

**GRAVIS ENERGY CORP.**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Nine Months ended December 31, 2012

**Overview**

This Management's Discussion and Analysis ("MD&A") of Gravis Energy Corp. (the "Company") has been prepared by management as of December 31, 2012 and should be read in conjunction with the interim unaudited financial statements for the period ended December 31, 2012 and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise stated. Additional information regarding the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

**Overall Performance**

The Company was originally listed as a Capital Pool Company ("CPC") on the TSX Venture Exchange ("TSX-V"). It completed its initial public offering (the "IPO") on March 12, 2008. The Company's Shares were listed for trading on the TSX-V on March 13, 2008. On November 18, 2008, the Company entered into a letter of intent with Pacific Rim Marble Ltd. ("Pacific Rim"), of Vancouver, British Columbia, to acquire a 100% right, title and interest in and to six limestone mineral tenures located in British Columbia. The acquisition was intended to be the Company's Qualifying Transaction under the TSX-V's policies. The acquisition with Pacific Rim was subsequently terminated on April 7, 2009 at the request of the Company.

On May 25, 2009, trading in the shares of the Company was halted pending dissemination of its news release announcing the Company's intended acquisition of Gravis Capital Corp. (the "Acquisition"). Subsequently the Company applied to list on the CNSX and to delist from trading on the TSX-V. On March 9, 2010, the Company's shares were delisted from the TSX-V. On April 14, 2010, and prior to the commencement of trading on the CNSX, the Company completed the Acquisition and completed the private placement referred to below.

On May 28, 2009, the Company entered into a Share Exchange Agreement (the "Agreement") with GCC and its shareholders to acquire 100% of the issued and outstanding shares of GCC. GCC was incorporated on October 10, 2007 under the Business Corporations Act (British Columbia) and is engaged in a mineral exploration project through a limited partnership. Effective April 14, 2010, the acquisition of GCC was completed through the issuance of 10,404,025 common shares to the shareholders of GCC.

Prior to the acquisition of GCC, the Company was a non-operating Capital Pool Company. The acquisition is a capital transaction in substance and therefore has been accounted for as a recapitalization of the business of GCC. Under recapitalization accounting, GCC is considered the acquirer for accounting and financial reporting purposes, and acquired the assets and assumed the liabilities of the Company. Assets, net of liabilities, acquired of \$61,249 are reported at their carrying amounts. These financial statements include the accounts of the Company since the effective date of the recapitalization being April 14, 2010, and the historical accounts of the business of GCC since inception being October 10, 2007.

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A finder's fee of 1,000,000 common shares with a fair value of \$100,000 was paid by the Company in connection with this acquisition.

As a condition to the closing of the Acquisition, the Company completed a non-brokered private placement for net proceeds of \$379,000, which closed on April 14, 2010 (the "Private Placement"). The Company issued 3,790,000 units at a price of \$0.10 per unit. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.15 expiring on April 14, 2010.

The Company has a 10% interest in the KEPCO Consortium which includes Korea Hydro & Nuclear Power Co. Ltd., Korea Nuclear Fuel Co. Ltd., Hanwha Corporation and Korea Electric Power Corporation, which consortium has the exclusive right to earn up to a 50% interest in the Waterbury Lake Uranium Property (the "Property") located in the province of Saskatchewan from Fission Energy Ltd. (TSXV: FIS) ("Fission").

As a result of closing the Acquisition, the Company is engaged, through its subsidiary Gravis, in the business of exploring for, with the ultimate goal of developing and producing uranium oxide from the Property. In addition, the Company may explore and develop such other properties and interests as may be subsequently acquired by the Company.

On September 15, 2010, KEPCO Consortium signed an MOU outlining the mutually agreed terms for continuing the Partnership with Fission Energy Corp. The Partnership is to be formed with Fission and the KEPCO Consortium each holding a 50% interest in the Waterbury Lake Project. The Work Plan and Budget shall cover a term of Six years and incur expenditures of C\$10 million per year for a total of C\$30 million. The issuer has been holding 10% interest in the KEPCO Consortium since 2008.

In August 2010, KWULP and Fission Energy Corp. entered into a definitive Limited Partnership Agreement ("WLULP") to further the joint exploration and development of the Waterbury Lake Uranium Property located in Saskatchewan's Athabasca Basin. Each party is responsible for expenditures in accordance with its interest in the partnership and any profits will be distributed to the parties on the same basis.

On April 11, 2011, Fission, a limited partner of KWULP, exercised the Back-In Option available under the WLULP Limited Partnership Agreement. KWULP received \$6,000,000 for the Back-in Option from Fission, accordingly the Company received \$600,000. As a result of the exercise of this option, Fission's interest in WLULP was increased by 10% and KWULP's interest was reduced by 10%. KWULP now holds a 40% interest and Fission now holds 60% in WLULP.

On December 8, 2011, the Company and its limited partners announced that a \$7.3 million winter exploration program, including 25,000m of drilling with three drills, at its flagship 40,256 ha Waterbury Lake uranium project, located in the eastern part of the Athabasca Basin, will commence in early January 2012.

On December 14, 2011, the Company and its limited partners announced that assays have been received from the 49 radioactive boulders discovered during the trenching program carried out during October 2011. The highest grade samples included 31.4% U<sub>3</sub>O<sub>8</sub> and 31.2% U<sub>3</sub>O<sub>8</sub>.

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**Results of Operations**

**Summary of Quarterly Results**

The following is a summary of the Company's financial results for the eight most recently completed quarters.

	<b>December 31, 2012</b>	<b>September 30, 2012</b>	<b>June 30, 2012</b>	<b>March 31, 2012</b>
		\$	\$	\$
Total revenues	-	-	-	-
Net income (loss)	(23,759)	(16,802)	(39,341)	(22,376)
Net income (loss) per share, basic and diluted	-	-	-	-

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	<b>December 31, 2011</b>	<b>September 30, 2011</b>	<b>June 30, 2011</b>	<b>March 31, 2011</b>
	\$	\$	\$	\$
Total revenues	-	-	-	
Net income (loss)	(28,101)	(13,316)	(43,231)	77,634
Net income (loss) per share, basic and diluted	-	-	-	-

**Financial Conditions**

At December 31, 2012, the Company had Current Assets of \$29,547 (2011 - \$23,088). Current Liabilities were \$144,005 (2011 - \$57,644). During the nine month period ended December 31, 2012, the Company issued 3,364,308 common shares with a fair value of \$201,858 to settle accounts payable and has also closed a private placement of an aggregate of 3,211,441 common shares at a price of \$0.06 per share, for total proceeds of \$192,687. (December 31, 2011, the Company did not issue any common shares).

**Three Month Period Ended December 31, 2012 and 2011**

For the three months ended December 31, 2012, the Company had a net loss of \$23,759 (\$nil per share) compared to \$28,101 (\$nil per share) for the three months ended December 31, 2011.

The Company's net loss decreased by \$4,342 in the quarter ended December 31, 2012 as compared to previous year's quarter. Management fees decreased from \$16,000 in December 31, 2011 to \$10,500, office expenses increased from \$64 in December, 2011 to \$94, professional fees decreased from \$8,030 in December 31, 2011 to \$5,577, transfer agent and filing increased from \$4,007 in December 31, 2011 to \$4,088, and travel expenses increased from \$nil in December 31, 2011 to \$3,500

**Nine Month Period Ended December 31, 2012 and 2011**

For the nine months ended December 31, 2012, the Company had a net loss of \$79,902 (\$nil per share) compared to \$84,648 (\$nil per share) for the nine months ended December 31, 2011.

The Company's net loss decreased by \$4,746 in the period ended December 31, 2012 as compared to previous year's period. Management fees decreased from \$56,212 in December 31, 2011 to \$38,313, office expenses decreased from \$867 in December 31, 2011 to \$729, professional fees increased from \$6,303 in December 31, 2011 to \$18,919, transfer agent and filing decreased from \$21,266 in December 31, 2011 to \$15,441, and travel expenses increased from \$nil in December 31, 2011 to \$6,500

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**Liquidity and Capital Resources**

As at December 31, 2012, the Company had a working capital deficit of \$114,458 compared to \$34,556 as at March 31, 2012. The net loss of the nine month period ended at December 31, 2012 consists mainly of general and administration expenses. There is no capitalized exploration or development cost during this period, nor the research and development cost / deferred development cost during this period.

The Company has insufficient capital to fund operations for the next 12 months. The Company is required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

**Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

**Transactions with Related Parties**

During the nine month period ended December 31, 2012 and 2011, the Company was involved in the following related party transactions:

- (a) During the period ended December 31, 2012, 2012, the Company incurred management fees of \$15,000 (2011 - \$33,316) to the President of the Company.
- (b) As at December 31, 2012, the Company owed \$13,000 (2011 - \$ nil) to the President of the Company which is non-interest bearing, unsecured, and due on demand.
- (c) As at December 31, 2012, the Company owed \$6,540 (2011 - \$ nil) to the former Chief Financial Officer of the Company which is non-interest bearing, unsecured, and due on demand.
- (d) As at December 31, 2012, the Company owed \$4,029 (2011 - \$ nil) to a former director of the subsidiary of the Company which is non-interest bearing, unsecured, and due on demand.
- (e) As at December 31, 2012, the Company owed \$6,000 (2011 - \$ nil) to a former President of the of the Company which is non-interest bearing, unsecured, and due on demand.

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**Financial Instruments**

a. Fair values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's balance sheet as of December 31, 2012 as follows:

	Fair value measurements using			Balance as at December 31, 2012
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	\$	\$	\$	\$
Assets:				
Cash	637	-	-	637
Investment in KWULP	-	-	1,964,527	1,964,527
Investment in KWUC	-	-	1,000	1,000
Total assets measured at fair value	637	-	1,965,527	1,966,164

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values to the relatively short-term maturity of these instruments.

b. Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The carrying amount of financial assets represents the maximum credit exposure. Amounts receivable consists of GST/HST receivable due from the Government of Canada.

c. Foreign exchange risk

The Company is not exposed to any significant foreign exchange risk.

d. Interest rate risk

The Company is not exposed to any significant interest rate risk.

e. Liquidity risk

For the nine month period ended December 31, 2012, the Company generated a net operating cash outflow of \$13,241 (2011 – outflow of \$121,425). The Company has an accumulated deficit as at December 31, 2012 of \$771,435. As at December 31, 2012, the Company's working capital deficit was \$114,458 (March 31, 2012 - \$34,556).

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies

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**Financial Instruments (Continued)**

e. Liquidity risk (continued)

on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

The Company's activities have been funded through equity financing, and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flows from operations, although current stock market and general economic conditions have made this more difficult. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

The Company's investment policy is to hold excess cash as cash or in highly liquid, short-term, interest-bearing instruments, such as Government of Canada Treasury bills or debt instruments issued by major Canadian chartered banks, with initial maturity terms of less than one year from the original date of acquisition, selected with regard to the Company's anticipated liquidity requirements.

**Third Quarter Results**

See summary of quarterly results above.

**Critical Accounting Estimates And Changes In Accounting Principles**

The Company's accounting policies are presented in Note 2 to the interim consolidated financial statements for the period ended December 31, 2012. These accounting policies can have a significant impact on the financial performance and financial position of the Company. The preparation of these interim consolidated financial statements using accounting policies consistent with International Financial Reporting Standards ("IFRS") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), requires management to make estimates and assumptions which affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to determining the recoverability of mineral property interests, environment obligations, the variables used in the determination of the fair value of stock options granted and the determination of the valuation allowance for future tax assets. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

**Recent Accounting Pronouncements**

- (i) Effective for annual periods beginning on or after July 1, 2011:

*Amendments to IFRS 7, "Financial Instruments: Disclosures"*

The amendment will increase disclosure required regarding the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions undertaken around the end of the reporting period, and the possible effects of any risks that may remain with the entity that transferred the asset. This new standard, which is applicable for annual periods beginning on or after July 1, 2011, is not expected to significantly impact the Company.

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**Critical Accounting Estimates And Changes In Accounting Principles (Continued)**

**Recent Accounting Pronouncements**

- (ii) Effective for annual periods beginning on or after July 1, 2012:

*Amendments to IAS 1 "Presentation of Financial Statements"*

In June 2011, the IASB issued amendments to IAS 1 to require companies to group together items within other comprehensive income ("OCI") that may be reclassified to the statement of income. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two separate statements. The amendments are to be applied retrospectively.

- (iii) Effective for annual periods beginning on or after January 1, 2013:

*New Standard IFRS 10, "Consolidated Financial Statements"*

In May 2011, the IASB issued IFRS 10 to replace portions of IAS 27, "Consolidated and Separate Financial Statements" and interpretation SIC-12, "Consolidated - Special Purpose Entities". IFRS 10 incorporates a single model for consolidating all entities that are controlled and revises the definition of control to be "An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee". Along with control, the new standard also focuses on the concept of power, both of which will include a use of judgment and a continuous reassessment as facts and circumstances change

*New standard IFRS 11, "Joint Arrangements"*

In May 2011, the IASB issued IFRS 11 to replace IAS 31, "Interest in Joint Ventures". The new standard will apply to the accounting for interest in joint arrangements where there is joint control. Joint arrangements will be separated into joint ventures and joint operations. The structure of the joint arrangement will no longer be the most significant factor on classifying a joint arrangement as either a joint operation or a joint venture. Proportionate consolidations will be removed and replaced with equity accounting.

*New standard IFRS 12 "Disclosure of Interest in Other Entities"*

In May 2011, the IASB issued IFRS 12. The new standard includes disclosure requirements about subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements.

*New standard IFRS 13, "Fair Value Measurement"*

IFRS 13 replaces the fair value measurement guidance currently dispersed across different IFRS standards with a single definition of fair value and extensive application guidance. IFRS 13 provides guidance on how to measure fair value and does not introduce new requirements for when fair value is required or permitted. It also establishes disclosure requirements to provide users of the financial statements with more information about fair value measurements.

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**Critical Accounting Estimates And Changes In Accounting Principles (Continued)**

**Recent Accounting Pronouncements (Continued)**

- (iv) Effective for annual periods beginning on or after January 1, 2015:

Partial replacement of IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for how an entity should classify and measure financial assets that are in the scope of IAS 39. The standard requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets, and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if two criteria are met: (a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and (b) the contractual cash flows under the instrument solely represent payments of principal and interest. If a financial asset meets the criteria to be measured at amortized cost, it can be designated at fair value through profit or loss under the fair value option, if doing so would significantly reduce or eliminate an accounting mismatch. If a financial asset does not meet the business model and contractual terms criteria to be measured at amortized cost, then it is subsequently measured at fair value. In October 2010, the IASB issued additions to IFRS 9 relating to accounting for financial liabilities. Under the new requirements, an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

**Additional Disclosures for Venture Issuers without significant revenue**

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements for the period ended December 31, 2012 to which this MD&A relates.

**Outstanding Common Share Data**

As of December 31, 2012, the Company has 35,879,052 common shares issued and outstanding.

- (a) On July 20, 2012, the Company issued 3,364,308 common shares with a fair value of \$201,858 to settle accounts payable.  
(b) On December 28, 2012, the Company has completed a private placement of an aggregate of 3,211,441 common shares at a price of \$0.06 per share, for total proceeds of \$192,687.

As at December 31, 2012, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
450,000	0.30	January 31, 2013
450,000		

During the nine month period ended December 31, 2012 4,240,000 warrants have expired.



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**Outstanding Common Share Data (Continued)**

During the nine month period ended December 31, 2012 400,000 option have expired.

As at December 31, 2012, the Company has no stock options outstanding

As of February 27, 2013, the Company has 35,879,052 common shares issued and outstanding.

As at February 27, 2013, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
450,000	0.30	January 31, 2013
<u>450,000</u>		

As at February 27, 2013, the Company has no stock options outstanding

**Subsequent Events**

There are no subsequent events.

**Forward looking information**

The MD&A contains forward-looking statements concerning anticipated developments for the Company in future periods. Forward-looking statements often, but not always, contain words such as "believes", "intends", "anticipates", "estimates", "potential" and similar words or statements that certain conditions or results "may", "should" or "could" happen or occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or other future events, to be materially different from any future results, performances or achievements or other events expressly or implicitly predicted by such forward-looking statements. The Company's forward-looking statements are based on the expectations and opinions of management on the date that the statements are made and the Company does not assume any obligation to update forward-looking statements if circumstances change. For the above reasons, investors should not place undue reliance on forward-looking statements.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

On behalf of the Board of Directors,

*"Ruben Verzosa"*

Ruben Verzosa

CEO, President and Director

February 27, 2013