SCAVO RESOURCE CORP.
Management Discussion and Analysis
For the Nine Months Ended February 28, 2014

This discussion and analysis of financial position and results of operations ("MD&A") is prepared as at April 3, 2014 and should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended February 28, 2014 and 2013 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.

Overall Performance

During the nine months ended February 28, 2014, the Company issued 2,604,101 common shares pursuant to the exercise of warrants for total proceeds of $260,410.

During the year ended May 31, 2013, 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 former President is also the President and a director of the vendor, Coltstar Ventures Inc.

During the year ended May 31, 2013, the Company paid Aurora Geosciences Ltd. $84,544 to prepare a NI 43-101 compliant technical report on the property.

During the year ended May 31, 2013, the Company issued 1,960,000 common shares pursuant to the exercise of warrants for total proceeds of $196,000.

Future Plans and Outlook

Given current market conditions, the Company has significantly reduced overhead costs going forward. 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 year ended May 31, 2013, 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, 2013	Year Ended May 31, 2012	Year Ended May 31, 2011
Interest and other income	$ -	$ -	$ 123,498
Loss for the year	(142,871)	(606,849)	(2,037,707)
Basic and diluted loss per common share	(0.01)	(0.13)	(0.62)
Total assets	270,513	155,992	55,039
Total long-term liabilities	-	-	-
Cash dividends	-	-	-

Basis of preparation

The financial information for the years ended May 31, 2013, 2012 and 2011 have been prepared using accounting policies consistent with IFRS as issued by the IASB and Interpretations issued by the IFRIC.

Results of Operations

The Company recorded a loss of $142,871 for the year ended May 31, 2013 compared to a loss of $606,849 during the comparative year ended May 31, 2012. The decrease in loss of $463,978 from the prior comparative year was due mainly to decreases in administration fees (2013 - $12,250; 2012 - $28,000), management fees (2013 - $30,000; 2012 - $120,000), and loss on the sale of TBwaP (2013 - $Nil; 2012 - $343,983) These expense reductions were the result of the winding down of TBwaP's operations in prior years.

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).

Quarterly Information

	Three months Ended Feb 28, 2014	Three months Ended Nov 30, 2013	Three months Ended Aug 31, 2013	Three months Ended May 31, 2013
Total Assets	$ 488,728	$ 268,026	$ 259,174	$ 270,513
Working Capital (Deficiency)	215,807	3,104	14,320	25,722
Net Loss for the period	(9,664)	(26,216)	(11,402)	(7,157)
Net Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Three months Ended Feb 28, 2013	Three months Ended Nov 30, 2012	Three months Ended Aug 31, 2012	Three months Ended May 31, 2012
Total Assets	$ 278,624	$ 283,620	$ 273,160	$ 155,992
Working Capital (Deficiency)	32,879	8,756	15,408	57,137
Net Loss for the period	(10,877)	(69,108)	(55,729)	(445,603)
Net Loss per share	(0.00)	(0.01)	(0.017)	(0.07)

Quarterly comparisons

During the three months ended February 28, 2014, the Company recorded a loss of $9,664, which was comparable to the loss of $26,216 incurred during the prior quarter. There were no significant changes. During the three months ended November 30, 2013, the Company recorded a loss of $26,216, which was comparable to the loss of $11,402 incurred during the prior quarter. There were no significant changes. During the three months ended August 31, 2013, the Company recorded a loss of $11,402, which was comparable to the loss of $7,157 incurred during the prior quarter. During the three months ended May 31, 2013, the Company recorded a loss of $7,157, which was comparable to the loss of $10,877 incurred during the prior quarter. There were no significant changes. During the three months ended February 28, 2013, the Company recorded a loss of $10,877, which was a decrease of $58,231 from the previous quarter. The decrease was due to a decline in professional fees incurred from $55,088 to $5,853. 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.

Liquidity and capital resources

The Company commenced fiscal 2014 with working capital of $25,722 and cash of $25,718. As at February 28, 2014, the Company had working capital of $215,807 and cash of $234,377. Operating expenditures incurred during the nine months ended February 28, 2014 were primarily funded from the cash on hand at May 31, 2013, from loan proceeds of $20,000, and from the exercise of 2,604,101 warrants for total proceeds of $260,410.

The Company has sufficient working capital to sustain its operations for the 2014 fiscal year.

Related party transactions

During the nine months ended February 28, 2014, the Company entered into the following transactions with related parties:

(a) The Company paid or accrued management fees of $Nil (2013 - $15,000) and rent of $9,750 (2013 - $6,000) 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 $Nil (2013 - $15,000) and rent of $Nil (2013 - $1,849) to Raincoast Capital Inc., a company controlled by the former President and director of the Company.

(c) The Company paid or accrued administrative fees of $Nil (2013 - $12,250) to the Company's former corporate secretary.

During the year ended May 31, 2013, the Company acquired the Purple Onion Claims from a company with a common director.

As at February 28, 2014, $Nil (May 31, 2013 - $15,000) is owed to directors and 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 February 28, 2014, the Company had cash balances of $234,377 (May 31, 2013 - $25,718) and current liabilities of $20,334 (May 31, 2013 - $15,247).

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.

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.

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.

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.

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

Subsequent to February 28, 2014, the Company issued 430,900 common shares for total proceeds of $43,090 pursuant to the exercise of warrants. The remaining warrants outstanding, totaling 3,504,999, expired unexercised.

Outstanding Share Data

Securities issued during the nine months ended February 28, 2014: 2,604,101 common shares

As at April 3, 2014:

- Class	Common Shares
- Authorized	Unlimited, without par value
- Issued	16,727,236

Options and Warrants Outstanding:

As at April 3, 2014, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

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

As at April 3, 2014, the Company had Nil outstanding share purchase warrants.

Total number of shares in Escrow/Pooled as at April 3, 2014: 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 April 3, 2014):

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

Company contact:
Bruno Gasbarro @ 604-936-2701

On behalf of the Board of Directors

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Bruno Gasbarro – April 3, 2014