

**GRAVIS ENERGY CORP.**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**

For the period ended September 30, 2014

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**Overview**

This Management's Discussion and Analysis ("MD&A") of Gravis Energy Corp. (the "Company") has been prepared by management as of September 30, 2014 and should be read in conjunction with the interim unaudited financial statements for the period ended September 30, 2014 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

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recapitalization being April 14, 2010, and the historical accounts of the business of GCC since inception being October 10, 2007.

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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**Revenue**

The Company has not yet generated revenue from its operations.

**Operating Expenses**

**Three Month Periods Ended September 30, 2014 and 2013**

Operating expenses for the three month period ended September 30, 2014 were \$24,085 (2013 - \$25,298). Operating expenses consists primarily of professional and filing fees related to requirements, to which the Company is subject as a result of being a reporting issuer listed on the Exchange, costs associated with the Qualifying Transaction, costs associated with business development activities and office costs. Operating costs decreased for the three month period ended September 30, 2014, compared to the three month period ended September 30, 2013, largely because of decrease in operating activities for the three month period ended September 30, 2014.

**Six Month Periods Ended September 30, 2014 and 2013**

Operating expenses for the six month period ended September 30, 2014 were \$45,536 (2013 - \$44,540). Operating expenses consists primarily of professional and filing fees related to requirements, to which the Company is subject as a result of being a reporting issuer listed on the Exchange, costs associated with the Qualifying Transaction, costs associated with business development activities and office costs. Operating costs increased for the six month period ended September 30, 2014, compared to the six month period ended September 30, 2013, largely because of increasing operating activities for the six month period ended September 30, 2014.

**Net Loss**

**Three Month Periods Ended September 30, 2014 and 2013**

Net loss (income) for the year ended March 31, 2014 was \$(36,742) (2013 - \$31,432) and for the three month period ended September 30, 2014 was \$24,085 (2013 - \$25,298). The net losses for the twelve and three month periods are associated primarily to the professional and filing fees related to requirements, to which the Company is subject as a result of being a reporting issuer listed on the Exchange. The net loss also included costs associated with the Qualifying Transaction, costs associated with business development activities and office costs.

**Six Month Periods Ended September 30, 2014 and 2013**

Net loss for the six month period ended September 30, 2014 was \$45,536 (2013 - \$44,540). The net losses for the twelve and six month periods are associated primarily to the professional and filing fees related to requirements, to which the Company is subject as a result of being a reporting issuer listed on the Exchange. The net loss also included costs associated with the Qualifying Transaction, costs associated with business development activities and office costs.

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**Summary of Quarterly Results**

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

	<b>September 30, 2014</b>	<b>June 30, 2014</b>	<b>March 31, 2014</b>	<b>December 31, 2013</b>
	\$	\$	\$	\$
Net income (loss)	-	-	-	-
Net income (loss) per share, basic and diluted	(24,085)	(21,451)	95,266	(13,983)
	-	-	-	-

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	<b>September 30, 2013</b>	<b>June 30, 2013</b>	<b>March 31, 2013</b>	<b>December 31, 2012</b>
	\$	\$	\$	\$
Net income (loss)	-	-	-	-
Net income (loss) per share, basic and diluted	(25,298)	(19,243)	47,702	(23,759)
	-	-	-	-

**Liquidity and Capital Resources**

As at September 30, 2014, the Company had a working capital deficit of \$81,958 compared to \$36,422 as at March 31, 2014. The net loss of the three month period ended at September 30, 2014 consists mainly of general and administration expenses.

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.

**Transactions with Related Parties**

During the periods ended September 30, 2014 and 2013, the Company was involved in the following related party transactions:

- (a) During the period ended September 30, 2014, the Company incurred management fees of \$6,000 (September 30, 2013 - \$6,000) to the President of the Company.
- (b) As at September 30, 2014, the Company owed \$9,001 (March 31, 2014 - \$3,001) to the President 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 September 30, 2014 as follows:

	Fair value measurements using			Balance as at September 30, 2014
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable Inputs (Level 3)	
	\$	\$	\$	\$
Assets:				
Cash	149	-	-	149
Investment in KWULP	-	-	1,964,527	1,964,527
Investment in KWUC	-	-	1,000	1,000
Total assets measured at fair value	149	-	1,965,527	1,965,676

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. Amounts receivable consists of GST receivable due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

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 six month period ended September 30, 2014, the Company generated a net operating cash outflow of \$26,611 (2013 – \$20,419). The Company has an accumulated deficit as at September 30, 2014 of \$731,759. As at September 30, 2014, the Company's working capital deficit was \$81,958 (March 31, 2014 - \$36,422).

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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 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.

#### **Fourth Quarter Results**

See summary of quarterly results above.

#### **Accounting Standards Issued But Not yet Effective**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2014, and have not been applied in preparing these financial statements.

New standard IFRS 9, "Financial Instruments"

New standard IFRS 10, "Consolidated Financial Statements" and IFRS 12, "Disclosure of Interests in Other Entities"

New standard IFRS 11, "Joint Arrangements"

Amendments to IAS 27, "Separate Financial Statements"

Amendments to IAS 32, "Financial Instruments: Presentation"

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.

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**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 September 30, 2014 to which this MD&A relates.

**Outstanding Common Share Data**

As of September 30, 2014, the Company has 39,129,960 common shares issued and outstanding.

As at September 30, 2014, there were no share purchase warrants outstanding.

As at September 30, 2014, the Company has 1,100,000 stock options outstanding which are exercisable at \$0.05 per share expiring on March 15, 2016.

**Subsequent Events**

No subsequent events during the period.

**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

November 19, 2014