

GROSVENOR

RESOURCE CORPORATION

MANAGEMENT'S DISCUSSION & ANALYSIS

For the nine months ended May 31, 2025

This management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as at July 21, 2025 and should be read in conjunction with the unaudited condensed interim financial statements for the nine months ended May 31, 2025 of Grosvenor Resource Corporation ("Grosvenor" or the "Company") with the related notes thereto. The 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, 2024 audited annual financial statements and the accompanying notes.

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

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. Additional information on the Company is available for viewing on SEDAR+ at www.sedarplus.ca or by contacting the Company's head office at Suite 202-2168 Marine Drive, West Vancouver BC, Canada V7V 1K3. 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 located 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

Powder Gold-Silver Property

In 2018, the Company acquired a 100% interest in the Powder gold-silver property for \$7,500 and 50,000 of its common shares (valued at \$8,500). To date, the Company has paid a total of \$30,482 in claim maintenance. During the year ended August 31, 2024, the Company made the decision, in accordance with IFRS, to impair the property to \$1. The property is subject to a 1% NSR. During the nine months ended May 31, 2025, the Company commenced, a geological sampling program and NI43-101 report and incurred \$26,229 for geological consulting, \$5,000 for field supplies and \$6,014 for travel. The claims are in good standing.

Results of Operations

During the three months ended May 31, 2025 (“current period”) the Company recorded comprehensive income of \$170,256 compared to a loss of \$147,796 for the three months ended May 31, 2024 (“comparative period”). The significant changes during the current period from the comparative period are as follows:

- The Company recorded a deferred tax recovery of \$44,031 on a marketable securities gain during the current period, compared to an expense of \$10,279 on a marketable securities loss during the comparative period.
- The Company recorded an unrealized marketable securities gain of \$205,989 during the current period, compared to a loss \$71,261 during the comparative period. The change relates to the value fluctuation of Newport Exploration Ltd (“Newport”) common shares held by the Company.
- During the comparative period, the Company recorded dividend income of \$27,180 or \$0.005 per share of the Company’s Newport shareholders. No dividend income was recorded during the current period.

During the nine months ended May 31, 2025 (“current nine-month period”) the Company recorded comprehensive loss of \$214,897 compared to \$726,390 for the nine months ended May 31, 2024 (“comparative nine-month period”). The significant changes during the current nine-month period from the comparative nine-month period are as follows:

- During the comparative nine-month period, the Company recorded dividend income of \$108,720, or \$0.02 per share of the Company’s Newport shareholdings. No dividend income was recorded during the current nine-month period.
- During the current nine-month period, the Company recorded a deferred tax recovery of \$4,892 on a marketable securities gain, compared to an expense of \$79,996 in the comparative nine-month period.
- During the current nine-month period, the Company recorded an unrealized marketable securities gain of \$22,288, compared to a loss of \$512,564 in the comparative nine-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 May 31, 2025 was \$1,482,488 compared to a working capital position of \$1,734,628 at August 31, 2024. The decrease in working capital is mainly due to the change in value of marketable securities, offset by operating expenses.

As at May 31, 2025, the Company had current assets of \$1,510,241 (August 31, 2024 - \$1,775,124), total assets of \$1,547,485 (August 31, 2024 - \$1,775,125) and total liabilities of \$27,753 (August 31, 2024 - \$40,496). At May 31, 2025, the Company had no long-term debt outstanding. There are no known trends in the Company's liquidity or capital resources.

The Company finances its operations through dividend income. The Company currently has cash and equivalents, marketable securities and short term investments totaling \$1,498,557 and net working capital of \$1,482,488 which, the Company believes, is sufficient to fund its current

operations in the foreseeable future. In the longer term, additional equity or debt financing may be necessary to fund exploration, general and administrative activities.

Commitments

Grosvenor has management and consulting contracts with Ian Rozier, a director and Chief Executive Officer, and a company controlled by Tyler Friesen, a director and Chief Financial Officer. The parties are paid a combined total of \$14,000 per month and the contracts remain in force on a continuous basis but can be terminated by Grosvenor with three months written notice. If Grosvenor terminates services of either or both parties without cause, Grosvenor will be obligated to pay 36 months of service fees to Ian Rozier, and 12 months of service fees to the company controlled by Tyler Friesen.

Effective January 1, 2018, the Company entered into a consulting contract with Prospect Point Consulting Ltd. to provide corporate consulting services for Grosvenor at \$7,000 per month. The contract remains in force on a continuous basis but can be terminated by Grosvenor with three months written notice. If Grosvenor terminates the services of the company without cause, it will be obligated to pay 24 months services fees to the company.

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

	Three Months Ended May 31, 2025	Three Months Ended February 28, 2025	Three Months Ended November 30, 2024	Three Months Ended August 31, 2024
Total assets	\$ 1,547,485	\$ 1,360,509	\$ 1,450,738	\$ 1,775,125
Working capital	1,482,488	1,349,475	1,410,474	1,734,628
Loss for the period	(35,733)	(77,886)	(123,566)	(190,999)
Comprehensive income (loss) for the period	170,256	(60,999)	(324,154)	(320,347)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Three Months Ended May 31, 2024	Three Months Ended February 29, 2024	Three Months Ended November 30, 2023	Three Months Ended August 31, 2023
Total assets	\$ 2,066,146	\$ 2,212,897	\$ 2,732,910	\$ 2,803,564
Working capital	2,008,492	2,156,288	2,673,079	2,734,882
Loss for the period	(71,261)	(117,109)	(20,182)	(105,870)
Comprehensive loss for the period	(147,796)	(516,791)	(61,803)	(87,759)
Loss per share	(0.00)	(0.00)	(0.00)	(0.01)

Period to period changes to income tax expense/recovery and unrealized gain/loss on marketable securities relate to the share value of the Company's Newport shareholdings.

During the three months ended May 31, 2025, the Company incurred \$37,243 of exploration expenses on its Powder gold-silver property.

During the three months ended August 31, 2024, the Company impaired its Powder gold-silver property to \$1 and incurred an impairment charge of \$51,831.

During the three months ended May 31, 2024, the Company recorded dividend income of \$27,180.

During the three months ended February 29, 2024, the Company recorded dividend income of \$27,180.

During the three months ended November 30, 2023, the Company recorded dividend income of \$54,360.

During the three months ended August 31, 2023, the Company recorded dividend income of \$54,360.

During the three months ended May 31, 2023, the Company recorded dividend income of \$54,360.

Related Party Transactions

During the nine months ended May 31, 2025, the Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$72,000 (2024 - \$72,000) to Ian Rozier, CEO and director of the Company.
- b) Paid or accrued directors fees of \$9,000 (2024 - \$9,000) to Douglas B. Hyndman, a director of the Company.
- c) Paid or accrued directors fees of \$9,000 (2024 - \$9,000) to Douglas Scheving, a director of the Company.
- d) Paid professional fees of \$54,000 (2024 - \$54,000) to a company controlled by Tyler Friesen, the CFO of the Company.

The following amounts, with respect to the above transactions, are owing to related parties as at May 31, 2025:

- a) \$2,000 (August 31, 2024 - \$2,000) to Douglas Scheving, a director of the Company
- b) \$2,000 (August 31, 2024 - \$2,000) to Douglas B. Hyndman, a director of the Company

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

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

	May 31, 2025	May 31, 2024
Management fees	\$ 72,000	\$ 72,000
Professional fees	\$ 54,000	\$ 54,000

During the nine months ended May 31, 2025, the Company reimbursed rent of \$9,000 (2024 - \$9,000), to a company with a director and officer in common.

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 and equivalents, 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 and marketable securities was \$1,214,972 at May 31, 2025 (August 31, 2024 - \$1,489,165), which are level 1 fair value measurements.

Financial Risk Factors

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company is exposed in varying degrees to a variety of 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 financial loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and equivalents, short-term investments and receivables, the carrying value totalling \$828,538, 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 cash 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 low 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 May 31, 2025, the Company had a cash and equivalents balance of \$283,585, marketable securities of \$679,500 and short-term investments of \$535,472 to settle current liabilities of \$27,753. 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 excess cash 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 loss of a 1% change in interest rates is approximately \$3,900.

b) Price risk

The Company is exposed to equity risk with respect to the market price of its Newport shares. A change in market price will impact the value of its Newport shareholdings and have an impact on other comprehensive income and working capital. The effect on net loss of a 1% change in market price is approximately \$5,000.

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.

Risk, Uncertainties and Outlook

As a company engaged in the mineral resource industry, the Company is exposed to a number of risks. As a company engage in the mineral resource industry, Grosvenor is exposed to a number of risks, including the financial risks associated with no operating cash flow and therefore, may access when necessary, the capital markets to finance its activities.

There can be no assurances Grosvenor will be able to access the capital markets for the funding necessary to acquire and maintain exploration properties. 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 a joint venture agreement to which it may become a party, and its interest in such a joint venture could be reduced or eliminated as a result.

Grosvenor 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 properties of merit, and the Company competes with other companies possessing greater technical and financial resources than itself. Even if a property was secured, there can be no assurances that the Company will be able to execute its exploration programs on proposed schedules and within cost estimates, whether due to weather conditions in the areas where it may operate, 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. These conditions may lead to increased costs and difficulties in scheduling contractors at times that are optimal from the Company's perspective.

Exploration activities may require permits from various governmental agencies charged with administering laws and regulations governing exploration, labour standards, occupational health and safety, control of toxic substances, waste disposal, land use, environmental protection and other matters. Failure 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 the date of this MD&A, the Company had 26,900,696 common shares outstanding and the following outstanding options and warrants:

Outstanding Options:

As at the date of this MD&A, the Company had 2,500,000 options outstanding, with an exercise price of \$0.065 per share, expiring June 13, 2028.

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.