

## **BRS VENTURES LTD.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")**

The following information, prepared as of April 19, 2012, should be read in conjunction with the unaudited condensed interim financial statements of BRS Ventures Ltd. (the "Company") for the three months ended January 31, 2012, together with the audited financial statements of the Company for the year ended October 31, 2011 and the accompanying Management's Discussion and Analysis (the "Annual MD&A") for that fiscal year. The referenced condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Figures from periods prior to and including October 31, 2010 are in accordance with Canadian generally accepted accounting principles prior to convergence to IFRS ("Canadian GAAP"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relating to the Company and its operations is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **FORWARD-LOOKING STATEMENTS**

The Company's interim condensed financial statements for the three months ended January 31, 2012, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators.

It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of April 19, 2012.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements.

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Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

### **COMPANY DESCRIPTION**

BRS Ventures Ltd. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007. The Company is classified as a capital pool company ("CPC") as defined by TSX Venture Exchange Policy 2.4 ("Policy 2.4"). The Company's objective is to complete a Qualifying Transaction ("QT") as defined under Policy 2.4 by identifying and evaluating potential business acquisitions and to subsequently negotiate acquisition or participation agreements subject to regulatory and shareholder approvals. The Company is currently trading on the NEX board of the TSX Venture Exchange (the "Exchange") under the trading symbol "BRV.H".

### **OVERALL PERFORMANCE**

On October 7, 2009, the Company entered into an agreement to acquire all the assets of Quantum United Technologies Inc. (QTI). A draft Information Circular, describing the terms and process that constituted the Qualifying Transaction, was presented to the Exchange for approval. The Exchange subsequently decided not to approve the Qualifying Transaction for reasons of the technology being too early in its development. This delay exceeded the time deadline for a CPC to complete a Qualifying Transaction. As a result, the Company had the option to move to the NEX board ("NEX") subject to shareholders' approval. At the AGM on July 20, 2010 the Company received shareholder approval to move to the NEX. The Company's listing was transferred to the NEX on July 28, 2010. On August 16, 2010 the Company terminated its agreement with QTI and wrote-off a \$60,000 loan to QTI.

On October 18, 2010 the Company signed a term sheet for a QT with Landmaster Partners, Inc (LPI). As part of that term sheet LPI provided the Company a US\$25,000 (\$25,070) non-refundable deposit. On July 21, 2011, the Company announced that it would not be proceeding with a transaction with LPI and the funds held on deposit were recorded as a gain on write-off of non-refundable deposit during the year ended October 31, 2011.

Any proposed qualifying transaction is still subject to approval by the Exchange.

Effective November 2, 2011, the Company consolidated its common shares on the basis of one (1) new common share for every three (3) old common shares issued and outstanding at that time. All references to share and per share amounts have been retroactively restated to reflect the share consolidation.

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**RESULTS OF OPERATIONS***Three months ended January 31, 2012*

The Company recorded a net loss of \$19,519 (\$0.00 per share) for the three months ended January 31, 2012 as compared to a net loss of \$18,902 (\$0.01 per share) for the three months ended January 31, 2011. The table below details certain non-cash or unusual transactions that for the purposes of this discussion have been adjusted out of the reported net loss to produce an adjusted net loss that forms a better basis for comparing the period over period operating results of the Company.

	2012 (\$)	2011 (\$)
Net loss for the period as reported	19,519	18,902
Gain on forgiveness of debt	1,458	-
Adjusted net loss for the period <sup>(1)</sup>	20,977	18,902

<sup>(1)</sup> Adjusted net loss for the period is not a term recognized under IFRS.

Comments regarding certain of these items are as follows:

- The gain on forgiveness of debt is the result of the settlement of outstanding payables.

The increase in adjusted net loss recorded in the three months ended January 31, 2012 as compared to the three months ended January 31, 2011 is the net result of changes to a number of expenses. Of note are the following items:

- Accounting fees (\$4,714 vs. \$1,500) increased due to additional time spent on the restructuring of the Company.
- Legal fees (\$9,045 vs. \$16,360) decreased due to less legal activity during the quarter.
- Listing fees (\$6,938 vs. \$1,042) increased due to additional fees charged by the new transfer agent.

**SELECTED QUARTERLY FINANCIAL INFORMATION**

The following table sets out financial information for the past eight quarters:

	Three Months Ended (\$)			
	January 31, 2012	October 31, 2011	July 31, 2011	April 30, 2011
Total Revenues	-	-	-	-
Net Income (Loss)	(19,519)	(28,116)	16,493	(26,273)
Net Income (Loss) Per Share (basic and diluted) <sup>(1)</sup>	(0.00)	(0.01)	0.01	(0.01)
Total assets	232,963	109,392	12,311	17,461
Total liabilities	44,060	306,548	273,017	294,661

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	Three Months Ended (\$)			
	January 31, 2011	October 31, 2010 <sup>(2)</sup>	July 31, 2010 <sup>(2)</sup>	April 30, 2010 <sup>(2)</sup>
Total Revenues	-	-	-	-
Net Loss	(18,902)	(12,350)	(76,352)	(85,956)
Net Loss Per Share (basic and diluted) <sup>(1)</sup>	(0.01)	(0.01)	(0.04)	(0.04)
Total assets	23,962	36,037	67,491	99,922
Total liabilities	274,889	268,062	229,610	185,689

<sup>(1)</sup> The basic and diluted loss per share calculations result in the same amount.

<sup>(2)</sup> Information for October 31, 2010, July 31, 2010 and April 30, 2010 are presented in accordance with Canadian GAAP. All other quarters are presented in IFRS.

**INVESTING AND FINANCING ACTIVITIES**

On November 4, 2011, the Company completed a private placement of 10,000,000 common shares at \$0.05 per share for gross proceeds of \$500,000. In connection with the private placement, the Company incurred cash issue costs of \$2,755. The Company also issued 975,000 finder's shares with the same terms as the private placement shares.

At October 31, 2011, the Company had received \$91,667 of share subscriptions in connection with the private placement.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company's operations consumed approximately \$21,000 of cash (before working capital items) for the three months ended January 31, 2012. The Company's aggregate operating, investing, and financing activities during the three months ended January 31, 2012 resulted in an increase in its cash balance from \$97,327 at October 31, 2011 to \$219,583 at January 31, 2012. The Company's working capital increased from a deficiency at October 31, 2011 of \$197,156 to working capital of \$188,903.

**INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")**

For years beginning after January 1, 2011 Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the effective transition date for the Company is November 1, 2010. The three months ended January 31, 2012 is the Company's first reporting period under IFRS.

The Company's IFRS conversion team identified four phases to the Company's conversion: scoping and planning, detailed assessment, implementation and post-implementation. The Company has now completed its IFRS conversion project through the implementation phase. The post-implementation phase will continue in future periods, as outlined below.

Notes 2, 3 and 8 of the accompanying condensed interim financial statements for the three months ended January 31, 2012 provide details of the Company's Canadian GAAP to IFRS differences, accounting policy decisions and IFRS 1, First-Time Adoption of IFRS, exemptions

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for significant or potentially significant areas that have had an impact on the Company's financial statements on transition to IFRS or may have an impact in future periods.

The conversion to IFRS has had a no impact on the financial record keeping and financial disclosures of the Company. Internal controls were unaffected by the IFRS conversion. Accounting systems have been assessed and re-configured to ensure accurate reporting under IFRS, both internally and externally. The IFRS conversion resulted in no adjustments to the financial statements.

## **FINANCIAL INSTRUMENTS**

### **Management of Capital**

The Company's objectives for the management of capital are to safeguard its ability to continue as a going concern including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and investment balances to cover operating costs over a reasonable future period, generally one to one and a half years. The Company accesses capital markets through equity issues as necessary and may also acquire additional funds where advantageous circumstances arise.

Excess cash investments are restricted to bankers' acceptances of major Canadian banks or instruments of equivalent or better quality. The Company currently has no externally-imposed capital requirements except to maintain sufficient cash.

### **Classification of Financial Instruments**

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company designated its cash as loans and receivables, which are measured at amortized cost. The accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

Discussions of risks associated with financial assets and liabilities are detailed below:

#### **Credit Risk**

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is primarily held with the Bank of Montreal.

#### **Interest Rate Risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss is limited because at present the Company's liabilities are non-interest bearing or have fixed interest rates.

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### **Liquidity Risk**

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities.

### **OUTSTANDING SHARE DATA**

Authorized: Unlimited common shares without par value.  
Unlimited preferred shares issuable in series.

All share information is reported as of April 19, 2012 in the following table:

Type of Security	Number	Exercise Price (\$)	Expiry Date
Issued and outstanding common shares	12,941,659	N/A	N/A
Options	130,000	0.30	February 28, 2013
Total	13,071,659		

Of the 12,941,659 common shares outstanding, 725,000 are held in escrow.

### **RISKS AND UNCERTAINTIES**

The Company has incurred significant losses since inception. The continued operations of the Company are dependent on its ability to generate future cash flow and obtain additional financing. The Company has traditionally financed its cash requirements through the issuance of common shares. If the Company is unable to generate cash from operations or obtain additional financing its ability to continue as a going concern could be impeded.

### **DISCLOSURE CONTROLS AND PROCEDURES**

In connection with National Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim financial statements for the three months ended January 31, 2012 and this accompanying MD&A (together the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

### **OUTLOOK**

The Company is seeking financing to increase working capital and complete a Qualifying Transaction.