MUSGROVE minerals corp.

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Management Discussion And Analysis
Quarter ended February 28, 2013

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 quarter ended February 28, 2013 ("2013 Q1").

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 Company's condensed interim consolidated financial statements for the quarter ended February 28, 2013 ("2013 Q1 Financial Statements") and the Company's audited consolidated financial statements for the most recent year ended November 30, 2012. This MD&A has been prepared effective as of April 29, 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.

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. As at February 28, 2013, the Company had a working capital of $206,853. 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. It is management's assessment that raising money from the current depressed capital market will be difficult. In order to preserve the cash on hand, management decided to curtail the Company's operations since last year (fiscal 2012) and will not conduct significant exploration activities until the Company has resources to finance such exploration activities.

Management plans to obtain additional financing through private placements, debt from related parties, or new farm-out / joint-venture arrangements in connection with the mineral assets on hands. The Company has a history to obtain financing required through debt or equity financing in the past, however there is no guarantee that the Company can do this in the future.

Discussion of Operation

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 2013 Q1. The capital commitments in connection with the Company's mineral properties are also summarized in the section "Capital Resources". All of the Company's mineral properties are in good standing as at February 28, 2013.

The details about the exploration costs incurred during the 2013 Q1 and for the year 2012 are presented in Note7 to the Company's 2013 Q1 Financial Statements.

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.

During 2013 Q1 the Company did not perform significant exploration work in order to preserve cash. The Company is considering various options with regards to this property. Unless the Company is able to raise adequate financing to support further exploration, management does not expect to proceed with further exploration activities.

<u>Empire Mine Property, U.S.A.</u>

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:

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

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 (received)	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

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.

The Company did not incur significant exploration costs during 2013 Q1 in order to preserve cash.

Summary of Quarterly Results

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

	2013	**2012**				**2011**		
	Feb 28	**Nov 30**	**Aug 31**	**May 31**	**Feb 29**	**Nov 30**	**Aug 31**	**May 31**
	$	$	$	$	$	$	$	$
Total Revenues	-	-	-	-	-	-	-	-
Income (loss) from continuing operations	(120,821)	(241,732)	(802,854)	(191,480)	12,443	147,808	(216,941)	(866,591)
Income (loss), per share, basic and diluted	(0.01)	(0.02)	(0.05)	(0.02)	0.00	0.04	(0.05)	(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 mineral properties/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

Quarter ended February 28, 2013

The Company's loss in 2013 Q1 was $120,821 (2012 Q1 – earnings of $12,443), an increase of loss by $133,264. The increase of loss was a combined effect of a $72,755 increase of the Company's operating expenses (2013 Q1- $125,284; 2012 Q1- $52,529), and a decrease of other income by $60,509 (2013 Q1 –$4,463; 2012 Q1 – $64,972).

During 2013 Q1, the Company's major operating expenses were $10,896 (2012 Q1– 13,456) in rent, $9,865 (2012 Q1 - $12,568) in office expenses, $85,000 (2012 Q1-$10,000) in management fees. The operating expenses in 2013 Q1 did not change significantly as the Company remained in the same business in these two quarters. Management fees increased by $75,000 was mainly a result of granting a $60,000 one-time fee to the CEO in 2013 Q1.

The $60,509 decrease in other income was mainly a combined result of the following

- A $31,427 decrease of gain on debt settlement (2013 Q1 - $nil; 2012 Q1 - $31,427). In order to preserve cash, the Company's CEO negotiated with various creditors and settled various payables with amounts less than their face values and completed a ($473,790) share for debt settlement in 2012 Q1. A gain of $31,427 was achieved in 2012 Q1. There was no similar transaction in 2013 Q1.
- The Company had a foreign exchange gain in 2012 Q1 when conducting business in USA and Mexico. The Company did not have significant activities in foreign area during 2013 Q1. As a result, there was no foreign exchange gain in 2013 Q1.

As at February 28, 2013, the Company had $168,285 cash (November 30, 2012 - $104,775), $2,917,762 exploration and evaluation assets (November 30, 2012 - $2,915,641), $89,987 accounts payable (November 30, 2012 - $84,653), $60,000 due to related party (November 30, 2012 - $Nil), and $16,313,350 share capital (November 30, 2012 - $16,313,350).

The increase of cash is a combined result of receiving $100,000 payment in connection with the mineral property payment receivable which was offset by payments of operating expenses and accounts payable. During 2013 Q1, $85,000 management fees was charged by the CEO of which $60,000 was still outstanding as of February 28, 2013. As a result, due to related party increased.

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. Expiry date and exercise price of the Company's options and warrants are available at Note 10 and 11 to the Company's 2013 Q1 Financial Statements.

Liquidity

Financing of operations has been achieved primarily by equity and debt financing. On February 28, 2013, the Company had a cash balance of $168,285, investment in highly liquid redeemable guaranteed investment certificate ("GIC") issued by a Canadian chartered bank of $70,000, and working capital of $206,583. 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 February 28, 2013, the Company had a working capital of $206,583 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 2013 Q1, the Company received $100,000 which was the second installment payment in connection with the Company's disposition of mineral properties in 2011. The Company expects to receive the final installment of $100,000 by December 2013.

During 2013, the Company used $2,031 in maintaining the mineral properties on hand.

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

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 Q1 are as follows:

Name	Nature	Amount
Transaction with management:		
Rana Vig, CEO	Management fees	$ 85,000
Transactions with directors		
Martin Bernholtz		$Nil
T. Greg Hawkins		$Nil
Rana Vig		$Nil
Norman Brewster		$Nil
Transactions with other related parties	N/A	$Nil

As at February 28, 2013, the Company owed the CEO $60,000 which was part of the $85,000 charged during 2013 Q1.

During 2013 Q1, 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

Not applicable – the Company is a Venture Company.

1.13 Changes in Accounting Policies including Initial Adoption

Refer to Note 3 to the Company's 2013 Q1 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 audited annual financial statements for the year ended November 30, 2012.

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