# SCAVO RESOURCE CORP.
## Management Discussion and Analysis
## For the Nine Months Ended February 28, 2015

This discussion and analysis of financial position and results of operations ("MD&A") is prepared as at March 27, 2015 and should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended February 28, 2015 and the audited financial statements for the year ended May 31, 2014 of Scavo Resource Corp. (the "Company") with the related notes thereto. The unaudited condensed interim financial statements for the nine months ended February 28, 2015, and comparative information presented therein, have been prepared in accordance with International Financial Reporting Standard ("IFRS") and with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB").

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 March 2015, the Company entered into an agreement in relation with a proposed transaction. (See "Proposed Transaction" section)

In January 2015, the Company decided not to proceed with the further exploration of its Purple Onion Claims and has allowed the claims to expire. Accordingly, the Company wrote off the mineral properties as impairment during the quarter ended February 28, 2015. The Company completed the acquisition of the Purple Onion Claims in Northwest Territories during the year ended May 31, 2013. 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.

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.

**Future Plans and Outlook**

In January 2015, the Company decided not to proceed with the further exploration of its Purple Onion Claims and has allowed the claims to expire. The Company is currently seeking new investment opportunities in various industries that will provide accretive value to its shareholders. In March 2015, the Company entered into an agreement in relation with a proposed transaction. (See “Proposed Transaction” section)

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.

**Proposed Transaction**

On March 24, 2015, the Company entered into an agreement with Brabeia Inc. ("Brabeia"), a private British Columbia company which has developed a fully-interactive contest marketing platform, to acquire all of Brabeia's issued and outstanding common shares in exchange for 25,800,000 common shares (the "Consideration Shares") of the Company (the "Transaction").

Upon closing the Transaction (the "Closing"), an aggregate of 2,580,000 of the Consideration Shares will be issued to the shareholders of Brabeia. The balance of 23,220,000 Consideration Shares will be issued to the shareholders of Brabeia in four equal tranches upon Brabeia achieving the following milestones (each, a "Milestone") after the Closing:

(a) 5,805,000 Consideration Shares upon Brabeia earning a total of $1,000,000 in gross revenue;
(b) 5,805,000 Consideration Shares upon Brabeia earning a total of $3,000,000 in gross revenue;
(c) 5,805,000 Consideration Shares upon Brabeia earning a total of $4,500,000 in gross revenue; and
(d) 5,805,000 Consideration Shares upon Brabeia earning a total of $6,000,000 in gross revenue.

With the exception of the initial 2,580,000 Consideration Shares, all of the foregoing Consideration Shares will be placed in escrow upon their issuance, and if Brabeia does not achieve all of the Milestones within three years of Closing, the terms of the escrow agreement will provide that the escrowed Consideration Shares shall be returned to the Company for cancellation, and the Company shall have no further obligation to provide any other consideration to the shareholders of Brabeia.

The Company intends to undertake a private placement in connection with the Transaction to raise an estimated $1,000,000 (the "Placement"). The Placement will close in two tranches of $500,000, the first of which will close on or before the Closing, and the second of which will close on or before the date which is six months after the Closing.

The Company also intends to make a $100,000 interest free demand loan to Brabeia for an audit of its financial statements, expenses related to attending the Social Media World Conference in San Diego and expenses relating to the sales of Brabeia’s product.

Effective upon Closing, the board of directors of the Company will be reconstituted to consist of five (5) directors, two (2) of which shall be nominees of the Company and three (3) of which shall be nominees of Brabeia, all of whom shall be subject to compliance with the policies of the CSE and corporate and securities legislation. The names of such directors shall be confirmed by the Company after the Closing.

Upon Closing, Brabeia will offer a one year employment agreement to Todd Hannas to act as Brabeia's VP Investor Relations at a salary of $7,500 per month on terms acceptable to the Company, acting reasonably.

It is intended that the acquisition of Brabeia will constitute "fundamental change", as such term is defined in Policy 8 of the CSE. The Transaction is subject to a number of closing conditions, including satisfactory completion of due diligence by the Company, regulatory and shareholder approval, and receipt of CSE approval.

**Results of Operations**

The Company recorded a loss of $354,128 for the nine months ended February 28, 2015 compared to a loss of $47,282 during the comparative nine months ended February 28, 2014. The increase in loss is mainly due to a record of impairment of $252,637 on Purple Onion Claims, an accrual of $50,000 of management fee to CEO of the Company, and a payment of $10,000 consulting fees for investor relations and market research. Other major expenses are comparative for both periods, which includes rent of $11,250 (2014 - $9,750), and registration, transfer agent and filing fees of $13,858 (2014 - $12,313).

The Company recorded a loss of $302,316 for the three months ended February 28, 2015 compared to a loss of $9,664 during the comparative three months ended February 28, 2014. The increase in loss is mainly due to a record of impairment of $252,637 on Purple Onion Claims, an accrual of $30,000 of management fee to CEO of the Company, and a payment of $10,000 consulting fee for investor relations and market research. Other major expenses are comparative for both periods, which includes rent of $3,750 (2014 - $3,500), and registration, transfer agent and filing fees of $5,323 (2014 - $4,356).

**Quarterly Information**

| | Three months ended February 28, 2015 (2) | Three months ended November 30, 2014 | Three months ended August 31, 2014 | Three months ended May 31, 2014 |
|---|---|---|---|---|
| Total Assets | $ 200,452 | $ 474,172 | $ 493,849 | $ 504,039 |
| Working Capital | 149,690 | 199,369 | 228,739 | 251,231 |
| Net Loss for the period | (302,316) | (29,370) | (22,442) | (7,666) |
| Net Loss per share | (0.02) | (0.00) | (0.00) | (0.00) |

| | Three months ended February 28, 2014 | Three months ended November 30, 2013 | Three months ended August 31, 2013 | Three months ended May 31, 2013 |
|---|---|---|---|---|
| Total Assets | $ 488,728 | $ 268,026 | $ 259,174 | $ 270,513 |
| Working Capital | 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) |

(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.
(2) The Company wrote off $252,637 of mineral properties as impairment during the quarter ended February 28, 2015.

**Liquidity and capital resources**

The Company commenced fiscal 2014 with working capital of $251,231 and cash of $249,513. As at February 28, 2015, the Company had working capital of $149,690 and cash of $198,592. Operating expenditures incurred during the nine months ended February 28, 2015 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 nine months ended February 28, 2015, the Company entered into the following transactions with related parties:

(a) The Company paid rent of $11,250 (2014 - $9,750) to Brugas Holdings Inc., a company controlled by the Chief Financial Officer and director of the Company.

(b) The Company accrued management fee of $50,000 (2014 - $Nil) to CEO of the Company. As at February 28, 2015, $50,000 (May 31, 2014 - $Nil) is owed to CEO 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 February 28, 2015, the Company had a cash balance of $198,592 (May 31, 2014 - $249,513) and current liabilities of $50,762 (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 February 28, 2015 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**

On March 24, 2015, the Company entered into an agreement with Brabeia Inc. ("Brabeia"), a private British Columbia company which has developed a fully-interactive contest marketing platform, to acquire all of Brabeia's issued and outstanding common shares in exchange for 25,800,000 common shares of the Company (the "Transaction"). Upon closing of the Transaction, 2,580,000 common shares will be issued to the shareholders of Brabeia while the remaining 23,220,000 shares will be issued in four equal tranches upon Brabeia achieving certain performance milestones.

In conjunction with the Transaction, the Company intends to undertake a private placement to raise an estimated $1,000,000 (the "Placement"). The Placement will close in two tranches of $500,000, the first of which will close on or before the closing of the Transaction, and the second of which will close six months afterwards.

The Company also intends to make a $100,000 interest free demand loan to Brabeia for an audit of its financial statements, expenses related to attending the Social Media World Conference in San Diego and expenses relating to the sales of Brabeia's product.

The Transaction is subject to a number of closing conditions, including satisfactory completion of due diligence by the Company, regulatory and shareholder approval, and receipt of approval from Canadian Securities Exchange.

**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 | $ 2.40 | May 20, 2015 |

**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

Company contact:
Bruno Gasbarro @ 604-936-2701

On behalf of the Board of Directors

*"Bruno Gasbarro"*

Bruno Gasbarro – March 27, 2015