

GROSVENOR

RESOURCE CORPORATION

MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended August 31, 2025

This management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as at November 28, 2025 and should be read in conjunction with the audited financial statements for the year ended August 31, 2025 of Grosvenor Resource Corporation ("Grosvenor" or the "Company") with the related notes thereto. The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Management is responsible for the preparation and integrity of the annual 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 West 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 ("Powder") for \$7,500 and 50,000 of its common shares (valued at \$8,500). To date, the Company has paid a total of \$35,832 in claim maintenance. The property is subject to a 1% NSR.

Powder consists of two contiguous mineral claims totaling 121.22 hectares, located 75 kilometers north of Kamloops, in south-central British Columbia, approximately 2 km west of the North Thompson River and the Yellowhead Highway 5.

During the year ended August 31, 2025, APEX was retained by Grosvenor to complete an NI43-101 report and validate historic exploration work. The author of the report, Mr. Kristopher Raffle, B.Sc., P. Geo. of APEX, is an independent qualified person as defined by the Canadian Securities Administration (CSA) National Instrument 43-101. The Report has been written in accordance with the requirements of the NI43-101 Standards of Disclosure for Mineral Projects, and is a technical summary of the available geological, geophysical, and geochemical data relevant to the Project. Mr. Raffle P.Geo., of APEX Geoscience Ltd. is the Qualified Person who has reviewed and verified the technical information contained in this MD&A. The Report is filed on SEDAR+.

In May 2025, Grosvenor conducted a follow-up surface exploration program, building on historical work. The program included 30 rock samples and 19.8 line-kilometres of ground magnetic and VLF-EM surveys. Rock sampling targeted altered and mineralized zones confirming the presence of limonitic sheared granodiorite and quartz veins with brecciation and sulfide mineralization. Gold values reached up to 0.61 g/t, with six samples exceeding 0.1 g/t Au. Silver values peaked at 4 g/t, with 15 samples over 1 ppm Ag, and were associated with elevated As, Mo, Pb, and Zn. The VLF-EM data, collected at 24.8 kHz, showed strong continuity and improved resolution over historical data. Negative in-phase slopes were interpreted as potential buried conductive structures, supporting the presence of mineralized zones.

The 2025 program has reinforced the exploration potential of Powder and provides a solid foundation for follow-up work, including systematic geochemical sampling, IP/resistivity surveys, and eventual drill testing of identified targets.

Powder Gold-Silver Property	August 31, 2025	August 31, 2024
Acquisition costs		
Balance, beginning of year	\$ 1	\$ 16,000
Impairment	- (15,999)	
Impairment reversal	<u>15,999</u>	<u>-</u>
Balance, end of year	<u>16,000</u>	<u>1</u>
Exploration costs		
Balance, beginning of year	- 30,484	
Claims maintenance	- 5,348	
Assays	1,610 -	
Field costs	6,701 -	
Geological	41,740 -	
Travel	6,759 -	
Impairment	- (35,832)	
Impairment reversal	<u>35,832</u>	<u>-</u>
Balance, end of year	<u>92,642</u>	<u>-</u>
Total, end of year	\$ 108,642	\$ 1

Selected Annual Information

	2025	2024	2023
Exploration and evaluation asset	\$ 108,642	\$ 1	\$ 46,484
Total assets	1,311,242	1,775,125	2,803,564
Current liabilities	20,529	40,496	22,198
Loss for the year	(302,852)	(404,825)	(285,767)
Comprehensive loss for the year	(443,916)	(1,046,737)	(902,445)
Loss per share	(0.01)	(0.02)	(0.01)

Results of Operations

During the year ended August 31, 2025 (“current year”), the Company recorded a loss of \$302,852 compared to \$404,825 for the year ended August 31, 2024 (“comparative year”). The significant changes are as follows:

- The Company recorded dividend income of \$Nil, compared to \$108,720 during the comparative year.
- The Company recorded an impairment reversal charge of \$51,831 relating to the Powder property, a reversal of the impairment made in the comparative year, a result of the Company completing a 43-101 report on Powder.

Fourth Quarter Results

During the three months ended August 31, 2025 (“current period”), the Company recorded a loss of \$65,667 compared to \$190,999 for the three months ended August 31, 2024 (“comparative period”). The significant changes during the current period compared to the comparative period, are as follows:

- The Company recorded a deferred tax expense of \$26,908, compared to \$60,912 during the comparative period, due to the change in value of the Company’s 5,436,000 common shares held of Newport Exploration Ltd (“Newport”).
- The Company recorded an impairment reversal charge of \$51,831 relating to the Powder property, a reversal of the impairment charge made during the comparative period.

Liquidity and Capital Resources

The Company’s working capital position at August 31, 2025 was \$1,182,071 compared to a working capital position of \$1,734,628 at August 31, 2024. The decrease in working capital is the decrease in the deemed fair value of marketable securities held by the Company and cash used for operations.

As at August 31, 2025, the Company had current assets of \$1,202,600 (2024 - \$1,775,124), total assets of \$1,311,242 (2024 - \$1,775,125) and total liabilities of \$20,529 (2024 - \$40,496). At August 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 and interest income. The Company has cash and cash equivalents, marketable securities and short-term investments totaling

\$1,184,145 and net working capital of \$1,182,071 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.

In September 2025, the Company sold its Newport shareholdings for \$434,880, or \$0.08 per share.

Commitments

The Company has management and consulting contracts with Ian Rozier, a director and Chief Executive Officer, and with 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 the Company with three months written notice. If the Company terminates services of either or both parties without cause, it 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 the Company at \$7,000 per month. The contract remains in force on a continuous basis but can be terminated by the Company with three months written notice. If the Company 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 August 31, 2025	Three Months Ended May 31, 2025	Three Months Ended February 28, 2025	Three Months Ended November 30, 2024
Total assets	\$ 1,311,242	\$ 1,547,485	\$ 1,360,509	\$ 1,450,738
Working capital	1,182,071	1,482,488	1,349,475	1,410,474
Loss for the period	(65,667)	(35,733)	(77,886)	(123,566)
Comprehensive income (loss) for the period	(229,019)	170,256	(60,999)	(324,154)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Three Months Ended August 31, 2024	Three Months Ended May 31, 2024	Three Months Ended February 29, 2024	Three Months Ended November 30, 2023
Total assets	\$ 1,775,125	\$ 2,066,146	\$ 2,212,897	\$ 2,732,910
Working capital	1,734,628	2,008,492	2,156,288	2,673,079
Loss for the period	(190,999)	(71,261)	(117,109)	(20,182)
Comprehensive loss for the period	(320,347)	(147,796)	(516,791)	(61,803)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

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 August 31, 2025, the Company reversed a prior year impairment on Powder for \$51,831 and incurred \$19,567 on Powder.

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

During the three months ended August 31, 2024, the Company impaired its Powder 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.

Related Party Transactions

During the year ended August 31, 2025, the Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$96,000 (2024 - \$96,000) to Ian Rozier, CEO & director of the Company.
- b) Paid or accrued director's fees of \$12,000 (2024 - \$12,000) to Douglas B. Hyndman, a director of the Company.
- c) Paid or accrued director's fees of \$12,000 (2024 - \$12,000) to Douglas Scheving, a director of the Company.
- d) Paid professional fees of \$72,000 (2024 - \$72,000) to a company controlled by Tyler Friesen, the CFO of the Company.
- e) Paid rent expense of \$12,000 (2024 - \$12,000), to a company with a director and officer in common.

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

- a) \$2,000 (2024 - \$2,000) to Douglas Scheving, a director of the Company.
- b) \$2,000 (2024 - \$2,000) to Douglas B. Hyndman, a director of the Company.
- c) \$Nil (2024 - \$8,000) to Ian Rozier, CEO and a director of the Company.

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

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 values of cash and cash equivalents, receivables (with the exception of GST receivable), and accounts payable and accrued liabilities, approximate their fair value because of the short-term nature of these instruments. As at August 31, 2025, the fair value of short-term investments and marketable securities was \$329,292 (2024 - \$836,845) and \$489,240 (2024 - \$652,320) respectively, and are classified as 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 a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, short-term investments and receivables (with the exception of GST receivable). The carrying value, totalling \$708,291, 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 dividends, GST and accrued interest from investments held with reputable Canadian financial institutions. 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 August 31, 2025, the Company had cash and equivalents of \$365,613, marketable securities of \$489,240 and short-term investments of \$329,292, to settle current liabilities of \$20,529. 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 equity prices. These fluctuations may be significant.

a) Interest rate risk

The Company has cash and cash equivalents 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 not material to the financial statements.

b) Price risk

The Company is exposed to equity risk with respect to the market price of its marketable securities. 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 not material to the financial statements.

Capital management

The Company'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 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.

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 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.