gas (mcf)	\$4.39	\$5.16	\$6.31	\$3.96	\$2.78	\$3.87	\$3.54	\$3.76
Oil equivalent (boe @ 6:1)	\$53.95	\$58.92	\$59.75	\$46.39	\$48.05	\$52.54	\$48.52	\$46.56

Oil and Natural Gas Revenue by Product

<i>Three months ended</i>	2014	2014	2014	2013	2013	2013	2013	2012
	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31
Oil and NGL revenue	777,090	326,729	204,732	186,900	315,127	278,941	226,120	189,625
Natural gas revenue	300,885	144,628	145,075	86,266	78,338	89,965	72,218	67,501
Total revenue	1,077,975	471,357	349,807	273,166	393,465	368,906	298,338	257,126
% Oil and NGLs	72%	69%	59%	68%	80%	76%	76%	74%
% Natural gas	28%	31%	41%	32%	20%	24%	24%	26%

Cash Flow from Operations

<i>Three months ended</i>	2014	2014	2014	2013	2013	2013	2013	2012
	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31
Oil and natural gas sales	1,077,975	471,357	349,807	273,166	393,465	368,906	298,337	257,008
Royalties	(134,559)	(54,795)	(33,112)	(32,076)	(42,299)	(21,656)	(7,689)	(18,982)
Revenue after royalties	943,416	416,562	316,695	241,090	351,166	347,250	290,648	238,026
Production, operating and transportation expenses	(261,177)	(177,491)	(141,546)	(136,075)	(111,262)	(120,020)	(160,220)	(106,812)
Operating cash flow (1)	682,239	239,071	175,149	105,015	239,904	227,230	130,428	131,214
General & administrative expenses	(144,663)	(175,178)	(85,172)	(99,206)	(70,823)	(101,848)	(59,249)	(109,272)
Interest and other financing charges	178	664	(14,362)	579	(545)	(3,546)	576	(6,015)
Cash flow from operations (1)	537,754	64,557	75,615	6,388	168,536	121,836	71,755	15,927

Operating and Cash Flow Netbacks

<i>Three months ended</i>	2014	2014	2014	2013	2013	2013	2013	2012
	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31
(\$/boe)								
Revenue	53.95	58.92	59.75	46.39	48.05	52.54	48.52	46.56
Royalties	(6.73)	(6.85)	(5.66)	(5.45)	(5.17)	(3.08)	(1.25)	(3.44)
Production, operating and transportation expenses	(13.07)	(22.19)	(24.18)	(23.11)	(13.59)	(17.09)	(26.06)	(19.35)
Operating netback (1)	34.15	29.88	29.91	17.84	29.30	32.36	21.21	23.77
General and administrative expenses	(7.24)	(21.90)	(14.55)	(16.85)	(8.65)	(14.50)	(9.64)	(19.80)
Interest expense	0.01	0.08	(2.45)	0.10	(0.07)	(0.50)	0.11	(1.09)
Cash flow netback (1)	26.92	8.07	12.91	1.08	20.58	17.35	11.68	2.89

(1) Non IFRS measure

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Daily Production and Commodity Prices

For the third quarter of 2014, total production increased 144% to 217 boe/d when compared to 89 boe/d for the same period a year ago. The increase is due to the acquisition of 127 boepd in May, 2014. Oil and NGLs production averaged 93 bbl/d in Q3 2014 as compared to 38 bbl/d in Q3 2013. Natural gas production averaged 744 mcf/d in the third quarter of 2014 compared to 306 mcf/d in the same period a year ago.

For the three months ended September 30, 2014, oil prices increased 1% to \$90.72/bbl, compared to \$90.14/bbl for the same period a year ago. For the three months ended September 30, 2014, natural gas prices increased 58% to \$4.39/mcf, when compared to \$2.78/mcf realized in the same period in 2013.

<u>Three months ended September 30,</u>	<u>2014</u>	<u>2013</u>	<u>% Change</u>
Daily production			
Oil and NGLs (bbl/d)	93	38	145
Natural gas (mcf/d)	744	306	143
Oil equivalent (boe/d @ 6:1)	217	89	144
Realized commodity prices (\$CDN)			
Oil and NGLs (bbl)	\$ 90.72	\$ 90.14	1
Natural gas (mcf)	4.39	2.78	58
Oil equivalent (boe @ 6:1)	\$ 53.95	\$ 48.05	12

For the nine months ended September 30, 2014, total production increased 60% to 124 boe/d when compared to 78 boe/d for the same period a year ago. Oil and NGLs production averaged 52 bbl/d in the first nine months of 2014 as compared to 35 bbl/d in the same period in 2013. Natural gas production averaged 436 mcf/d in the first quarter of 2014 compared to 259 mcf/d in the same period a year ago.

For the nine months ended September 30, 2014, oil prices increased 7% to \$92.46/bbl, compared to \$86.46/bbl for the same period a year ago. For the nine months ended September 30, 2014, natural gas prices increased 46% to \$4.96/mcf, when compared to \$3.40/mcf realized in the same period in 2013.

<u>Nine months ended September 30,</u>	<u>2014</u>	<u>2013</u>	<u>% Change</u>
Daily production			
Oil and NGLs (bbl/d)	52	35	49
Natural gas (mcf/d)	436	259	68
Oil equivalent (boe/d @ 6:1)	124	78	60
Realized commodity prices (\$CDN)			
Oil and NGLs (bbl/d)	\$ 92.46	\$ 86.46	7
Natural gas (mcf/d)	4.96	3.40	46
Oil equivalent (boe/d @ 6:1)	\$ 55.88	\$ 49.83	12

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Oil and Natural Gas Revenues

Production revenues increased 174% to \$1,077,975 in the third quarter of 2014 compared to \$393,465 in the same period in 2013, due to a 12% increase in commodity prices and a 144% increase in production volumes.

Three months ended September 30,	2014	2013	%
			Change
Oil and NGLs (bbl/d)	\$ 777,090	\$ 315,127	147
Natural gas (mcf/d)	300,885	78,338	284
Total revenue	\$ 1,077,975	\$ 393,465	174
% Oil and NGLs	72%	80%	
% Natural gas	28%	20%	

Production revenues for the nine months ended September 30, 2014 increased 79% to \$1,899,139, compared to \$1,060,708 for the same period in 2013, due to a 12% increase in commodity prices and a 60% increase in production volumes.

Nine months ended September 30,	2014	2013	%
			Change
Oil and NGLs (bbl/d)	\$ 1,308,568	\$ 820,189	60
Natural gas (mcf/d)	590,571	240,519	146
Total revenue	\$ 1,899,139	\$ 1,060,708	79
% Oil and NGLs	69%	77%	
% Natural gas	31%	23%	

Royalties

For the three months ended September 30, 2014, royalties increased by 218% to \$134,559 from \$42,299 for the same period a year ago. Royalties as a percentage of revenues for the third quarter of 2014 increased to 12% when compared to 11% for the same three months in 2013.

Three months ended September 30,	2014	2013	%	2014	2013
			Change	(\$ / boe)	(\$ / boe)
Royalties	\$ 134,559	\$ 42,299	218	\$ 6.73	\$ 5.17

For the nine months ended September 30, 2014, royalties increased by 211% to \$222,466 from \$71,644 for the same period a year ago. Royalties as a percentage of revenues for the first nine months of 2014 increased to 12% when compared to 7% for the same period in 2013.

Nine months ended September 30,	2014	2013	%	2014	2013
			Change	(\$ / boe)	(\$ / boe)
Royalties	\$ 222,466	\$ 71,644	211	\$ 6.55	\$ 3.37

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Production, Operating and Transportation Expenses

Production, operating and transportation expenses decreased year over year due to lower cost properties acquired in the May, 2014 asset acquisition.

For the three months ended September 30, 2014, production, operating and transportation expenses increased 135% to \$261,177 as compared to \$112,262 for the same period a year ago. On a per boe basis production and operating expenses decreased 4% to \$13.07 per boe, down from \$13.59 per boe for the same period in 2013.

Three months ended September 30,	2014	2013	% Change	2014	2013
				(\$ / boe)	(\$ / boe)
Production, operating and transportation	\$ 261,177	\$ 112,262	135	\$ 13.07	\$ 13.59

For the nine months ended September 30, 2014, production, operating and transportation expenses increased 49% to \$581,501 as compared to \$391,502 for the same period a year ago. On a per boe basis production, operating and transportation expenses decreased 7% to \$17.11 per boe, down from \$18.39 per boe for the same period in 2013.

Nine months ended September 30,	2014	2013	% Change	2014	2013
				(\$ / boe)	(\$ / boe)
Production, operating and transportation	\$ 581,501	\$ 391,502	49	\$ 17.11	\$ 18.39

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 nine months of 2014.

General and administrative expenses, after overhead recoveries, increased 104% to \$144,663 for the three months ended September 30, 2014 from \$70,823 in Q3 2013. General and administrative expenses per boe decreased by 14% to \$7.24 as total production volumes increased by 144%.

Three months ended September 30,	2014	2013	% Change	2014	2013
				(\$ / boe)	(\$ / boe)
General & administrative expenses	\$ 144,663	\$ 70,823	104	\$ 7.24	\$ 8.65

General and administrative expenses, after overhead recoveries, increased 75% to \$405,013 for the nine months ended September 30, 2014 from \$231,920 in the same period in 2013.

Nine months ended September 30,	2014	2013	% Change	2014	2013
				(\$ / boe)	(\$ / boe)
General & administrative expenses	\$ 405,013	\$ 231,920	75	\$ 11.92	\$ 10.90

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Finance Expense

Three months ended September 30,	2014	2013	% Change	2014 (\$ / boe)	2013 (\$ / boe)
Interest expense (income)	\$ (178)	\$ 545	(133)	\$ (0.01)	\$ 0.07
Accretion	14,515	1,000	1,352	0.73	0.12
	\$ 14,337	\$ 1,545	828	\$ 0.72	\$ 0.19

Nine months ended September 30,	2014	2013	% Change	2014 (\$ / boe)	2013 (\$ / boe)
Interest expense	\$ 12,233	\$ 3,426	257	\$ 0.36	\$ 0.16
Accretion	46,770	180,228	(74)	1.38	8.47
	\$ 59,003	\$ 183,654	(68)	\$ 1.74	\$ 8.63

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 September 30,	2014	2013	% Change	2014 (\$ / boe)	2013 (\$ / boe)
Share Based Compensation	\$ -	\$ 111,538	(100)	\$ -	\$ 13.62

Nine months ended September 30,	2014	2013	% Change	2014 (\$ / boe)	2013 (\$ / boe)
Share Based Compensation	\$ 155,723	\$ 111,538	40	\$ 4.58	\$ 5.24

Depletion and Depreciation

Depletion charges increased year over year due to an increase in Property, Plant and Equipment of \$5.5 million in the nine months ended September 30, 2014.

In Q3 2014 depletion and depreciation increased by 82% to \$300,928 as compared to \$165,400 in Q3 2013.

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Three months ended September 30,	2014	2013	% Change	2014 (\$ / boe)	2013 (\$ / boe)
Depletion and Depreciation	\$ 300,928	\$ 165,400	82	\$ 15.06	\$ 20.20

In the nine months ended September 30, 2014 depletion and depreciation increased by 63% to \$533,705 as compared to \$328,396 in the same period in 2013.

Nine months ended September 30,	2014	2013	% Change	2014 (\$ / boe)	2013 (\$ / boe)
Depletion and Depreciation	\$ 533,705	\$ 328,396	63	\$ 15.70	\$ 15.43

Cash Flow from Operations

Three months ended September 30	2014	2013
Comprehensive income (loss) for the period	\$ 388,978	\$ (109,042)
Other income	(166,667)	-
Accretion expense	14,515	1,000
Share based compensation expense	-	111,538
Depletion and depreciation	300,928	165,400
Cash flow from operations ⁽¹⁾	\$ 537,754	\$ 168,536
Cash flow from operations per share – basic and diluted	\$ 0.01	\$ 0.00

Nine months ended September 30,	2014	2013
Comprehensive income (loss) for the period	\$ 108,395	\$ (536,723)
Other income	-	(192,000)
Accretion expense	46,770	180,228
Share based compensation expense	155,723	111,538
Depletion and depreciation	533,705	328,396
Impairment	-	470,777
Cash flow from operations ⁽¹⁾	\$ 677,926	\$ 362,216
Cash flow from operations per share – basic and diluted	\$ 0.01	\$ 0.01

(1) Non IFRS measure

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2014 and 2013

Property plant and equipment assets (PP&E)

		PP&E Assets
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
Additions		1,737,930
Change in decommissioning obligations		54,000
Balance at September 30, 2014	\$	10,803,114
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)
Depletion and depreciation for the period		(300,928)
Balance at September 30, 2014	\$	(2,904,335)
Net book value		
Balance at December 31, 2013	\$	2,202,574
Balance March 31, 2014		2,291,952
Balance June 30, 2014		6,407,777
Balance at September 30, 2014	\$	7,898,779

On May 23, 2014 the Company 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

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.

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2014 and 2013

Capital expenditure summary for the three months and nine months ended September 30, 2014:

Area	Description	Three months ended September 30	Nine months ended September 30
Alberta	P&NG Acquisitions	\$ -	\$ 3,510,603
	Drill and complete	1,474,561	1,556,894
	Equip and tie-in	83,492	100,190
	Land and lease	-	128,388
	Abandonment	175,410	183,882
	Other	4,467	43,610
Total		\$ 1,737,930	\$ 5,523,567

Demand operating facilities

As at September 30, 2014 the Company had a \$3,000,000 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 was in compliance with this ratio at September 30, 2014. As at September 30, 2014 the Company had drawn \$nil on this loan facility.

Working Capital (deficiency) surplus

September 30	2014	2013
Cash	\$ 520,666	\$ 104,512
Accounts receivable	565,788	224,564
Prepaid expenses and deposits	51,685	146,593
Accounts payable and accrued liabilities	(1,647,962)	(281,014)
Working capital (deficiency) surplus	\$ (509,823)	\$ 194,655

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2014 and 2013

Decommissioning Obligations

A reconciliation of the decommissioning obligations is provided below:

	<u>September 30, 2014</u>	<u>September 30, 2013</u>
Balance, beginning of year	\$1,626,558	\$303,172
Additions	706,343	-
Change in estimate	-	315,600
Accretion	46,770	179,228
Balance, end of period	<u>2,379,671</u>	<u>798,000</u>
Less current portion of decommissioning obligations	64,286	-
Non-current decommissioning obligations	<u>\$2,315,385</u>	<u>\$798,000</u>

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 \$64,286.

An average risk-free rate of 2.67 (2013 – 3.07%) based on the Bank of Canada long term bond rate 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

	<u>September 30, 2014</u>		<u>September 30, 2013</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>
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	-	(77,077)	-	-
Balance, end of period	<u>52,462,466</u>	<u>\$10,913,228</u>	<u>30,025,085</u>	<u>\$6,927,571</u>

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.

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All securities issued under the offering, including the common shares issuable upon exercise of the warrants, and are subject to a four-month-plus-a-day hold period from the date of issuance expiring February 11, 2019, in accordance with applicable securities laws.

At September 30, 2014 all 2,142,856 warrants have vested.

On June 30, 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 \$50,257 resulting in net proceeds of \$3,699,743.

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 September 30, 2014 the Company had expended \$1,000,000 on eligible flow-through expenditures and \$166,667 was credited to other income.

Warrants

	Nine Months ended September 30, 2014		Nine Months ended September 30, 2013	
	Warrants	Amount	Warrants	Amount
Balance, beginning of year	-	-	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.

Subsequent event

On October 27, 2014 pursuant to the terms and conditions of its stock option plan the Company granted, in the aggregate, 1,950,000 stock options to purchase common shares. The grant of options to the current directors and officers of the Company are for a five year term. The options vested immediately and are exercisable at a price of \$0.28 per common share.

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2014 and 2013

Historical Quarterly Information

	2014 Q3	2014 Q2	2014 Q1	2013 Q4
Oil and Gas Revenue	\$ 1,077,975	\$ 471,357	\$ 349,807	\$ 273,166
Cash Flow from operations ⁽¹⁾	537,754	64,557	75,615	23,376
Cash Flow / share - basic	0.01	0.00	0.00	0.00
Comprehensive Income (Loss)	388,978	(153,532)	(127,051)	(1,153,943)
Comprehensive Income (Loss) / share - basic	0.00	(0.00)	(0.00)	(0.04)
Capital Expenditures	1,737,930	3,646,534	139,101	36,384
Total Assets	9,036,918	8,790,090	3,246,717	2,650,046
Net surplus (debt)	(509,823)	719,511	541,339	181,645
Shareholders' Equity	\$ 5,009,285	\$ 4,816,132	\$ 1,157,886	\$ 757,661
Shares outstanding	52,462,466	52,462,466	34,310,799	30,025,085
Production (boe/d)	217	88	65	64
Oil and NGLs (bbl/d)	93	37	23	24
Natural gas (mcf/d)	744	308	250	237

	2013 Q3	2013 Q2	2013 Q1	2012 Q4
Oil and Gas Revenue	\$ 393,465	\$ 368,906	\$ 298,338	\$ 257,126
Cash Flow from operations ⁽¹⁾	168,536	121,836	71,844	15,926
Cash Flow / share - basic	0.01	0.00	0.00	0.01
Comprehensive (Loss)	(109,402)	(122,205)	(305,116)	(750,946)
Comprehensive (Loss) / share - basic	(0.00)	(0.00)	(0.01)	(0.03)
Capital Expenditures	46,353	(192,829)	694,562	-
Total Assets	2,940,618	2,830,668	3,326,862	2,940,618
Net surplus (debt)	194,655	72,471	(242,194)	380,524
Shareholders' Equity	\$ 1,860,604	\$ 1,858,468	\$ 1,980,673	\$ 1,860,604
Shares outstanding	30,025,085	30,025,085	30,025,085	30,025,085
Production (boe/d)	88	77	68	60
Oil and NGLs (bbl/d)	38	35	32	27
Natural gas (mcf/d)	301	253	222	195

¹ Non-IFRS measure

Production revenues and cash flow have fluctuated over the past eight quarters due to the volatility of commodity prices and changes in production volumes.

In 2014 Relentless has incurred capital expenditures of \$5,523,567 including two assets acquisitions totalling \$3.7 million and drilling and completion operations totalling \$1.6 million.

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2014 and 2013

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.

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2014 and 2013

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		

RELENTLESS RESOURCES LTD.

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President & Director
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Hugh M. Thomson

Vice President Finance & Chief Financial Officer
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² Member of the Compensation Committee

³ Member of the Governance Committee

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Stock Listing

TSX Venture Exchange
Trading Symbol: RRL