SCAVO RESOURCE CORP.
Management Discussion and Analysis
For the Six Months Ended November 30, 2012

This discussion and analysis of financial position and results of operations ("MD&A") is prepared as at January 25, 2013 and should be read in conjunction with the unaudited condensed interim financial statements for the six months ended November 30, 2012 and 2011 of Scavo Resource Corp. (the "Company") with the related notes thereto. Those unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

Description of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on January 16, 2007 and began trading on the TSX Venture Exchange ("TSX-V") as Patriotstar Ventures Inc. ("Patriotstar"). Prior to December 11, 2009, the Company was a Capital Pool Company as defined in the TSX-V Policy 2.4. Effective December 11, 2009, the Company completed its "Qualifying Transaction" whereby it acquired all of the issued and outstanding shares in TinyMassive Technologies Corp. ("TMTC"), a BC Limited Company. As a result of completing the Qualifying Transaction, the Company was no longer a CPC and control of the Company passed to the shareholders of TMTC. Accordingly, the Qualifying Transaction was a reverse takeover ("RTO") acquisition of the Company by TMTC and was treated as a capital transaction by TMTC. Effective February 24, 2011, the Company changed its name to Pure Living Media Inc. On August 16, 2012, the Company changed its name to Scavo Resource Corp.

During the year ended May 31, 2012, the Company consolidated its share capital on the basis of 20 old shares for one new share. All common share, per share, option, warrant and weighted average price amounts were restated to reflect this consolidation.

Investment in TMTC

The Company entered into an Arrangement Agreement (the "Agreement") with TinyMassive Technologies Corp. ("TMTC") on July 8, 2009. Under the terms of the Agreement, the Company agreed to acquire 100% of the issued and outstanding shares of TMTC.

Effective December 11, 2009, the Company completed its Qualifying Transaction and acquired all of the issued and outstanding shares of TMTC in exchange for 35,000,013 common shares of the Company. In addition, all outstanding warrants and options granted by TMTC were exchanged for the equivalent replacement securities at certain exchange ratio.

Pursuant to the terms of the Agreement, all outstanding warrants of TMTC were exchanged for equivalent replacement securities in the Company. Each TMTC warrant was exchanged for 2.5 of the Company's warrants and the new exercise price of each warrant was the original exercise price divided by 2.5. As an exception, 50,071 of the replacement warrants kept their original exercise price of $0.75 and expired on March 23, 2010.

The Company applied to voluntarily delist its shares from the TSX-V on November 10, 2009. Upon the close of the Transaction, the Company's shares began trading on Canadian National Stock Exchanges ("CNSX") on December 11, 2009.

On April 15, 2010, TBwaP, Inc. ("TBwaP") was incorporated in the State of Nevada. TBwaP was created in order to support and create synergy with the Company's operations.

During the year ended May 31, 2011, the Company discontinued its website development activities and all related assets were written off to operations. Effective March 23, 2012, the Company sold its 51% interest in TBwaP for $10 to Pan Pacific Technologies Inc., an arms-length company located in Panama City, Republic of Panama. The Company's continuing operations as intended are now dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Overall Performance

On March 21, 2012, the Company completed a private placement by issuing 8,500,000 units at a price of $0.05 per unit for gross proceeds of $425,000. Each unit consisted of one common share and one warrant enabling the holder to acquire an additional common share at $0.10 until March 21, 2014. A commission of 10% of the proceeds from certain investors, totalling $24,250, was paid.

Effective March 23, 2012, the Company sold its 51% interest in TBwaP for $10 to Pan Pacific Technologies Inc., an arms-length company located in Panama City, Republic of Panama.

During the six months ended November 30, 2012, the Company completed the acquisition of the Purple Onion Claims in Northwest Territories, Canada. As consideration, the Company paid $70,000 and issued 300,000 common shares valued at $75,000. Pursuant to the agreement, the vendor will retain a net smelter royalty ("NSR") of 0.5%. The Company can purchase the NSR by expending $325,413 on exploration expenditures by September 19, 2013 and issuing an additional 100,000 common shares. The Company's President is also the President and a director of the vendor, Coltstar Ventures Inc.

Future Plans and Outlook

Given current market conditions, the Company has significantly reduced overhead costs going forward by ceasing its funding of, and disposing of its 51% interest in, TBwaP and writing off all related assets. The Company is dependent on its ability to finance its operations through financing activities which may include issuances of additional debt or equity securities. These measures will enable the Company to maintain operations and, at the same time, maintain its management team.

During the six months ended November 30, 2012, the Company acquired the Purple Onion Claims in Northwest Territories, Canada. The Company is now a junior exploration company.

Selected Annual Financial Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the consolidated financial statements.

	Year Ended May 31, 2012	Year Ended May 31, 2011	Year Ended May 31, 2010
Interest and other income	$ -	$ 123,498	$ 109
Loss for the year	(606,849)	(2,037,707)	(1,297,166)
Basic and diluted loss per share	(0.13)	(0.62)	(1.22)
Total assets	155,992	55,039	1,367,902
Total long-term liabilities	-	-	-
Cash dividends	-	-	-

Basis of preparation

The financial information for the years ended May 31, 2012 and 2011 have been prepared using accounting policies consistent with IFRS as issued by the IASB and Interpretations issued by the IFRIC. Financial information for the year ended May 31, 2010 was prepared using Canadian GAAP.

Results of Operations

The Company recorded a loss of $606,849 for the year ended May 31, 2012 compared to a loss of $2,037,707 during the comparative year ended May 31, 2011. The decrease in the loss of $1,430,858 from the prior comparative year was due mainly to the fact that, during the current year, the Company recorded a loss on the sale of TBwaP of $343,983 but wrote off assets totalling $1,216,905 in the prior year. As well, due to the winding down of TBwaP's operations, operating expenses decreased by $658,006 from the prior year.

The Company recorded a loss of $2,037,707 for the year ended May 31, 2011 compared to a loss of $1,297,166 during the comparative year ended May 31, 2010. The increase in the loss of $740,541 from the prior comparative year was due mainly to the fact that, during the current year, the Company wrote off assets totalling $1,216,905 (2010 - $Nil). This was partially offset by a decrease in professional fees (2011 - $102,704; 2010 – 391,988) and the granting of stock options in the prior year which increased stock-based compensation expense in the prior year (2011 - $Nil; 2010 - $574,711).

The Company recorded a loss of $1,297,166 for the year ended May 31, 2010 compared to a loss of $676,087 during the comparative year ended May 31, 2009. The increase in the loss of $621,079 from the prior comparative year was due mainly to the fact that, during the current year, the Company completed a RTO transaction which increased professional fees (2010 - $391,988; 2009 - $271,282) and granted stock options which increased stock-based compensation expense (2010 - $574,711; 2009 - $Nil).

Quarterly Information

	Three months Ended Nov 30, 2012	Three months Ended Aug 31, 2012	Three months Ended May 31, 2012	Three months Ended Feb 29, 2012
Total Assets	$ 283,620	$ 273,160	$ 155,992	$ 85,375
Working Capital (Deficiency)	8,756	15,408	57,137	(37,632)
Net Loss for the period	(69,108)	(55,729)	(445,603)	(32,259)
Net Loss per share	(0.01)	(0.01)	(0.07)	(0.01)

	Three months Ended Nov 30, 2011	Three months Ended Aug 31, 2011	Three months Ended May 31, 2011	Three months Ended Feb28, 2011
Total Assets	$ 38,618	$ 47,188	$ 55,039	$ 1,417,891
Working Capital (Deficiency)	(180,373)	(75,817)	(51,386)	65,213
Net Loss for the period	(104,556)	(24,431)	(1,358,915)	(253,215)
Net Loss per share	(0.04)	(0.01)	(0.48)	(0.09)

Quarterly comparisons

During the three months ended November 30, 2012, the Company recorded a loss of $69,108, which was an increase of $13,379 from the previous quarter. There were no major differences between the two quarters. A loss of $55,729 was recorded during the quarter ended August 31, 2012. This was a decrease of $389,874 from the loss of $445,603 recorded in the prior quarter. The decrease was mostly due to the loss on sale of TBwaP of $343,983 incurred during the prior quarter. During the three months ended May 31, 2012, the Company recorded a loss of $445,603, which was an increase of $413,344 from the previous quarter. The increase was mostly due to the loss on sale of TBwaP of $343,983 incurred during the current quarter. The Company recorded a loss of $32,259 during the three months ended February 29, 2012. This was a decrease of $72,297 from the previous quarter. The decrease was due mostly to a decrease in professional fees (February 29, 2012 - $8,677; November 30, 2011 - $36,183). During the quarter ended November 30, 2011, the Company recorded a loss of $104,556, which was an increase of $80,125 from the previous quarter. The increase was mostly due to administration fees, management fees and professional fees related to the restructuring of the Company. The Company recorded a loss of $24,431 for the three months ended August 31, 2011, a decrease of $1,334,484 from the previous quarter. The decrease was mostly due to the write–off of assets in the previous quarter (August 31, 2011 - $Nil; May 31, 2011 - $1,216,905). During the quarter ended May 31, 2011, the Company recorded a loss of $1,358,915, which was an increase in loss of $1,105,700 compared to the loss of $253,215 recorded in the quarter ended February 28, 2011. The increase was mostly due to the write-off of assets (May 31, 2011 - $1,216,905; February 28, 2011 - $Nil) during the current quarter. The Company recorded losses of $253,215 and $229,790 during the quarters ended February 28, 2011 and November 30, 2010, respectively. These losses were comparable and there were no significant changes from quarter to quarter.

Liquidity and capital resources

The Company commenced fiscal 2013 with working capital of $57,137 and cash of $68,660. As at November 30, 2012, the Company had working capital of $8,756 and cash of $27,987. Operating and investing expenditures incurred during the six months ended November 30, 2012 were primarily funded from the cash on hand at May 31, 2012 and from the exercise of warrants for gross proceeds of $161,000.

For the year ending May 31, 2013, the Company will need to raise funds through debt or equity offerings in order to have sufficient working capital to sustain its operations for the 2013 fiscal year.

Related party transactions

During the six months ended November 30, 2012 and 2011, the Company entered into the following transactions with related parties:

(a) The Company paid or accrued management fees of $15,000 (2011 - $30,000) and rent of $3,000 (2011 - $1,000) to Brugas Holdings Inc., a company controlled by the Chief Financial Officer and director of the Company.

(b) The Company paid or accrued management fees of $15,000 (2011 - $30,000) and rent of $1,849 (2011 - $8,972) to Raincoast Capital Inc., a company controlled by the President and director of the Company.

(c) The Company paid or accrued administrative fees of $9,500 (2011 - $10,000) to the Company's corporate secretary.

The Company acquired the Purple Onion Claims from a company with a common director.

As at November 30, 2012, $44,851 (May 31, 2012 - $25,851) is owed to companies controlled by directors of the Company.

Amounts due to related parties are due to officers and companies controlled by directors and officers, are unsecured, are non-interest bearing and have no specific terms of repayment.

Off Balance Sheet Arrangements

The Company has no off Balance Sheet arrangements.

Investor Relations

The Company has no investor relations agreements.

Commitments

The Company has no commitments.

Financial and capital risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities and amounts due to related parties approximate their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2012, the Company had cash balances of $27,987 (May 31, 2012 - $68,660) and current liabilities of $45,320 (May 31, 2012 - $28,855).

The Company has historically relied on equity and debt financings to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms.

Interest rate risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.

Foreign currency risk

The Company's functional currency is the Canadian dollar and the majority of its purchases are transacted in Canadian dollars. From time to time, the Company funds certain operations, exploration and administrative expenses in US$ on a cash call basis using US$ currency converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities. The Company relies mainly on equity issuances and loans from related parties to raise new capital. In the management of capital, the Company includes the components of shareholders' equity. The Company prepares annual estimates of operating expenditures and monitors actual expenditures compared to the estimates in an effort to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to negotiate premium interest rates on savings accounts or to invest its cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated at any time without interest penalty. The Company will require additional financing in order to provide working capital to fund costs for the current year. These financing activities may include issuances of additional debt or equity securities.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

New standards not yet adopted

The Company is currently assessing whether or not the adoption of the following standards will have a material effect on the Company's future financial statements.

IFRS 9, "Financial Instruments"

In November 2009, the IASB published IFRS 9, "Financial Instruments", which covers the classification and measurement of financial assets as part of its project to replace IAS 39, "Financial Instruments: Recognition and Measurement." In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to their own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective on January 1, 2015. Early adoption is permitted and the standard is required to be applied retrospectively.

IFRS 10, "Consolidated Financial Statements"

IFRS 10, "Consolidated Financial Statements", requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, "Consolidation - Special Purpose Entities", and parts of IAS 27, "Consolidated and Separate Financial Statements". The standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 11, "Joint Arrangements", IFRS 12, "Disclosure of Interests in Other Entities", IAS 27 (2011), "Separate Financial Statements" and IAS 28 (2011), "Investments in Associates and Joint Ventures".

IFRS 11, "Joint Arrangements"

IFRS 11, "Joint Arrangements", requires a venturer to classify its interest in a joint arrangement as a joint venture or a joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, "Interests in Joint Ventures", and SIC-13, "Jointly Controlled Entities - Non-monetary Contributions by Venturers". The standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10, "Consolidated Financial Statements", IFRS 12, "Disclosure of Interests in Other Entities", IAS 27 (2011), "Separate Financial Statements" and IAS 28 (2011), "Investments in Associates and Joint Ventures".

IFRS 12, "Disclosure of Interests in Other Entities"

IFRS 12, "Disclosure of Interests in Other Entities", establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard

carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", IAS 27 (2011), "Separate Financial Statements" and IAS 28 (2011), "Investments in Associates and Joint Ventures".

IFRS 13, "Fair Value Measurement"

IFRS 13, "Fair Value Measurement", is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The new converged fair value framework is effective for annual periods beginning on or after January 1, 2013.

IAS 28, "Investments in Associates and Joint Ventures" (Amended in 2011)

IAS 28 (2011), "Investments in Associates and Joint Ventures", supersedes IAS 28 "Investments in Associates" and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. The amended standard is effective for annual periods beginning on or after January 1, 2013. Entities early adopting this standard must also adopt the other standards included in the 'suite of five' standards on consolidation, joint arrangements and disclosures: IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", IFRS 12, "Disclosure of Interests in Other Entities" and IAS 27 (2011), "Separate Financial Statements".

IAS 32, "Financial Instruments: Presentation"

The IASB amended IAS 32, "Financial Instruments: Presentation" to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off';
- the application of simultaneous realization and settlement;
- the offsetting of collateral amounts; and
- the unit of account for applying the offsetting requirements.

The amended standard is effective for annual periods beginning on or after January 1, 2014.

Events after the reporting period

None.

Outstanding Share Data

Securities issued during the six months ended November 30, 2012: 1,910,000 common shares

As at January 25, 2013:

- Class	Common Shares
- Authorized	Unlimited, without par value
- Issued	13,342,235

Options and Warrants Outstanding:

As at January 25, 2013, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
12,500	$ 5.20	January 18, 2015
12,500	2.40	May 20, 2015
25,000		

As at January 25, 2013, the Company had 6,890,000 outstanding share purchase warrants enabling the holders to acquire shares at $0.10 per share to March 21, 2014.

Total number of shares in Escrow/Pooled as at January 25, 2013: Nil

Corporate governance

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee of the Company fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three directors, all of whom are independent, meets with management of the Company on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters as required.

Directors and Officers: (as at January 25, 2013):

Arndt Roehlig: President and Director
Bruno Gasbarro: Chief Financial Officer and Director
Salvatore Giantomaso: Director
Jurgen Wolf: Director

Company contact:
Bruno Gasbarro @ 604-936-2701

On behalf of the Board of Directors

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Bruno Gasbarro – January 25, 2013