SCAVO RESOURCE CORP.
Management Discussion and Analysis
For the Six Months Ended November 30, 2014

This discussion and analysis of financial position and results of operations ("MD&A") is prepared as at January 6, 2015 and should be read in conjunction with the unaudited condensed interim financial statements for the six months ended November 30, 2014 and the audited financial statements for the year ended May 31, 2014 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

In September 2014, Mr. Giovanni Gasbarro was appointed as CEO, President and Director of the Company. Mr. Salvatore Giantomaso stepped down from the position of President/CEO of the Company, but remains as a director of the Company.

During the year ended May 31, 2014, the Company issued 3,035,001 common shares pursuant to the exercise of warrants for total proceeds of $303,500.

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.

Results of Operations

The Company recorded a loss of $51,812 for the six months ended November 30, 2014 compared to a loss of $37,618 during the comparative six months ended November 30, 2013. The increase in loss is mainly due to the accrual of $20,000 of management fee to CEO of the Company, offset by a decrease of $7,898 in professional fees mainly due to a decrease of $6,120 in audit fees. Other major expenses are comparative for both periods, which includes rent of $7,500 (2013 - $6,250), and registration, transfer agent and filing fees of $8,535 (2013 - $7,957).

The Company recorded a loss of $29,370 for the three months ended November 30, 2014 compared to a loss of $26,216 during the comparative three months ended November 30, 2013. The increase in loss is mainly due to the accrual of $20,000 of management fee to CEO of the Company, offset by a decrease of $17,355 in professional fees from the comparative period mainly due to a record of $15,300 of audit fees in September 2013 while the audit fee of $9,180 for fiscal 2014 was recorded in August 2014. Other major expenses are comparative for both periods, which includes rent of $3,750 (2013 - $3,000), and registration, transfer agent and filing fees of $2,429 (2013 - $2,344).

Quarterly Information

	Three months ended November 30, 2014	Three months ended August 31, 2014	Three months ended May 31, 2014	Three months ended February 28, 2014
Total Assets	$ 474,172	$ 493,849	$ 504,039	$ 488,728
Working Capital	199,369	228,739	251,231	215,807
Net Loss for the period	(29,370)	(22,442)	(7,666)	(9,664)
Net Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Three months ended November 30, 2013	Three months ended August 31, 2013	Three months ended May 31, 2013	Three months ended February 28, 2013
Total Assets	$ 268,026	$ 259,174	$ 270,513	$ 278,624
Working Capital	3,104	14,320	25,722	32,879
Net Loss for the period	(26,216)	(11,402)	(7,157)	(10,877)
Net Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

(1) General and administrative expenses include costs for: rent, office supplies, accounting and legal services, transfer agent and listing and filing activities. Generally these expenses are consistent from quarter to quarter.

Liquidity and capital resources

The Company commenced fiscal 2014 with working capital of $251,231 and cash of $249,513. As at November 30, 2014, the Company had working capital of $199,369 and cash of $200,469. Operating expenditures incurred during the six months ended November 30, 2014 were primarily funded from the cash on hand at May 31, 2014.

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 2016 fiscal year.

Related party transactions

During the six months ended November 30, 2014, the Company entered into the following transactions with related parties:

(a) The Company paid or accrued rent of $7,500 (2013 - $6,250) to Brugas Holdings Inc., a company controlled by the Chief Financial Officer and director of the Company.

(b) The Company accrued management fee of $20,000 (2013 - $Nil) to CEO of the Company.

As at November 30, 2014, $21,250 (May 31, 2014 - $Nil) is owed to directors and companies controlled by directors of the Company.

Amounts due to related parties were due to companies controlled by directors and officers, were unsecured, were non-interest bearing and had 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 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, 2014, the Company had a cash balance of $220,469 (May 31, 2014 - $249,513) and current liabilities of $22,166 (May 31, 2014 - $221).

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.

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Notes 2 and 3 of its audited consolidated financial statements for the year ended May 31, 2014.

Future Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the November 30, 2014 reporting period. The following new standards have been assessed, but are not expected to have any impact on the Company's financial statements:

(a) IFRS 2, Share-based Payment

IFRS 2 is amended to clarify the definition of vesting conditions. This accounting policy applies to share-based payment transactions for which the grant date is on or after July 1, 2014.

(b) IFRS 3, Business Combinations

IFRS 3 is amended to provide clarification related to (i) contingent consideration in a business combination and (ii) scope exception for joint arrangements. These amendments are effective for fiscal years beginning on or after July 1, 2014.

(c) IFRS 8, Operating Segments

IFRS 8 is amended to require (i) disclosure of judgments made by management in aggregating segments, and (ii) a reconciliation of segment assets to the entity's assets when segment assets are reported. These amendments are effective for fiscal years beginning on or after July 1, 2014.

(d) IFRS 16, Property, Plant and Equipment and IFRS 38, Intangible Assets

IFRS 16 is amended to classify how gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. These amendments are effective for fiscal years beginning on or after July 1, 2014.

(e) IFRS 24, Related Party Transactions

IFRS 24 is amended to (i) revise definition of "related party" to include an entity that provides key management personnel services to the reporting entity or its parent, and (ii) clarify related disclosure requirements. These amendments are effective for fiscal years beginning on or after July 1, 2014.

(f) IFRS 15, Revenue from Contracts with Customers

IFRS 15 are new standards on revenue recognition that will supersede IAS 18, *Revenue*, IAS 11, *Construction Contracts* and related interpretations. These standards are effective for the fiscal period beginning on or after January 1, 2017.

(g) IFRS 9, Financial Instruments

The IASB intends to replace IAS 39 – "*Financial Instruments: Recognition and Measurement*" in its entirety with IFRS 9 in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles-based and less complex than IAS 39. IFRS 9 requires that all financial assets be classified and subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. IFRS 9 can currently be adopted voluntarily, but is mandatory for years beginning on or after January 1, 2018.

Events after the reporting period

None.

Outstanding Share Data

As of the date of this MD&A, the following securities were outstanding:

Common Shares:

- Authorized	Unlimited, without par value
- Issued	16,727,236

Options:

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

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 the date of this MD&A):

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

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On behalf of the Board of Directors

"Bruno Gasbarro"

Bruno Gasbarro – January 6, 2015