

**CAVA RESOURCES INC.  
65 QUEEN STREET WEST SUITE 510  
TORONTO, ONTARIO, M5H 2M5  
Tel: 416-985-7810, Fax: 416-863-4943  
E-mail: rbmurray@rogers.com**

**Form 51-102F1  
Management Discussion and Analysis  
For  
Cava Resources Inc.  
June 30, 2015**

**For the Year Ended June 30, 2015 and 2014**

*This Management's Discussion and Analysis ("MD&A") is prepared as of October 27, 2015 and should be read in conjunction with the audited annual financial statements of Cava Resources Inc. (formerly Sea Green Capital Corp.) ("Cava" or "Company") for the year ended June 30, 2015 and June 30, 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information, including the Annual Information Form can be found on SEDAR, [www.sedar.com](http://www.sedar.com). All amounts are in Canadian dollars.*

**Forward Looking Information**

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results and achievements expressed or implied by such forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. Readers are also advised to consider such forward-looking statements while considering the risks set forth below.

**Caution Regarding Forward Looking Statements**

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of gold; success of exploration activities; cost and timing of future exploration and development; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Company.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes”, or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to:

- The Company’s goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic resources;
- Management’s assessment of future plans for the Company’s Casa Berardi property;
- Management’s economic outlook regarding future trends;
- The Company’s expected plans regarding the exploration plans for Casa Berardi, and in particular, the availability of skilled labour, timing and the amount of the expected exploration budget ;
- The Company’s ability to meet its working capital needs at the current level in the short term;
- Expectations with respect to raising capital;
- Sensitivity analysis on financial instruments may vary from amounts disclosed; and
- Governmental regulation and environmental liability.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, other factors could also cause materially different results. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

## **General**

Cava Resources Inc. is a Canadian publicly listed public company whose shares trade on the TMX Venture Exchange under the symbol “CVA”.

Cava is a development stage exploration company with no revenues from mineral producing operations. Activities include acquiring mineral exploration properties and conducting exploration programs. The mineral exploration business is risky and most exploration projects will not result in producing mines. The Company may offer an opportunity to other mining companies to acquire an interest in a property in return for funding all or part of the exploration and development of a particular property. For the funding of property acquisitions and exploration that the company conducts, the Company depends on the issuance of shares from the treasury to investors. These stock issuances depend on a number of factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

In July 2012, the board of directors of the Company approved a name change for the Company from Sea Green Capital Corp. to Cava Resources Inc. In addition, on July 19, 2012, the Company completed its consolidation of share capital on a 5:1 basis. All share and per share amounts have been adjusted retroactively to reflect the share consolidation unless otherwise noted.

## **Overall Performance**

The net loss for the year ended June 30, 2015 was \$102,587 compared to net loss for the year ended June 30, 2014 of \$202,033. The decrease in the 2015 net loss is attributed primarily to management fees decreasing from \$70,000 in 2014 to \$15,000 in 2015, consulting decreasing from \$67,594 in 2014 to \$Nil in 2015, and travel and promotion decreasing from \$30,869 in 2014 to \$Nil in 2015. This was offset by a gain on sale of fair value through profit and loss financial assets of \$58,569 in 2014 compared to a gain on sale of fair value through profit and loss financial assets of \$Nil in 2015.

During the year ended June 30, 2015 compared to the year ended June 30, 2014, funds were generated primarily from the proceeds on sale of other financial assets in the amount of \$12,052 (2014 - \$146,069), proceeds on the sale of oil and gas property in the amount of \$Nil (2014 - \$95,000) and advanced by directors and officers in the amount of \$36,523 (2014 - \$2,101). There were no financings during the years ended June 30, 2015 or June 30, 2014. Overall, operating activities resulted in cash used of \$56,658 in 2015 compared to \$226,945 in 2014. Cash generated during the year were used for outstanding accounts payable and ongoing operating expenses.

At June 30, 2015, the Company had a working capital deficiency in the amount of \$139,215 compared to working capital deficiency of \$36,904 at June 30, 2014.

Each of the Company's active properties is discussed later in this report.

## Results of Operations

The net loss for the year ended June 30, 2015 was \$102,587 (\$0.00 per share) compared to a net loss in 2014 of \$202,033 (\$0.01 per share).

## Operating Expenses

For the year ended June 30, the major expenses consisted of:

	<u>2015</u>	<u>2014</u>
Management fees	\$15,000	\$70,000
Consulting fees	\$ -	\$67,594
General and administration	\$36,922	\$39,906
Professional fees	\$22,862	\$36,865

Management fees decreased to \$15,000 in 2015 from \$70,000 in 2014. The decrease resulted from reduced fees charged by the president because of relatively low Company activity in 2015.

Consulting fees decreased from \$67,594 in 2014 to \$Nil in 2015. The decrease is attributed primarily to the Company's exploration and financing inactivity in 2015.

General and administrative expenses in 2015 totaled \$36,922 which is reasonably in line with the 2014 amount of \$39,906.

Profession fees decreased to \$22,862 in 2015 from \$36,865 in 2014 as a result of reduced audit, accounting expenses and legal expenses.

## Liquidity

Financing of operations is achieved by issuing share capital, from the proceeds of property sales and from the sale of securities acquired in certain property sales. In addition, the Company receives mining duty and tax credits from the Quebec government as a result of exploration expenses incurred in the Province of Quebec. Cava ended the fiscal year June 30, 2015 with cash of \$7,230 (2014 - \$15,313), other financial assets of \$Nil (2014 - \$25,500), accounts receivable of \$4,808 (2014 - \$8,298), mining and duty tax credits receivable of \$5,320 (2014 - \$5,640), GST/HST receivable of \$1,352 (2014 - \$8,626), and prepaid expenses of \$23,120 (2014 - \$38,120).

At June 30, 2015, the Company had accounts payable relating to exploration activities and administrative activities in the amount of \$141,735 (2014 - \$135,614) and due to officers and directors in the amount of \$39,310 (2014 - \$2,787). The Company had a working capital deficiency of \$139,215 at June 30, 2015 (2014 - \$36,904).

Cash flows generated from investing activities totaled \$12,052 in 2015 compared to \$240,190 in cash flows generated in 2014. This resulted primarily from the decrease in the proceeds on sale of other financial assets to \$12,052 in 2015 from \$146,069 in 2014. Cash flows generated in financing activities in 2015 totaled \$36,523 compared to \$2,101 cash used in financing activities in 2014. Cash flows used in operating activities totaled \$56,658 in 2015 compared to \$226,945 cash flows used in operating activities in 2014.

### Capital Resources

The Company's primary capital assets are its deferred acquisition costs related to its mineral properties.

The Company's properties are in good standing at this time and the spending commitments needed to maintain these claims in good standing can be funded by the current working capital levels and through future financings and/or property sales.

### Summary of Quarterly Results

The following table is a summary of selected unaudited financial information for the eight most recent fiscal quarters.

	Revenue	Income (Loss)	Income (Loss) Per Share
September 30, 2013	Nil	\$ (56,538)	\$ (0.00)
December 31, 2013	Nil	(54,502)	(0.00)
March 31, 2014	Nil	16,398	0.00
June 30, 2014	Nil	(107,391)	(0.01)
September 30, 2014	Nil	(32,699)	(0.00)
December 31, 2014	Nil	(33,678)	(0.00)
March 31, 2015	Nil	(18,576)	(0.00)
June 30, 2015	Nil	(17,634)	(0.00)

### Selected Annual Information

	Year ended June 30,		
	2015	2014	2013
Revenues	\$Nil	\$Nil	\$Nil
Net Income (loss) and comprehensive loss	\$(102,587)	\$(202,033)	\$(750,416)
Net income (loss) per share basic and fully diluted	\$(0.00)	\$(0.01)	\$(0.04)
Total Assets	\$212,907	\$272,850	\$478,028
Non-current financial liabilities	\$Nil	\$Nil	\$Nil

## **Exploration and Property Update – Mineral Properties**

All of the information contained in this MD&A with respect to the Company's mineral properties and results has been reviewed and approved by Bruce Mackie, P.Geo, a qualified person under the definitions established by National Instrument # 43-101.

### Casa Berardi, Quebec

Cava currently holds a 70% interest in a total of 114 mining claims in the Casa Berardi area. The claims are located in the townships of Casa Berardi, Collet, Laberge and Estrees. Cava's joint venture partner in these claims is Explorers Alliance Corp.

During the fiscal 2012, the Company completed five drill holes as part of the Company's core drilling program with its venture partner. The results indicated that additional drilling should be pursued, which will assist the Company in evaluating this property with respect to determining an ongoing strategy with the joint venture partner. There has been interest from other arms length parties who may want to option these claims. Management will continue to pursue its alternatives with regards to the Casa Berardi property over the next several months.

### Bristol Township, Ontario

Cava has a 20% interest in the one claim block in Bristol Township which will be retained pending results of exploration being carried out by Lakeshore Gold Corp. The other 80% interest is owned by Explorers Alliance Corp. No work is planned on this claim at this time, although there are certain discussions underway that might result in the sale of this claim interest. The property has been written down to \$Nil as future prospects for this property are not encouraging.

### Godfrey and Jessop Townships, Ontario

Cava has a 40% interest (subject to a 1% NSR.) in 9 claim blocks covering 1,328 hectares in Godfrey and Jessop townships, west of Timmins. In August 2007, an additional hole was drilled on this property to test an anomaly. The hole did not reach the contact of the VMS target but did confirm the presence of a large mafic intrusive homogenous and enriched in titanium, scandium and rare earths.

Management is continuing to assess plans to extend this hole in the future and is also considering other joint venture options for this property. Nevertheless, the property was written down to \$Nil in fiscal 2013 as future prospects for this property is not encouraging.

## Transactions with Related Parties

The following related party transactions are reflected in the financial statements:

	<b>Year ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
Management fees charged by officers or Corporations controlled by officers for administrative and financial management services	\$ 15,000	\$ 70,000
Rental income (included in General and administrative expense)	\$ 7,500	\$ -
Consulting fees	\$ -	\$ 25,000

- (a) At June 30, 2015, prepaid expenses include \$Nil (2014 - \$15,000) of management fees paid in advance to an officer of the Company.
- (b) At June 30, 2015, the amount of \$39,310 (2014 - \$2,787) is due to an officer and director of the Company.
- (c) At June 30, 2015, accounts payable included the amount of \$Nil (2014 - \$1,300) due to a director of the Company.
- (d) At June 30, 2015, accounts receivable included rent receivable in the amount of \$1,412 (2014 - \$Nil) due from a company with common directors.

The Company has agreed to pay certain directors, who are not officers, an amount of \$1,000 per month for services rendered if and when they exercise stock options. At June 30, 2015, the amount of this contingent commitment is \$156,000 (2014 - \$120,000).

Cava's joint venture partner in the Casa Berardi Township properties is Explorers Alliance Corp ("Explorers"). Two of the directors of Cava have been directors of Explorers, however, the one director, who was also an officer of Explorers, resigned from Explorers in January 2008. One director of the Company remains a director of Explorers. In addition, the director and former director do not own shares in Explorers and did not receive any remuneration from Explorers.

## Lease Commitment

On March 5, 2015, the Company entered into a 4 year office lease agreement for its office premises commencing April 1, 2015 to March 31, 2019. The minimum lease commitments under the lease for the next 4 fiscal years is as follows

2016	\$ 95,794
2017	\$ 97,070
2018	\$ 99,111
2019	\$ 75,481

The Company has informal agreements with certain co-tenants that may generate annual rental income starting in fiscal 2016 to offset this commitment.

## **Proposed Transactions**

There are currently no unusual transactions proposed.

## **Critical Accounting Policies and Estimates**

### Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of carrying value of mineral properties, carrying value of oil and gas properties, stock-based compensation, warrant valuation, and deferred tax assets and liabilities. Financial results as determined by actual events could differ from those estimates.

## **Conversion to IFRS**

### Statement of Compliance

The Company's financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Reporting Interpretations Committee ("IFRIC").

The policies applied in these financial statements are based on IFRS issued and outstanding as of October 27 2015, the date the board of directors approved the financial statements.

The Company has adopted IFRS on July 1, 2011 with a transition date of July 1, 2010. Under IFRS 1 'First time Adoption of International Financial Reporting Standards', the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under GAAP taken to deficit unless certain exemptions are applied.

These financial statements have been prepared on a going concern basis, under the historical cost convention, except fair value through profit and loss assets which are carried at fair value, and have been prepared using the accrual basis of accounting, as explained in the accounting policies set out in Note 4.

These financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

## **Risks and Uncertainties**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

The Company has no significant source of operating cash flow and no revenue from operations. The Company has not determined whether its mineral properties and oil and gas property contain resource reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The mineral property interests that the company has or has an option to earn an interest in are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company may be subject to risks which could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks.

The Company is in the business of resource exploration and as such, its prospects are largely dependent on movements in the price of various commodities. Prices fluctuate on a daily basis and are affected by a number of factors well beyond the control of the Company. The mineral and oil and gas exploration industry in general is a competitive market and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist. Due to the current grassroots nature of its operations, the Company does not enter into price hedging programs.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

The Company has entered into an office lease commitment during 2015 which will require significant annual payments until 2019.

### **Environmental Risks and Hazards**

All phases of Cava's mineral exploration operations are subject to environmental regulations pertaining to the provinces of Ontario, Quebec and Alberta and also Canada. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Cava operations. Environmental hazards may exist on the properties on which Cava holds

interests, which are unknown to Cava at present and which may have been caused by previous or existing owners or operators of the properties. Cava may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently and may in the future be required in connection with Cava operations. To the extent such approvals are required and not obtained, Cava may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities which may cause operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The future costs of retiring mining assets include dismantling, remediation, ongoing treatment and monitoring of the site. These are reconciled and recorded as a liability at fair value. The liability is accreted, over time, through periodic charges to earnings. In addition, asset retirement costs are capitalized as part of the asset's carrying value and amortized over the asset's useful life. As the Corporation has not yet begun mining or milling operations, the Company currently has no identifiable obligations in relation to the retirement of its assets.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Cava and cause increases in exploration expenses, capital expenditures and production costs. They may also cause a reduction in levels of production at producing properties or they may require abandonment or delays in development of new mining properties.

Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the environment, Cava may become subject to liability for hazards against which it cannot be insured. The Company is subject to all environmental acts and regulations at the federal and provincial levels.

These include, but are not limited to, the following:

<b>Federal Level (Canada)</b>	<b>Provincial Level (Ontario, Quebec Alberta)</b>
Canadian Environmental Protection Act	Ontario Environmental Protection Act
Fisheries Act	Ontario Mining Act
Navigable Waters Protection Act and Regulations	Alberta Oil and Gas Conservation Act
Canada Petroleum Resources Act	Alberta Corporate Tax Act
Canada Oil and Gas Act	Alberta Freehold Mineral Rights Tax Act

To the Company's knowledge, there are no liabilities to date which relate to environment risks or hazards.

### **Evaluation of Disclosure Controls**

As required by Multilateral Instrument 52-109, management carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of June 30, 2015. These controls continue to be monitored regularly and in the future, an independent party will be engaged to test these controls. Based on the current evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company to satisfy its continuous disclosure obligations, and are effective in ensuring that information required to be disclosed in reports that the Company files is accumulated and communicated to management as appropriate to allow for timely decisions regarding required disclosure. These comments are made within the context that the Company is a small business and as such there is little segregation of duties.

### **Corporate Governance Matters**

Cava has an independent audit committee and a compensation committee that meets periodically as required to review and approve financial statements and to approve management compensation.

### **Technical Report on Casa Berardi Property**

Subsequent to the year end, a review and compilation of the exploration history and mineral potential of the Company's Casa Berardi North Property (the "Property") located in northwestern Québec, was undertaken by Bruce Mackie Geological Consulting Services ("Mackie") and Mitchell E. Lavery ("Lavery"). This technical report will

summarize the geological setting, deposit model type(s), and work done on the Property and as well makes recommendations for further exploration programs. Mackie and Lavery will prepare this report in accordance with the requirements of National Instrument 43-101, Companion Policy 43-101CP, and Form 43-101F.

### **Share Data**

The following sets forth the outstanding securities of the Company as at October 27, 2015:

The authorized capital of the Company consists of an unlimited number of common shares

(a) Common Shares – 20,484,114

(b) Stock Options – 1,520,000

(c) Warrants – Nil

Additional information relating to the Company's operations and activities can be found by accessing the Company's public documents filed on SEDAR at [www.sedar.com](http://www.sedar.com)

Signed

*“R. Brian Murray”, CEO*

*“John Hickey”, CFO*