Musgrove Minerals Corp.

Management Discussion And Analysis
Year Ended November 30, 2012

Date and Subject of the Report

The following Management's Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of the operations of Musgrove Minerals Corp. ("Musgrove" or the "Company") for the year ended November 30, 2012.

The Company's prior consolidated financial statements before fiscal 2012 were prepared in accordance with Canadian Generally Accepted Accounting Principles (the "Canadian GAAP" or "CGAAP"). Effective December 1, 2011 the Company adopted International Financial Reporting Standards ("IFRS") as required by the Canadian Institute of Chartered Accountants. In accordance with these requirements the transition date for implementation of IFRS was December 1, 2010. Except as otherwise noted, all amounts reported in this MD&A and have been restated or reclassified to conform to IFRS.

This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2012 ("2012 Annual Financial Statements"). This MD&A has been prepared effective as of March 27, 2013.

Additional information relating to the Company is available *on the SEDAR website at www.sedar.com*

FORWARD LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. Forward-looking statements are generally, but not always, identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "projects", "potential", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are based on the opinions and estimates of management on the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and acquisition of resources properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, changes in and the effect of government policies, the ability to obtain required permits, delays in exploration projects and the possibility of adverse development in the financial markets, uncertainties relating to the availability and costs of financing needed in the future, and other factors described in this report. Although the Company believes the expectations expressed in its forward-looking statements are based on reasonable assumptions, there can be no assurance that such 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 such statements.

The Company reviews its forward-looking statements on an ongoing basis and updates this information when circumstances require it.

Overall Performance

Musgrove Minerals Corp. (the "Company") was incorporated under the laws of British Columbia, Canada on March 29, 2000. The Company's office is located at #200 - 8338 120th Street Surrey, BC, Canada. The Company's common shares are traded on the TSX Venture Exchange (the "TSX Exchange") under the symbol MGS and on the OTC market (Symbol: MGSGF) and Frankfurt (Symbol JL4M).

The Company is an exploration stage company with its principal business being the acquisition, exploration, and development of mineral properties. The Company has interests in various mineral properties in USA and Mexico.

During the year ended November 30, 2012, the Company completed a private placement for gross proceeds of $585,000 to fund the Company's working capital. As at November 30, 2012, the Company had a working capital of $336,907. Management expects it will be difficult for the Company to obtain further equity or debt financing in the near future given that the current Canadian capital market is in a downturn. The current resources on hand are not adequate for the Company to meet its long term business objective nor to conduct any significant exploration activities on the existing mineral properties. In order to preserve the cash, management decided to curtail the Company's operations and will not conduct significant exploration activities until the Company has resources to finance such exploration activities by obtaining additional (equity or debt) financing or by new farm-out or joint-venture arrangements.

Selected Annual Information

	2012 (ii) $	2011 (ii) $	2010 (i) $
Total assets	3,366,204	4,706,093	3,503,406
Total long term debt	-	-	-
Total revenue	-	-	-
Administrative expenses (excluding stock-based compensation and bad debt provision)	(492,915)	(1,160,364)	(1,197,832)
Stock-based compensation	-	(450,349)	-
Loss from continued operation	(1,223,623)	(1,657,119)	(1,994,415)
Shareholders' equity	3,280,346	3,607,942	1,187,207
Weighted average number of outstanding shares	12,147,950	6,661,379	2,629,780
Loss per share, basic and diluted	(0.11)	(0.24)	(0.76)

(i) Presented in accordance with CGAAP
(ii) Presented in accordance with IFRS

The Company is an exploration stage company, has had recurring losses since inception, and has been financing the Company's operations through debt and equity financing in the past. It is management's assessment that raising money from the current depressed capital market will be difficult. As a result management has started to curtail the Company's activities during 2012 in order to minimize expenditures and conserve cash. Management intends to continue its efforts to minimize the Company's activities and also the exploration expenditures until the Canadian capital market improves and the Company is able to obtain further equity or debt financing to finance its long term business objectives.

The Company's losses were comprised of administrative expenditures and gain/loss from non-recurring events. The net loss of $1,223,623 and general and administrative expenditures of $429,915 in 2012 are the lowest amongst the three years. The decrease in administrative expenditures was the result of management's efforts to curtail operations. Non-recurring events such as disposition of the Company's subsidiaries/joint ventures, or exploration and evaluation assets, issuance of stock options are incidental in nature and may affect the Company's annual performance in the future.

Discussion of Operations

The Company is an exploration stage company which does not have mineral properties in production. As a result, the Company has not earned revenue from its operation since inception, and does not expect to earn revenue from its operation in the near future.

Mineral Properties

All of the Company's mineral properties are in their exploration stages. Following are descriptions of the Company's mineral properties and their progress during the year ended November 30, 2012. The capital commitments in connection with the Company's mineral properties are also summarized in the section "Capital Resources".

Musgrove Creek Gold Property, U.S.A.

Located in a historic gold mining district, Musgrove Creek is an advanced gold exploration project covering nearly 1,500 acres in Lemhi County, Idaho, approximately 15 miles (24 km) southwest of the Beartrack gold deposit.

On June 13, 2007, the Company acquired the Musgrove Creek Gold Property situated in the Cobalt Mining District, Lemhi County, Idaho, USA and, the Company assumed the underlying lease agreement dated June 12, 2003 with respect to certain mineral claims that comprise the Musgrove Creek Gold Property.

Two 43-101 reports published in 2006 and 2008, historical drilling results, and other information of the Musgrove Creek Gold Property are available at the Company's website *(http://www.musgroveminerals.com).*

For certain claims' underlying the Musgrove Creek Gold Property, the lease has a 10 year term and can be renewed for two successive terms of 10 years provided that the conditions of the lease are met. The Company is required to pay annual lease payments (US$50,000 in fiscal 2012 and years after) and to incur minimum annual exploration expenditures of US$100,000 during the term of the lease. The Company may omit this yearly expenditure requirement every 5 years for one year. Any exploration expenditures incurred in excess of that specified for any year may be carried forward and credited to the subsequent year.

Management recently reached an agreement with the optionor that as the Company had incurred qualified exploration expenditures in previous years in excess of the requirements in prior years, that these excess expenditures could be carried forward to 2011 and 2012. As a result, the Company was not required to incur exploration expenditure in fiscal 2012 in order to keep the Company's lease in good standing.

During the year ended November 31, 2012, the Company paid US$50,000 annual lease payment for 2012 in accordance with the lease agreement, but did not perform significant exploration work in order to preserve cash. The Company is considering various options with regards to this property.

Empire Mine Property, U.S.A.

The Empire mine project ("Empire Mine Property"), which consists of 26 patented mining claims, six mill-site claims and 21 unpatented mining claims, is a polymetallic skarn deposit containing copper, zinc, gold and silver. The project is located in the Alder Creek mining district in Custer County, Idaho, approximately three miles west of Mackay, Idaho.

On July 26, 2011, the Company exercised its options on exploration and lease agreements with two arm's length parties ("Empire Mine Optionors") to earn a 100% operating interest of Empire Mine Property. The lease has a term of 12 years.

Historical drilling results, a 43-101 technical report published in 2006, and other information on the Empire Mine Property are available on the Company's website.

Under the terms of the agreements (the "Empire Mine Original Option Agreement"), the Company must:

i. make annual royalty payments of US$57,000;

ii. pay the annual holding fees to the Bureau of Land Management;
iii. make an advanced royalty payment of US$30,000 by June 1, 2012 (paid);
iv. completion of metallurgical studies and laboratory analysis by no later than September 1, 2013".
v. When there is adequate data to make the "initial reserves" calculation, make a payment of US$11,500 or issue the equivalent amount of the Company's common shares.
vi. Upon completion of resource calculations and delivering a copy to the underlying owners of the property, make a payment of US$31,500 or issue the equivalent amount of the Company's common shares;
vii. Complete a NI 43-101 report within 5 years; and make a payment of $US 51,500 or issue the equivalent amount of the Company's common shares;
viii. Upon completion of a Record of Decision issued by the United States Forest Service or the completion of a Permit to Operate issued by the State of Idaho, make a payment of $US125,000 or issue the equivalent amount of the Company's common shares.
Upon commencement of commercial production, the property is subject to a 2.5 % net smelter return royalty ("NSR") which may be reduced to 1.5% for a US$2,400,000 payment .

In order to finance the exploration activities of the Empire Mine Property, the Company entered into an option agreement with Konnex Resources Inc. ("Konnex"), which was subsequently revised on February 15, 2013 to grant Konnex the option to acquire 100% of the Company's interest in its Empire Mine Property.

To earn an initial 95% interest, Konnex agreed to pay the Company $1,265,000 in cash and issue 2,150,000 Konnex common shares in accordance with the following schedules:

Cash payments	$
April 6, 2012 (received)	40,000
May 10, 2012 (the "Effective Date") (received)	200,000
60 days after the Effective Date (received)	50,000
April 1, 2013	25,000
July 1, 2013	40,000
October 1, 2013	40,000
January 1, 2014	40,000
April 1, 2014	125,000
July 1, 2014	125,000
October 1, 2014	125,000
January 1, 2015	125,000
April 1, 2015	150,000
July 1, 2015	180,000
Total	1,265,000

Share issuances	Number of shares
November 9, 2012 (received)	150,000
April 1, 2013	1,000,000
April 1, 2014	1,000,000
Total	2,150,000

Commencing May 1, 2012, Konnex assumed all the property payments and commitments on the property and agreed to complete a work program of not less than $1,000,000 within 12 months after Konnex has issued its shares under an Initial Public Offering.

To earn the remaining 5% interest, Konnex will pay the Company $225,000 on or before July 1, 2015.

The Empire Mine Property will remain subject to a 2.5% NSR to the Empire Mine Optionors as well as a 2% NSR to the Company.

Charay Gold Property, Mexico

On October 15, 2008, and as amended in May 2011, the Company entered into an option agreement (the "Option Agreement") to acquire a 100% interest in the Charay Property located in Sinaloa, Mexico. The property is subject to a 2% NSR upon commencement of commercial production.

On August 8, 2011, the Company entered into an option agreement (the "Westridge Agreement") with Westridge Resources Inc. ("Westridge") to option Westridge an 80% interest in the Charay property. This agreement was approved by the Exchange on January 26, 2012.

Under the terms of the agreement, Westridge has to:

- Assume the Company's $258,000 loan payable commencing January 26, 2012;
- Make cash payments in the aggregate of US$2,227,500 plus applicable IVA and $140,000 to the Company over the next two years commencing September 1, 2011, representing the option payments due under the Option agreement;
- Make cash payments of $450,000 to the Company over a two year period commencing January 26, 2013;
- Issue a total of 1,200,000 Westridge common shares to the Company over a two year period commencing January 26, 2012; and
- Fund work costs of $500,000 on the property by February 28, 2012.

Westridge will have the right, up to January 26, 2017, to purchase the remaining 20% interest from the Company for $5,000,000.

During the year ended November 30, 2012, the Company received cash proceeds of $784,932 (2011 - $476,609) and 400,000 common shares of Westridge with a fair value of $240,000 from Westridge.

The Company transferred 100,000 of the Westridge shares to the underlying owners of the property as the Company made certain cash payments and expenditure requirements later than scheduled. The fair value of the shares was $44,000 and the Company recognized a loss on the disposal of the shares of $16,000.

Subsequent to the year ended November 30, 2012, Westridge cancelled the Westridge Agreement. As a result, the Company decided not to pursue the Charay property. As at November 30, 2012, the Company has fully impaired the Charay Property and recorded an impairment charge of $768,187. The Company and Westridge are not obligated to meet any further future commitments under the Option Agreement and the Westridge Agreement.

Continuity of the Company's exploration assets

The amounts of acquisition and exploration expenditures incurred in connection with the Company's exploration properties are available in Note 7 to the Company's 2012 Annual Financial Statements

Use of proceeds from previous financing

On July 5, 2011, the Company closed a private placement for gross proceeds $1,200,000 net of $89,206 finder's fees and $9,297 legal fees. Net proceeds of $1,101,497 was planned to be used for the Company's Empire Mine drill program and the Musgrove Creek work program.

During the year ended November 30, 2011, the Company used the net proceeds as planned to finance the $1,106,651 and $61,012 exploration cost (totaling $1,167,663) incurred for our Empire Mine Property and Musgrove Creek work program respectively.

Summary of Quarterly Results

Following is a summary of the Company's quarterly results in the last eight recent quarters:

	2012				2011			
	Nov 30	**Aug 31**	**May 31**	**Feb 29**	**Nov 30**	**Aug 31**	**May 31**	**Feb 28**
	$	$	$	$	$	$	$	$
Total Revenues	-	-	-	-	-	-	-	-
Income (loss) from continuing operations	(241,733)	(802,854)	(191,480)	12,444	147,808	(216,941)	(866,591)	(721,395)
Income (loss), per share, basic and diluted	(0.02)	(0.05)	(0.02)	0.00	0.04	(0.05)	(0.15)	(0.15)

The Company is in the business of acquisition and exploration of mineral properties and its operating results are not subject to seasonal variations. Losses in the last eight quarters are mainly due to incurring administrative expenses to support the Company's operations. Other factors that affect the losses among these eight quarters are losses from the disposition of resource properties and subsidiaries, and gain from settlement with creditors for various payables. Management expects these incidental events may affect the Company's results in the future.

Results of Operations

Year ended November 30, 2012 ("Fiscal 2012")

The Company's net loss in Fiscal 2012 was $1,223,623 (Fiscal 2011 – net loss of $1,657,119), a $433,496 improvement. The improvement is mainly the combined effect of a $1,117,798 decrease of the Company's administrative expenses (Fiscal 2012- $492,915; Fiscal 2011- $1,610,713) which was partially offset by an increase of other losses of $684,102 (Fiscal 2012 – loss of $730,708; Fiscal 2011 – loss of 46,606). The decrease of administrative expenses was a combined result of a $450,349 decrease in stock-based compensation and a $667,449 decrease of other kinds of operating expenses.

The Company did not incur any stock-based compensation expense in Fiscal 2012 as the Company did not grant stock options in this period and all the options previously granted were fully vested before Fiscal 2012. As a result, stock-based compensation recorded in Fiscal 2012 decreased.

During Fiscal 2012, the Company's major operating expenses were $Nil (Fiscal 2011 – 165,555) for investor relations, $53,277 (Fiscal 2011 - $136,866) in office expenses, $98,164 (Fiscal 2011-$395,411) for consulting fees, $67,500 (Fiscal 2011-$97,500) for management fees, $27,250 (Fiscal 2011-$Nil) for directors' fees, and $103,586 (Fiscal 2011 - $82,665) for rent.

Operating expenses, including consulting fees incurred for finance administration and strategic planning, were generally lower in Fiscal 2012 as the Company's activities were curtailed as discussed in the above.

Rent slightly increased by $20,931which was the result of increased property taxes and other operating expenses charged by the landlord. The Company had a new board of directors in 2012 who spent more time in overseeing the Company's activities. As such the directors were compensated by a small amount of directors' fees in 2012.

The $684,102 increase of other losses was mainly a combined result of following incidental events:

- The Company recorded a loss from exploration assets (Charay Properties) impairment of $788,187 in 2012 compared to a loss from disposition of exploration asset (Vianey Property) of $28,092 in Fiscal 2011 – an increase of $760,094.
- An increase of bad debt by $31,200 (Fiscal 2012 - $31,200; Fiscal 2011 - $nil). Management considered the collectability of the $32,100 receivable from subleasing the Company's office uncertain and fully provided the amount at Fiscal 2012 year end. There was no similar provision made in Fiscal 2011.

- A decrease of financing charges and interest expenses by $129,164 (Fiscal 2012 - $13,205; Fiscal 2011 - $142,369) as the Company settled a significant amount of debt in Fiscal 2012.
- A decrease of rental income of $56,906 (Fiscal 2012 - $36,400; Fiscal 2011 - $93,306) as the tenants that subleased part of the Company's office ceased to renew their office lease during Fiscal 2012.

As at November 30, 2012, the Company had $104,775 in cash (November 30, 2011 - $21,989), $2,915,641 exploration and evaluation assets (November 30, 2011 - $4,320,934), $84,653 accounts payable (November 30, 2011 - $800,989), $1,205 short-term loan (November 30, 2011 - $282,253), and $16,313,350 in share capital (November 30, 2011 - $15,463,259). The increase of cash is a combined result of receiving $585,000 through equity financing which was offset by payments of operating expenses and accounts payable. The decrease of evaluation assets was mainly the result of the impairment on the Charay Property. The $716,336 decrease in accounts payable was mainly achieved by cash payments and the debt settlement by share issuance for $473,791. The $281,048 decrease in short-term loans was mainly achieved by assignment of a $258,000 short-term loan to Westridge when the option agreement (for Charay property) between Westridge and the Company came into effect during Fiscal 2012.

<u>For the quarter ended November 30, 2012 (the "Fourth Quarter" or "2012 Q4")</u>

The Company's loss for 2012 Q4 was $241,733 compared to $147,808 earnings during the same period in 2011, an increase of loss of $389,541. The $389,541 increase of losses in 2012 Q4 was mainly a combined result of the following:

1. During 2011 Q4, the Company recalculated its stock-based compensation and made an accounting adjustment to recover $264,284 stock-based compensation which had been previously recorded during the first three quarter of 2011. This increased the loss in 2012 Q4 by $264,284 comparing to 2011 Q4.
2. The losses from exploration assets impairment/disposition of assets was $54,105 higher in 2012 Q4 (2012 Q4 - $82,197 losses, 2011 Q4 - $28,092 losses). These are non-recurring events.
3. The income from administrative fee and rental income decreased by $33,306 in 2012 Q4 (2012 - $nil; 2011 Q4 - $33,306 income). During 2012 Q4, the Company's office was partly subleased and the Company earned rental income plus office administrative fees from the subleasing. These tenants ceased the rental arrangement in 2012 Q4.
4. An increase of bad debt provision of $31,200 which was discussed as above.

Share Capital

On April 16, 2012, the Company received shareholder approval to consolidate its shares on a 5 to 1 basis. All references to common shares, share purchase warrants, stock options, per share amounts, option and warrant exercise prices for all periods have been adjusted on a retrospective basis to reflect the common share consolidation.

As at the date of this MD&A, the Company has 15,564,374 common shares issued and outstanding; 397,500 stock options and 7,450,077 share purchase warrants that are convertible to the Company's common shares on a one-to-one basis. The expiry dates and exercise prices of the Company's options and warrants are available at Note 9, 10 and 11 to the Company's 2012 Annual Financial Statements.

Liquidity

Financing of operations has been achieved primarily by equity and debt financing. On November 30, 2012, the Company had a cash balance of $104,775, investment in highly liquid redeemable guaranteed investment certificate ("GIC") issued by a Canadian chartered bank of $70,000, and working capital of $336,907. The Company is not subject to external working capital requirements.

Management realizes that the liquidity on hand may not be adequate for the Company to maintain its operations in the next 12-months operating period, and the capital resources on hand is not adequate to support the Company in meeting its business objective on a long term basis. Management may be required to finance the Company's operation by additional equity or debt financing. While the Company was able to raise financing when needed in the past, there is no guarantee that the Company can do so in the future.

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. As at November 30, 2012, the Company had a working capital of $336,907 and did not have long term liability. As a result, management believes the Company is not subject to significant liquidity risk as at November 30, 2012.

During Fiscal 2012, the Company had $565,077 cash inflow from financing activities, a combined result of receiving $585,000 from issuing common shares and warrants and payment of short term loan of $19,923.

During Fiscal 2012, the Company received $217,705 from investing activities which was a combined result of paying cash to invest $70,000 in a GIC, paying $940,555 for the acquisition, maintenance, and exploration work for the Company's mineral properties, receiving $1,103,662 for the option payments and cost reimbursements paid by the optionee of the Company's Charay Property and Empire Mine Property, and receipt of $125,000 from the receivable in connection with sales of the Company's Vaniey Property in Fiscal 2011.

Capital Resources

The following table summarizes the Company's commitment in connection with the Company's mineral properties. The Company does not have other commitments.

Empire Mine Property

Commencing May 1, 2012, all capital and exploration work commitments were assumed by Konnex when the Empire Mine Second Option Agreement between Konnex and the Company became effective on May 10, 2012.

Musgrove Creek Property

Scheduled payment date	Amount
Annual lease payment due on June 12 in each year.	US$50,000
Annual minimum exploration expenditure	US$100,000

Charay Property

The Company does not have commitment in connection with this mineral property after the Company decided not to pursue the Charay Property and cancelled all the option agreements in connection with Charay Property in January 2013.

Off-Balance Sheet Arrangements

The Company does not have off-balance sheet arrangements.

Transactions Between Related Parties

Transactions with related parties incurred during the 2012 Nine-Month Period are as follows:

Name	Nature	Amount
Transaction with management:		
Rana Vig, CEO	Management fees	$ 67,500
Transactions with directors		
Martin Bernholtz	Director fees	$5,250
T. Greg Hawkins	Director fees	$4,000
Rana Vig	Director fees	$9,000
Norman Brewster	Director fees	$9,000
Transactions with other related parties	N/A	$Nil

As at November 30, 2012, there were no balances owing due to related parties.

During Fiscal 2012, the Company did not pay or grant any short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits to its management; and there was $nil share-based payments paid to the Company’s management and directors.

Proposed Transactions

The Company does not have proposed transactions that may have material impacts to the Company.

Critical Accounting Estimates

Refer to Note 3 to the Company’s 2012 Annual Financial Statements.

1.13 Changes in Accounting Policies including Initial Adoption

Refer to Note 3 to the Company’s 2012 Annual Financial Statements

Financial Instruments

Details of the Company’s financial instruments and its approach to manage the risks arising from its financial instruments are discussed in the Note 19 to the 2012 Annual Financial Statements.

Risk and Uncertainties

The exploration for mineral deposits is highly speculative activities and is subject to significant risks. The Company’s ability to realize its investments in exploration projects is dependent upon the discovery or acquisition of mineral resources and mineral reserves, and the economic viability of developing its properties. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company’s mineral exploration activities will be successful. The exploration of mineral resources and mineral reserves involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

Financial Disclosure Controls and Procedures

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52- 109”). In particular, the Company’s certifying officers are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company’s generally accepted accounting principles.

The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost effective basis.

Officers and Directors

Rana Vig, President, CEO and Director
Larry Tsang, CFO
T. Greg Hawkins, Director
Martin Bernholtz, Director
Norman Brewster, Director