

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Relentless Resources Ltd. ("Relentless", or the "Company"), is dated May 25, 2017. The MD&A should be read in conjunction with the condensed interim financial statements for the three months ended March 31, 2017, and 2016 together with the notes thereto. Relentless's Board of Directors reviewed and approved the March 31, 2017 condensed interim financial statements and related MD&A on May 25, 2017.

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

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

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

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

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

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

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

Corporate update

Relentless averaged 272 boed (58% oil and liquids) in Q1 2017, up 17% from the same period last year, and up 42% from the previous quarter. Royalties payable increased to \$3.49/boe due to higher commodity pricing on variable crown royalties. Operating costs were up 8% to \$14.10/boe compared to the previous quarter. General and administration costs ("G&A") were down slightly compared to the previous quarters at \$4.82/boe.

On May 25, 2017, the Company renewed its revolving demand operating loan facility (the "Facility"), with the principal amount at \$3,000,000. The Facility is available until May 31, 2018, at which time it may be extended, at the lender's option. Interest payable on amounts drawn under the Facility is at the lender's prime rate plus 2.0 percent. The Facility is collateralized by a general security agreement and a first ranking charge on all lands of the Company.

The two new Heathdale oil wells drilled and completed in Q4 2016 continue to track with the Company's expectations.

The 02/5-7-27-9 horizontal well is producing approximately 70 boed (80% oil). The 6-12-27-10 W4 vertical step-out well is producing approximately 12 boed (100% oil) after a recent sand clean-out and pump change.

The Heathdale oil property has been delineated with 5 vertical wells and developed with 4 horizontal wells. The Company believes that there is a significant medium gravity oil reserve captured at Heathdale that will be further developed once the oil price recovers. All the necessary facilities are in place to ramp production when feasible.

Relentless' go forward capital program depends on the price of oil and natural gas and the ability to finance. Without further increases to realized pricing, the Company will defer any drilling projects to conserve reserves and cash flow for future benefit. Relentless continues to explore various opportunities to grow and enhance shareholder value.

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

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

Financial summary

Three months ended March 31				
	2017	2016	% Change	
Oil and gas revenue	\$ 925,887	\$ 481,013	92	
Cash flow from operations ⁽¹⁾	359,641	17,578	(1,946)	
Per share - basic and diluted ⁽¹⁾	0.004	0.000	(1,546)	
Comprehensive income (loss)	(14,119)	(378,059)	(96)	
Per share - basic and diluted	(0.00)	(0.01)	(97)	
Total assets	11,532,218	11,505,813	0	
Net surplus debt ⁽¹⁾	(2,998,325)	(2,701,014)	11	
Capital expenditures, net	\$ 272,948	\$ 41,419	559	
Shares outstanding - end of period	88,950,484	70,061,595	27	

⁽¹⁾ Non IFRS measure

Production and pricing summary

Three months ended March 31			
	2017	2016	% Change
Daily production			
Oil and NGLs (bbl/d)	159	120	33
Natural gas (mcf/d)	675	674	0
Oil equivalent (boe/d @ 6:1)	272	232	17
Realized commodity prices (\$CDN)			
Oil and NGLs (bbl)	\$51.30	\$31.58	62
Natural gas (mcf)	\$3.14	\$2.32	35
Oil equivalent (boe @ 6:1)	\$37.87	\$23.03	64

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

Cash flow and comprehensive loss

<i>Three months ended March 31,</i>	2017	2016	% Change	2017	2016	% Change
				(\$ / boe)	(\$ / boe)	
Oil and natural gas sales	925,887	481,013	92	37.87	23.03	64
Royalties	(85,391)	(32,376)	164	(3.49)	(1.54)	127
Revenue after royalties	840,496	448,637	87	34.38	21.47	60
Production, operating and transportation expenses	(344,679)	(273,696)	26	(14.10)	(13.09)	8
Operating cash flow ⁽¹⁾	495,817	174,941	183	20.28	8.38	142
General & administrative expenses	(117,937)	(109,742)	7	(4.82)	(5.25)	(8)
Interest and other financing charges	(18,239)	(47,621)	62	(0.75)	(2.28)	67
Cash flow from operations ⁽¹⁾	359,641	17,578	1,946	14.71	0.84	(1648)
Accretion	(1,629)	(16,213)	(90)	(0.07)	(0.78)	(91)
Depletion and depreciation	(254,296)	(256,558)	(1)	(10.40)	(12.28)	(15)
Impairment	(117,835)	(122,866)	(4)	(4.82)	(5.87)	(18)
Comprehensive loss	(14,119)	(378,059)	(96)	(0.58)	(18.10)	(97)
\$ Per Share – Basic	(0.00)	(0.01)				
\$ Per Share - Diluted	(0.00)	(0.01)				

(1) Non-IFRS measure

Eight Quarter Analysis

Daily Production and Commodity Prices

<i>Three months ended</i>	2017	2016	2016	2016	2016	2015	2015	2015
	March 31	December 31	September 30	June 30	March 31	December 31	September 30	June 30
<u>Daily production</u>								
Oil and NGLs (bbl/d)	159	96	94	104	120	125	162	204
Natural gas (mcf/d)	675	581	395	397	674	600	745	901
Oil equivalent (boe/d @ 6:1)	272	192	159	170	232	225	286	354
<u>Realized commodity prices (\$CDN)</u>								
Oil and NGLs (bbl)	\$51.30	\$50.17	\$44.28	\$44.83	\$31.58	\$40.62	\$46.73	\$56.84
Natural gas (mcf)	\$3.14	\$3.10	\$2.31	\$1.42	\$2.32	\$2.67	\$1.91	\$2.53
Oil equivalent (boe @ 6:1)	\$37.87	\$34.26	\$31.72	\$30.76	\$23.03	\$29.68	\$31.40	\$39.17

Oil and Natural Gas Revenue by Product

<i>Three months ended</i>	2017	2016	2016	2016	2016	2015	2015	2015
	March 31	December 31	September 30	June 30	March 31	December 31	September 30	June 30
Oil and NGL revenue	735,120	440,936	381,558	425,810	340,505	465,946	694,579	1,053,383
Natural gas revenue	190,767	165,485	83,823	51,418	140,508	147,363	130,742	207,905
Total revenue	925,887	606,421	465,381	477,228	481,013	613,309	825,321	1,261,288
% Oil and NGLs	79%	73%	82%	89%	71%	76%	84%	84%
% Natural gas	21%	27%	18%	11%	29%	24%	16%	16%

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

Cash Flow from Operations

	2017	2016	2016	2016	2016	2015	2015	2015
<i>Three months ended</i>	March 31	December 31	September 30	June 30	March 31	December 31	September 30	June 30
Oil and natural gas sales	925,887	606,421	465,381	477,228	481,013	613,309	825,321	1,261,288
Royalties	(85,391)	(53,717)	(57,532)	(27,439)	(32,376)	(35,565)	(99,679)	(212,643)
Revenue after royalties	840,496	552,704	407,849	449,789	448,637	577,744	725,642	1,048,645
Production, operating and transportation expenses	(344,679)	(309,960)	(196,061)	(231,628)	(273,696)	(303,177)	(382,359)	(398,239)
Operating cash flow (1)	495,817	242,744	211,788	218,161	174,941	274,567	343,283	650,406
General & administrative expenses	(117,937)	(102,106)	(117,095)	(146,153)	(109,742)	(109,994)	(142,395)	(174,748)
Bad debt expense	-	-	-	-	-	(181,018)	-	-
Interest and other financing charges	(18,239)	(34,489)	(27,159)	(30,292)	(47,621)	(36,305)	(25,197)	(12,237)
Flow through share indemnification expense	-	-	-	-	-	(15,732)	-	-
Cash flow from operations (1)	359,641	106,149	67,534	41,716	17,578	(68,482)	175,691	463,421

(1) Non IFRS measure

Operating and Cash Flow Netbacks

	2017	2016	2016	2016	2016	2015	2015	2015
<i>Three months ended</i>	March 31	December 31	September 30	June 30	March 31	December 31	September 30	June 30
(\$/boe)								
Revenue	37.87	34.26	31.72	30.76	23.03	29.68	31.40	39.17
Royalties	(3.49)	(3.04)	(3.92)	(1.77)	(1.55)	(1.72)	(3.79)	(6.60)
Production, operating and transportation expenses	(14.10)	(17.51)	(13.36)	(14.93)	(13.10)	(14.67)	(14.55)	(12.37)
Operating netback (1)	20.28	13.72	14.44	14.06	8.38	13.29	13.06	20.20
General and administrative expenses	(4.82)	(5.77)	(7.98)	(9.42)	(5.25)	(5.32)	(5.42)	(5.43)
Bad debt expense	-	-	-	-	-	(8.76)	-	-
Interest expense	(0.75)	(1.95)	(1.85)	(1.95)	(2.28)	(1.76)	(0.96)	(0.38)
Flow through share indemnification expense	-	-	-	-	-	(0.76)	-	-
Cash flow netback (1)	14.71	6.00	4.60	2.69	0.84	(3.31)	6.68	14.39

(1) Non IFRS measure

Daily Production and Commodity Prices

In Q1 of 2017, total production increased 17% to 272 boe/d when compared to 232 boe/d for the same period a year ago as the Company's new horizontal well at 02/5-7-27-9W4 came on stream in January, 2017. Oil and NGLs production averaged 159 bbl/d in Q1 2017 as compared to 120 bb/d in Q1 2016. Natural gas production averaged 675 mcf/d in the first quarter of 2017 compared to 674 mcf/d in the same period a year ago.

In Q1 2017, oil and gas prices increased significantly from Q1 2016. The average price of oil and NGL increased 64% from \$31.58/bbl to \$51.30/bbl. Natural gas prices increased 36% from \$2.32/mcf to \$3.14/mcf.

<u>Three months ended March 31,</u>	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Daily production			
Oil and NGLs (bbl/d)	159	120	33
Natural gas (mcf/d)	675	674	-
Oil equivalent (boe/d @ 6:1)	272	232	17

Realized commodity prices (\$CDN)			
Oil and NGLs (bbl)	\$ 51.30	\$ 31.58	62
Natural gas (mcf)	3.14	2.32	36
Oil equivalent (boe @ 6:1)	\$ 37.87	\$ 23.03	64

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

Oil and Natural Gas Revenues

Due to a 64% increase in average commodity prices and a 17% increase in production volumes, production revenues increased by 92% to \$925,887 in the first quarter of 2017 compared to \$481,013 in the same period in 2016. Oil revenues increased by 116% and natural gas revenues rose by 36%.

Three months ended March 31,	2017	2016	% Change
Oil and NGLs	\$ 735,120	\$ 340,505	116
Natural gas	190,767	140,508	36
Total revenue	\$ 925,887	\$ 481,013	92
% Oil and NGLs	79%	71%	
% Natural gas	21%	29%	

Royalties

For the three months ended March 31, 2017, royalties increased by 164% to \$85,391 from \$32,376 for the same period a year ago due to a 92% increase in production revenues and incremental overriding royalties on the Company's new horizontal oil well at 02/5-7-27-9W4. In Q1 2017 the royalty rate was 9.2% of revenue as compared to 6.7% in Q1 2016.

Three months ended March 31,	2017	2016	% Change	2017 (\$ / boe)	2016 (\$ / boe)
Royalties	\$ 85,391	\$ 32,376	164	\$ 3.49	\$ 1.55

Production, Operating and Transportation Expenses

For the three months ended March 31, 2017, production, operating and transportation expenses increased 26% to \$344,679 as compared to \$273,696 for the same period a year ago due to 17% increase in production volumes. On a per boe basis, production and operating expenses increased by 8% to \$14.10 per boe, up from \$13.10 per boe for the same period in 2016.

Three months ended March 31,	2017	2016	% Change	2017 (\$ / boe)	2016 (\$ / boe)
Production, operating and transportation	\$ 344,679	\$ 273,696	26	\$ 14.10	\$ 13.10

General & Administrative Expenses

General and administrative expenses, after overhead recoveries, increased 7% to \$117,937 for the three months ended March 31, 2017 up from \$109,742 in Q1 2016. General and administrative expenses per boe decreased by 8% to \$4.82 from \$5.25 in Q1 2016.

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

Three months ended March 31,	2017	2016	% Change	2017 (\$ / boe)	2016 (\$ / boe)
General & administrative	\$ 117,937	\$ 109,742	7	\$ 4.82	\$ 5.25

Finance Expense

Interest expense in Q1 2017 decreased over Q1 2016 as the Company carried average bank debt of \$2.5 million during the quarter as compared to \$3.4 million in Q1 2016.

Three months ended March 31,	2017	2016	% Change	2017 (\$ / boe)	2016 (\$ / boe)
Interest expense	\$ 18,239	\$ 47,621	(62)	\$ 0.75	\$ 2.28
Accretion	1,629	16,213	(90)	0.07	0.78
Finance	\$ 19,868	\$ 63,834	(69)	\$ 0.82	\$ 3.06

Depletion and Depreciation

In Q1 2017, depletion and depreciation decreased by 1% to \$254,296 as compared to \$256,558 in Q1 2016. Q1 2017 production volumes totaled 24,449 boe and based on year end 2016 proved plus probable reserves of 1,678,200 boe the depletion rate was 1.5% as compared to 1.9% in Q1 2016.

Three months ended March 31,	2017	2016	% Change	2017 (\$ / boe)	2016 (\$ / boe)
Depletion and depreciation	\$ 254,296	\$ 256,558	(1)	\$ 10.40	\$ 12.28

Impairment

At March 31, 2017, the Company evaluated its PP&E assets for impairment and recorded an impairment of \$117,835 on the Niton and Gordondale CGU's. The impairment was based on the difference between the net book value of the assets and the recoverable amount.

Three months ended March 31,	2017	2016	% Change	2017 (\$ / boe)	2016 (\$ / boe)
Impairment	\$ 117,835	\$ 122,866	(4)	\$ 4.82	\$ 5.88

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

Property plant and equipment assets (PP&E)

		PP&E Assets
Assets		
Balance at December 31, 2015	\$	18,910,831
Additions		1,611,522
Change in decommissioning obligations		53,465
Balance at December 31, 2016		20,575,818
Additions		272,948
Change in decommissioning obligations		(5,929)
Balance at March 31, 2017	\$	20,842,837
Depletion, depreciation and impairment		
Balance at December 31, 2015	\$	(8,413,089)
Impairment		(96,725)
Depletion and depreciation		(819,719)
Balance at December 31, 2016		(9,329,533)
Impairment		(117,835)
Depletion and depreciation		(254,296)
Balance at March 31, 2017	\$	(9,701,664)
Net book value		
Balance at December 31, 2015	\$	10,497,742
Balance December 31, 2016		11,246,285
Balance at March 31, 2017	\$	11,141,173

Capital expenditure summary

Area	Description	Three months ended March 31, 2017	Three months ended March 31, 2016
Alberta	Equip and tie-in	\$ 248,216	27,264
	Land and lease	-	6,944
	Abandonment	-	6,873
	Other	24,732	338
Total		\$ 272,948	\$ 41,419

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

Demand operating facilities

As at March 31, 2017, 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 1.5 percent. The credit facility is secured by a general security agreement and a first ranking charge on all lands of the Company. Under the terms of the facility, the Company is required to maintain a working capital ratio of not less than 1:1. The Company's working capital ratio at March 31, 2017 was 1.0:1.0. As at March 31, 2017 the Company had drawn \$2,709,494 on this loan facility.

On May 25, 2017, the Company renewed its revolving demand operating loan facility, with the principal amount at \$3,000,000. The facility is available until May 31, 2018, 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 2.0 percent. The credit facility is collateralized by a general security agreement and a first ranking charge on all lands of the Company.

Cash Flow from Operations

Three months ended March 31	2017		2016	
Comprehensive loss for the period	\$	(14,119)	\$	(378,059)
Accretion expense		1,629		16,213
Impairment		117,835		122,866
Depletion and depreciation		254,296		256,558
Cash flow from operations ⁽¹⁾	\$	359,641	\$	17,578
Cash flow from operations per share – basic and diluted	\$	0.00	\$	0.00

(1) Non IFRS measure

Net debt

March 31	2017		2016	
Cash	\$	-	\$	900,000
Accounts receivable		330,968		290,388
Prepaid expenses and deposits		60,077		62,385
Accounts payable and accrued liabilities		(679,876)		(500,441)
Bank debt		(2,709,494)		(3,453,346)
Net debt ⁽¹⁾	\$	(2,998,325)	\$	(2,701,014)

(1) Non IFRS measure

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

Net debt to cash flow from operations

Three months ended March 31	2017	2016
Net debt ⁽¹⁾	\$ 2,998,325	\$ 2,701,214
Annualized cash flow from operations ⁽¹⁾	\$ 1,438,564	\$ 70,312
Net debt to annualized cash flow	2.08	38.41

(1) Non-IFRS measure

Decommissioning Obligations

A reconciliation of the decommissioning obligations is provided below:

	Three months ended March 31, 2017	Year ended December 31, 2016
Balance, beginning of period	\$4,173,061	\$4,164,419
Additions -drilled	-	273,451
Disposition	-	(167,087)
Change in estimate	(5,929)	(152,403)
Accretion	1,629	54,681
Balance, end of period	4,168,761	4,173,061
Less current portion of decommissioning obligations	(133,109)	(133,109)
Non-current decommissioning obligations	\$4,035,652	4,039,952

The total undiscounted amount of the estimated cash flows required to settle the decommissioning obligations is approximately \$4,402,671 (2016 – \$4,078,097) which will be incurred over the next 30 years (2016 – 30 years) with the majority of costs to be incurred between 2017 and 2042. An average risk-free rate of 1.28% (2016 – 0.93%) and an inflation rate of 2.00% (2016 – 2.00%) were used to calculate the net present value of the decommissioning obligations. Accretion expense is included in finance expense on the statement of comprehensive loss.

Share Capital

	Three months ended March 31, 2017		Year ended December 31, 2016	
	Shares	Amount	Shares	Amount
Balance, beginning of period	70,061,595	\$13,969,981	70,061,595	\$13,969,981
Issuance of common shares	18,888,889	1,000,000	-	-
Share issuance costs	-	(29,300)	-	-
Balance, end of period	88,950,484	\$14,940,681	70,061,595	\$13,969,981

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

On January 10, 2017, Relentless completed two private placements.

In connection with the first private placement, the Company issued 10 million units at a price of five cents per unit for gross proceeds of \$500,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant gives the holder the option, exercisable for a period of one year, to purchase one common share for 5.5 cents per common share.

In connection with the second private placement, the Company issued 8,888,889 units at a price of 5.625 cents per unit for gross proceeds of \$500,000. Each warrant issued under the second private placement gives the holder the option, exercisable for a period of one year, to purchase one common share for 7.5 cents per common share.

Stock options

	Three months ended March 31, 2017		Three months ended March 31, 2016	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding, beginning of period	-	-	5,698,410	\$0.22
Cancelled	-	-	(5,698,410)	\$0.22
Outstanding and exercisable, end of period	-	-	-	-

On February 4, 2016, the Company cancelled a total of 5,698,410 incentive stock options, granted under the company's stock option plan to certain officers, directors, employees and consultants of the company. The cancelled options were voluntarily surrendered by the holders thereof for no consideration. The exercise prices of the cancelled options ranged from 14 cents to 30 cents per common share. Following the cancellation of the options, the Company has no options outstanding.

Warrants

	Three months ended March 31, 2017		Year ended December 31, 2016	
	Warrants	Amount	Warrants	Amount
Balance, beginning of period	2,142,856	-	2,142,856	-
Warrants issued	18,888,889	-	-	-
Balance, end of period	21,031,745	-	2,142,856	-

As at March 31, 2017, 21,031,745 warrants (2016 – 2,142,856) were outstanding.

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

Historical Quarterly Information

	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Oil and Gas Revenue	\$ 925,887	\$ 606,421	\$ 465,381	\$ 477,228
Cash Flow from operations ⁽¹⁾	359,641	106,149	67,534	41,716
Cash Flow / share - basic	0.00	0.00	0.00	0.00
Comprehensive Income (Loss)	(14,119)	511,847	(179,995)	(198,687)
Comprehensive Income (Loss) / share - basic	0.00	0.01	(0.00)	(0.00)
Capital Expenditures	272,948	1,497,236	28,310	44,557
Total Assets	11,532,218	11,653,213	10,096,418	10,303,063
Net debt	(2,998,325)	(4,055,718)	(2,679,631)	(2,718,855)
Shareholders' Equity	\$ 3,974,087	\$ 3,017,506	\$ 2,490,659	\$ 2,670,654
Shares outstanding	88,950,494	70,061,595	70,061,595	70,061,595
Production (boe/d)	272	192	159	170
Oil and NGLs (bbl/d)	159	96	94	104
Natural gas (mcf/d)	675	581	395	397

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

(1) Non-IFRS measure

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

CRITICAL ACCOUNTING ESTIMATES

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

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

RELENTLESS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2017 and 2016

BUSINESS RISKS

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

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

ABBREVIATIONS

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

RELENTLESS RESOURCES LTD.

Directors and Officers

Daniel T. Wilson ^(1,2,4)

Chief Executive Officer & Director
Calgary, Alberta

Ronald J. Peshke ⁽⁴⁾

President & Director
Calgary, Alberta

Hugh M. Thomson

Vice President Finance & Chief Financial Officer
Calgary, Alberta

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

Director
Calgary, Alberta

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

Director
Calgary, Alberta

¹ Member of the Audit Committee

² Member of the Compensation Committee

³ Member of the Governance Committee

⁴ Member of the Reserves Committee

Corporate Information

Head Office

Suite 320, 700-4th Avenue SW
Calgary, Alberta T2P 3J4
Telephone: 403-532-4466
Facsimile: 587-955-9668
E-mail: info@relentless-resources.com
Website: www.relentless-resources.com

Legal Counsel

McCarthy Tétrault LLP
4000, 421 - 7th Avenue SW
Calgary AB T2P 4K9

Bank

ATB Financial
600, 444-7th Avenue SW
Calgary, Alberta T2P 0X8

Reserves Evaluator

Trimble Engineering Associates Ltd.
Suite 2200, 801-6 Avenue SW
Calgary, Alberta T2P 3W2

Auditor

MNP LLP
Chartered Professional Accountants
1500, 640 - 5th Avenue SW
Calgary, Alberta T2P 3G4

Registrar and Transfer Agent

Computershare
600, 530 – 8th Avenue SW
Calgary, Alberta T2P 3S8

Stock Listing

TSX Venture Exchange
Trading Symbol: RRL