GROSVENOR

RESOURCE CORPORATION

MANAGEMENT'S DISCUSSION & ANALYSIS

For the six months ended February 28, 2018

This management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as at April 19, 2018 and should be read in conjunction with the unaudited condensed interim financial statements for the six months ended February 28, 2018 of Grosvenor Resource Corporation ("Grosvenor" or the "Company") with the related notes thereto. Those unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial statements and, as a result, do not contain all disclosure required under IFRS for annual financial statements. Accordingly, readers may want to refer to the August 31, 2017 audited annual financial statements and the accompanying notes. All dollar amounts included therein and in the following MD&A, unless otherwise indicated, are expressed in Canadian dollars.

Management is responsible for the preparation and integrity of the Company's unaudited condensed interim financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the unaudited condensed interim financial statements and MD&A, is complete and reliable.

Additional information on the Company is available for viewing on SEDAR at www.sedar.com or by contacting the Company's head office at Suite 501-837 West Hastings Street, Vancouver BC, Canada V6C 3N6. The Company's website is www.gvrresource.com.

Description of Business

Grosvenor is a natural resource company engaged in the acquisition and exploration of resource properties. The Company's head office is in Vancouver, British Columbia. The Company is a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia. Grosvenor trades on the TSX Venture Exchange ("TSX-V") under the symbol GVR.

Overview

Mineral Hill

The Mineral Hill gold-silver property covers an area of 866.18 hectares and includes the formerly productive veins of the Mineral Hill Mine, from which a reported 77,605 tons of mineralized material was mined and milled, yielding 8,894 ounces of gold 252,939 ounces of silver, 40,822 pounds of copper, 2,205,444 pounds of lead, and 367,869 pounds of zinc.

In fiscal 2014, the Company acquired a 50% interest in the Mineral Hill ("Mineral Hill") from Remington Resources Inc. ("Remington"). During the year ended August 31, 2016, Company purchased the remaining 50% of Mineral Hill from Remington.

During 2015, the Company incurred $332 for assays, $594 for field supplies, $4,800 of geological consulting, $450 for mapping and $998 for travel and, recovered $4,395 in tax credits.

During 2016, a prospecting and sampling program was completed on Mineral Hill. The Company incurred $284 for assays, $500 for claim maintenance, $5,800 for geological consulting, $625 for mapping, $1,432 for travel and, recovered $2,592 in tax credits.

During the year ended August 31, 2017, the Company spent $26,485 for claim maintenance and, recovered $6,632 in tax credits. During the six months ended February 28, 2018, the Company spent $500 for claim maintenance.

The property remains in good standing.

Results of Operations

During the three months ended February 28, 2018 ("current period") the Company recorded a comprehensive loss of $10,521 compared to a comprehensive loss of $232,935 for the three months ended February 28, 2017 ("comparative period"). The significant changes during the current period from the comparative period are as follows:

- During the current period, management fees increased to $22,000, from $6,000 in the comparative period. Commencing January 2018, the CEO's fees increased to $8,000 per month.

- During the current period, property investigation costs increased to $20,592, from $Nil in the comparative period. Effective January 2018, the Company entered into an agreement for property investigation services for US$8,000 per month.

- During the current period, the Company recorded a deferred tax recovery of $14,133 on a marketable securities gain, compared to an expense of $21,200 on a marketable securities loss in the comparative period.

- During the current period, the Company recorded an unrealized marketable securities gain of $94,587, compared to a loss of $141,880 in the comparative period. The change relates to the value fluctuation of marketable securities held by the Company.

During the six months ended February 28, 2018 ("current six-month period") the Company recorded a comprehensive loss of $30,025 compared to comprehensive income of $9,759 for the six months ended February 28, 2017 ("comparative six-month period"). The significant changes during the current six-month period from the comparative six-month period are as follows:

- During the current six-month period, management fees increased to $40,000, from $6,000 in the comparative six-month period. Commencing January 2018, the CEO's fees increased to $8,000 per month.

- During the current six-month period, property investigation costs increased to $20,592, from $Nil in the comparative six-month period. Effective January 2018, the Company entered into an agreement for property investigation services for US$8,000 per month.

- During the current six-month period, the Company recorded a deferred tax recovery of $21,200 on a marketable securities gain, compared to a recovery of $17,667 on a marketable securities gain in the comparative six-month period.

- During the current six-month period, the Company recorded an unrealized marketable securities gain of $141,880, compared to a gain of $118,233 in the comparative six-month period. The change relates to the value fluctuation of marketable securities held by the Company.

Liquidity and Capital Resources

The Company's working capital position at February 28, 2018 was $3,014,969 compared to a working capital position of $3,045,494 at August 31, 2017. The decrease in working capital is mainly due cash used for operations.

As at February 28, 2018, the Company had current assets of $3,040,355 (August 31, 2017 - $3,069,671), total assets of $3,487,403 (August 31, 2017 - $3,516,219) and total liabilities of $25,386 (August 31, 2017 - $24,177). At February 28, 2018, the Company had no long-term debt. There are no known trends in the Company's liquidity or capital resources.

The Company has financed its operations to date through dividends received from its Newport Exploration Ltd. ("Newport") shareholdings, the sale of mineral properties, issuance of common shares, and the exercise of stock options and share purchase warrants.

The Company has not paid any dividends on its common shares and has no present intention of paying dividends on its common shares, as it anticipates that any surplus funds will be invested to finance the growth of its business.

The continuing operations of the Company may be dependent upon its ability to raise adequate financing and/or commence profitable operations in the future.

Quarterly Financial Information

The following table sets forth selected unaudited financial information prepared by management of the Company:

	Three Months Ended February 28, 2018	Three Months Ended November 30, 2017	Three Months Ended Aug 31, 2017	Three Months Ended May 31, 2017
Total assets	$ 3,487,403	$ 3,479,710	$ 3,516,219	$ 3,646,348
Working capital	3,014,969	3,025,989	3,045,494	3,212,703
Income (loss) for the period	(105,108)	(66,797)	135,903	(54,204)
Comprehensive net income (loss) for the period	(10,521)	(19,504)	(147,856)	64,029
Earnings (loss) per share	(0.00)	(0.00)	0.00	(0.00)

	Three Months Ended February 28, 2017	Three Months Ended November 30, 2016	Three Months Ended August 31, 2016	Three Months Ended May 31, 2016
Total assets	$ 3,589,890	$ 3,828,505	$ 3,582,912	$ 3,585,238
Working capital	3,148,674	3,382,109	3,139,415	3,145,314
Income (loss) for the period	(91,055)	(17,419)	418,060	16,126
Comprehensive net income (loss) for the period	(232,935)	242,694	(7,578)	441,764
Earnings (loss) per share	(0.00)	(0.00)	0.02	0.00

Fiscal 2018

During the three months ended February 28, 2018, the Company recorded a comprehensive loss of $10,521, compared to a comprehensive loss of $19,504 during the three months ended November

30, 2017. The change from the prior period was attributable to the notional increase in market value of its marketable securities, offset by an increase in operating expenses.

During the three months ended November 30, 2017, the Company recorded a comprehensive loss of $19,504, compared to a comprehensive loss of $147,856 during the three months ended August 31, 2017. The change from the prior period was attributable to the notional increase in market value of its marketable securities.

Fiscal 2017

During the three months ended August 31, 2017, the Company recorded a comprehensive loss of $147,856, compared to income of $64,029 during the three months ended May 31, 2017. The change from the prior period was attributable to the notional decrease in market value of its marketable securities, offset by receipt of dividend income of $271,800 from its Newport shareholdings.

During the three months ended May 31, 2017, the Company recorded comprehensive income of $64,029, compared to a comprehensive loss of $232,935 during the three months ended February 28, 2017. The change from the prior period was attributable to the notional increase in market value of its marketable securities.

During the three months ended February 28, 2017, the Company recorded a comprehensive loss of $232,935, compared to comprehensive income of $242,694 during the three months ended November 30, 2016. The change from the prior period was attributable to the decrease in market value of its marketable securities, and an increase in overall operating expenses.

During the three months ended November 30, 2016, the Company recorded comprehensive income of $242,694, compared to a comprehensive loss of $7,578 during the three months ended August 31, 2016. The change from the prior period was attributable to the notional increase in market value of its marketable securities.

Fiscal 2016

During the three months ended August 31, 2016, the Company recorded a comprehensive loss of $7,578, compared to comprehensive income of $441,764 during the three months ended May 31, 2016. The change from the prior period was attributable to the notional decrease in market value of its marketable securities offset by dividend income of $543,600 from its Newport shareholdings.

During the three months ended May 31, 2016, the Company recorded comprehensive income of $441,764 compared to a comprehensive loss of $73,138 recorded during the three months ended February 29, 2016. The change was attributable to the increase in market value of its marketable securities.

Related Party Transactions

During the six months ended February 28, 2018, the Company entered into the following transactions with related parties:

a) Paid or accrued director fees of $6,000 (2017 - $6,000) to Douglas Scheving, a director of the Company.

b) Paid or accrued management fees of $40,000 (2017 - $6,000) and director fees of $Nil (2017 - $5,000) to a company controlled by Ian Rozier, CEO and director of the Company.

c) Paid or accrued director fees of $6,000 (2017 - $6,000) to Harvey Kardos, a director of the Comany.

d) Paid or accrued director fees of $6,000 (2017 - $1,000) to Douglas Hyndman, a director of the Company.

e) Paid professional fees of $36,000 (2017 - $32,000) to a company controlled by Tyler Friesen, the CFO of the Company.

f) Paid rent of $15,000 (2017 - $15,000) to a company controlled by Ian Rozier, CEO and director of the Company.

The following amounts, with respect to the above transactions, are owing to related parties as at February 28, 2018:

a) $2,000 (August 31, 2017 - $2,000) to Douglas Scheving, Director
b) $2,000 (August 31, 2017 - $2,000) to Douglas Hyndman, Director
c) $2,000 (August 31, 2017 - $2,000) to Harvey Kardos, Director

These amounts are non-interest bearing, unsecured and paid in the ordinary course of business.

Key management includes directors, executive officers and officers of the Company. The Company paid or accrued fees to management or companies controlled by key management as follows:

	February 28, 2018	February 28, 2017
Management fees	$ 40,000	$ 6,000
Professional fees	$ 36,000	$ 32,000

Financial and Capital Risk Management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments. The fair value of short term investments was $837,104 at February 28, 2018 (August 31, 2017 - $276,037), a level 1 fair value measurement.

Financial Risk Factors

The Company is exposed in varying degrees to financial instrument related risks and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and equivalents, marketable securities, short-term investments and receivables, the carrying value totalling $3,038,063, represents the Company's maximum exposure to credit risk. Management believes that the credit risk concentration with respect to financial instruments is remote because cash and equivalents and short-term investments are held with reputable Canadian financial institutions. Receivables consist mainly of GST and interest. The Company does not consider any of its current receivables past due. The Company believes any credit risk associated with its receivables is remote due to the historical success of collecting receivables.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at February 28, 2018, the Company had a cash and equivalents balance of $775,309 (August 31, 2017 - $1,519,190), marketable securities of $1,413,360 (August 31, 2017 - $1,250,280) and short-term investments of $837,104 (August 31, 2017 - $276,037) to settle current liabilities of $25,386 (August 31, 2017 - $24,177). All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

a) Interest rate risk

The Company has cash and equivalents balances and short-term investments. The Company's current policy is to invest funds in investment-grade short-term deposits certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The effect on net income and comprehensive net income of a 1% change in interest rates is approximately $8,400.

b) Price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

Capital management

Grosvenor's objectives when managing capital is to pursue the exploration and evaluation of its mineral property, possibly acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

Grosvenor manages the capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company monitors its expenditures against its available capital.

The Company is currently not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

Critical accounting estimates, judgments and assumption

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which is included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

Future Accounting Standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended August 31, 2017, and have not been applied in preparing these financial statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers, which will supersede IAS 18 – Revenue and related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Corporation intends to adopt IFRS 15 in its financial statements for the annual period beginning on September 1, 2018.

IFRS 9 – Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities, as defined in IAS 39. The Corporation intends to adopt IFRS 9 in its financial statements for the annual period beginning on September 1, 2018.

IFRS 16 – Leases

On January 13, 2016 the IASB issued IFRS 16 – Leases, which will supersede IAS 17 – Leases. The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments The

Corporation intends to adopt IFRS 16 in its financial statements for the annual period beginning on September 1, 2019.

The extent of the impact of adoption of these standards has not yet been determined.

Risk, Uncertainties and Outlook

As a company engage in the mineral resource acquisition and exploration industry, the Company is exposed to a number of risks, including the financial risks associated with no operating cash flow and the potential need to access capital markets to finance its activities.

There can be no assurances the Company will be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs. In addition to this having an impact on any future wholly owned projects, the Company could be in a position, where it is unable to fund its share of costs incurred under joint venture agreements to which it may become a party, and its interest in such a joint venture could be reduced or eliminated as a result.

The Company is very reliant upon its existing management, and if the services of such personnel were withdrawn for any reason, this could have a material adverse impact on the Company's operating activities.

There is competition within the natural resource industry for exploration properties, and the Company competes with other companies possessing greater technical and financial resources than itself. There can be no assurances that the Company would be able to execute exploration programs on proposed schedules and within cost estimates, whether due to weather conditions in the area where of operations, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring in areas that lack infrastructure and the availability of essential supplies and services.

Adverse conditions may lead to increased costs and difficulties in scheduling contractors at times that are optimal from the Company's perspective.

The Company's future exploration activities may require permits from various governmental agencies charged with administrating laws and regulations governing exploration, labour standards, occupational health and safety, control of toxic substances, waste disposal, land use, environmental protection and other matters. Inability to comply with laws, regulations and permit conditions could result in fines and/or stop work orders, costs for conducting remedial actions and other expenses. In addition, legislation changes to existing laws and regulations could result in significant additional costs to comply with the revised terms and could also result in delays in executing planned programs pending compliance with those terms.

Contingencies

As of the date of this MD&A, the Company has no contingencies.

Off Balance Sheet Arrangements

As of the date of this MD&A, the Company has no off Balance Sheet arrangements.

Investor Relations

As of the date of this MD&A, the Company has no investor relations agreements.

Proposed Transactions

As of the date of this MD&A, the Company has no proposed transactions.

Share Capital

As at April 19, 2018, the Company had 26,850,694 common shares outstanding and the following outstanding warrants and options:

Outstanding Options:

Nil

Outstanding Warrants:

Nil

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward-Looking Information

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: mineral exploration and development costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirements for obtaining permits and licenses for the Company's operations in the jurisdictions in which it operates.