The following discussion and analysis of the operations, results, and financial position of Gray Rock Resources Ltd. (the "Company" or "Gray Rock") should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended March 31, 2020, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated May 27, 2020 and discloses specified information up to that date. Gray Rock is classified as a "venture issuer" for the purposes of National Instrument 51-102.

We recommend that readers consult the "Cautionary Statement" on the last page of this report.

Additional information relating to the Company can be obtained by contacting David Wolfin, the President & CEO of the Company, on SEDAR at www.sedar.com, or on the Company's website at www.grayrockresources.com.

Business Overview

Gray Rock Resources Ltd. ("the Company") was incorporated under the laws of the Province of British Columbia. Its principal business comprises the exploration for and development of mineral properties.

The Company is in the exploration stage. The common shares of the Company commenced trading on the TSX Venture Exchange on November 29, 2006 under trading symbol GRK. The Company is classified as a Mineral Exploration company. The financial statements, to which this MD&A relates, have been prepared on a going concern basis, which presumes the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has working capital of $59,806 at March 31, 2020 and has accumulated losses of $4,051,797 since incorporation. The Company's ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in the future.

Overall Performance

Silver Stream Property

Located 25km northeast of Bralorne, B.C., in the Lillooet mining district of British Columbia, the Company holds 100% tenure in the Silver Stream I and II mineral claims (the "Silver Stream Property"). First explored in 1988, the Silver Stream Property has produced a number of anomalous-to-significant gold showings in sampling, trenching, and drilling. Although still an "early-stage" property, a July 2006 Technical Report filed on SEDAR states: *"…the nature of the mineralization seen in the known showings in the context of the Bridge River camp show the property has good potential to develop economic gold mineralization."*

The renowned Bralorne gold mine, which produced 4.1 million ounces of gold between 1932 and 1971, lies about 25 kilometers southwest of Silver Stream. The average grade of the Bralorne mine complex was 0.52 opt gold, and it remains the largest historic gold producer of the Canadian Cordillera.

Documented gold exploration on the Silver Stream Project, undertaken between 1987 and 2014, has involved approximately 1,759m of diamond drilling in 10 holes, hand and excavator trenching, mapping, rock geochemistry, and reconnaissance and grid soil geochemistry. Two significant zones of gold mineralization have been discovered, the Silverstream West and Southeast zones.

The Company had entered into a mining lease agreement for the Silver Stream 2 property with David R. Deering ("Deering") and Saxifrage Geological Services Ltd. ("Saxifrage"). In accordance with the terms of the agreement, Deering and Saxifrage have agreed to pay the Company an annual rental of $10,000 for a term of seven years, with the first payment due on December 12, 2015. On December 12, 2015, the parties agreed that the first annual rental payment of $10,000 would be postponed, added to the succeeding annual rentals, and paid in equal annual installments of $2,000 starting December 12, 2016. In addition, the Company granted Deering and Saxifrage an option to purchase the property for $500,000 payable at any time during the term of the agreement, subject to a 5% Net Smelter Returns Royalty on metals and a 5% Gross Overriding Royalty on any jade production. Any future royalty payments due to the Company from Deering and Saxifrage after the exercise of option shall be reduced by $500,000. On May 2, 2016, the parties further agreed that Deering and Saxifrage would perform exploration and development work of at least $12,000 in value in lieu of the $12,000 payment due on December 12, 2016.

In October 2017, the Company amended the existing mineral lease claim agreement for the Silver Stream I and II properties, by assigning and transferring to Marshall Creek Jade Inc. all rights, titles, interest and obligations from Saxifrage Geological Services Ltd.

During the year ended December 31, 2018, the Company received a notice from David Deering and Marshall Creek Jade Inc. to terminate the mineral claims lease agreement, as amended and assigned, for the Silver Stream Property.

The claims comprising the Silver Stream Claims remain in good standing until July 29, 2021.

Review of Operations

Three months ended March 31, 2020 compared with the three months ended March 31, 2019.

	2020		2019	Note
General and Administrative Expenses				
Administrative benefits and salaries	6,445	$	9,966	**1**
Automobile	134		329	
Consulting fees	5,000		7,500	**2**
Depreciation	2,405		954	
Foreign exchange gain	7		-	
Interest and bank charges	934		18	**3**
Listing and filing fees	1,750		1,300	
Office and miscellaneous	4,887		5,168	
Professional fees	2,303		1,397	**4**
Shareholder information	24		60	
Transfer agent fees	492		677	
Travel expenses	-		53	
Operating Loss	(24,381)		(27,422)	
Other Income				
Fair value adjustment for promissory notes payable	(6,849)		(4,887)	**5**
Net Loss For The Period	(31,230)		(32,309)	**6**
Other Comprehensive Loss				
Items that may be reclassified subsequently to income or loss:				
Unrealized loss on investments	(99,107)		(2,088)	
Total Comprehensive Loss	(130,337)		(34,397)	
Basic and Diluted Loss per Share	$ (0.00)	$	(0.00)	**6**
Weighted Average Number of Shares Outstanding	22,260,941		22,960,941	

1. During the three months ended March 31, 2020, administrative benefits and salaries were $6,445 compared to $9,966 for the quarter ended March 31, 2019. During the quarter, the Company realized savings due to decreased corporate activity.

2. During the three months ended March 31, 2020, consulting fees were $5,000 compared to $7,500 in the same period in 2019. The decrease is due to a reduction in monthly consulting fees to a member of management beginning March 2020 until further notice.

3. During the three months ended March 31, 2020, interest and bank charges were $934 compared to $18 for the quarter ended March 31, 2019. The increase is due entirely to recognizing future, non-cash interest costs associated with the Company's office lease, now recognized as a right-of-use asset.

4. Professional fees were $2,303 for this quarter, compared with $1,397 in the three months ended March 31, 2019. The increase is primarily due to legal fees associated with the review of potential future projects, with no such similar activity occurring in 2019.

5. The fair value adjustment for promissory notes payable fluctuates with the fair value calculations of each note payable. The Company currently has $234,845 in promissory notes payable to related parties as at March 31, 2020.

6. As a result of the transactions in the period, net loss of $31,230 for the three months ended March 31, 2020, has remained fairly constant compared to net loss of $32,309 for the three months ended March 31, 2019. The change in net loss had no impact on the loss per share.

Summary of Quarterly Results

Quarter ended	2020 Mar. 31 Q1	2019 Dec. 31 Q4	2019 Sep. 30 Q3	2019 Jun. 30 Q2	2019 Mar. 31 Q1	2018 Dec. 31 Q4	2018 Sep. 30 Q3	2018 Jun. 30 Q2
Total Revenue	-	-	-	-	-	-	-	-
Net income (loss)	(31,230)	(1,675)	(23,124)	(35,395)	(32,309)	(4,361)	(44,671)	562,974
Other comprehensive loss	(99,107)	(154,654)	95,399	67,811	(2,088)	(160,344)	(238,609)	(32,321)
Basic and diluted (loss) per Share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.03
Total Assets	532,132	762,777	665,644	619,483	626,457	789,165	1,038,231	458,675

The overall decrease in expenses during the fourth quarters of 2019 and 2018 were direct results of the Company recording fair value adjustments on the initial recognition of promissory notes payable at the end the quarters. The remaining quarters, outside of the second quarter of 2018, reflect the expected level of expenses on a quarterly basis for the Company.

The overall increase in income during the second quarter of 2018 is a direct result of the Company completing the settlement associated with disposing of the Surprise Lake and Hot Bath. The Company received 200,000 common shares of Garibaldi Resources (“GGI”), which were recorded at their fair value on the date of acquisition, resulting in a cost recovery of $624,000.

The overall movements in other comprehensive loss in each quarter is a direct result of movements in the share price of the Company’s investments, which are recorded through other comprehensive income or loss.

Historically, the Company has generally kept its operating expenditures consistent, and will continue to review ways to reduce costs into 2019. Management expects to continue to keep the operating costs of the Company to a minimum until such time as it resumes exploration activities.

Liquidity and Capital Resources

Historically, the Company has raised funds through equity financing to fund its operations. At March 31, 2020, the Company had a cash balance of $92,627, working capital of $59,806, and accumulated losses of $4,051,797 since incorporation. The Company’s ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in the future. However, there can be no assurance that the Company will be able to obtain additional financing, or achieve profitability or positive cash flow. If the Company is unable to generate positive cash flow or obtain adequate financing, the Company will need to further decrease its operations and exploration activities.

During the three months ended March 31, 2020, the Company did not undertake any financing activities other than lease payments on its right-of-use office lease asset.

The Company is reviewing other financing options to raise capital in 2020 to meet its current and future obligations and operating expenses. Mineral exploration and development is capital extensive, and in order to maintain its interest the Company will be required to raise new equity capital in the future. There is no assurance that the Company will be successful in raising additional new equity capital.

The Company is in the exploration stage. The investment in and expenditures on the mineral properties comprise substantially all of the Company's assets. The recoverability of amounts shown for its mineral property interest and related deferred costs and the Company's ability to continue as a going concern is dependent upon the continued support from its directors, the discovery of economically recoverable reserves, and the ability of the Company to obtain the financing necessary to complete development and achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Related Party Transactions

(a) Key management compensation

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel for the three months ended March 31, 2020 and 2019, are as follows:

	Three months ended March 31, 2020	2019
Consulting fees, wages and benefits	$ 7,744	$ 9,537
Share-based payments	-	-
	$ 7,744	$ 9,537

(b) Amounts due to related parties

In the normal course of operations the Company transacts with companies related to its directors or officers. All amounts payable are non-interest bearing, unsecured, and due on demand. As at March 31, 2020 and December 31, 2019 the following amounts were due to related parties:

	March 31, 2020	December 31, 2019
Oniva International Services Corp.	$ 14,228	-
Intermark Capital Corp.	5,250	
	$ 19,478	-

(c) Promissory notes issued to related parties

	Intermark Capital Corp.		Oniva	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Beginning balance	$ 29,458	$ 7,364	$ 198,538	$ 155,512
Borrowing	-	31,500	-	61,345
Repayment of the note	-	-	-	-
Loss on repayment of the note	-	-	-	-
Unwinding of the discount	884	924	5,955	19,518
Fair market value adjustment	-	(10,330)	-	(37,837)
Ending balance	$ 30,342	$ 29,458	$ 204,493	$ 198,538

As at March 31, 2020, $297,296 (December 31, 2019 - $283,068) was due to Oniva International Services Corp. ("Oniva"). The Company receives rent, office and administrative supplies, and services from Oniva, a private company related by common management.

At December 31, 2019, the Company and Oniva agreed to convert the current portion due to Oniva of $61,345, along with the existing $221,723, to a long-term promissory note payable of $283,068 that is non-interest bearing, unsecured, and due on demand after December 31, 2022.

The fair value of the promissory note at March 31, 2020 was $204,493 (December 31, 2019 - $198,538), reflecting a fair market interest rate. The Company's calculations were performed using an interest rate of 12%, compounding quarterly over the three year period. The initial fair value adjustment of $37,837 was recognized in the statement of operations and comprehensive income (loss). The Company further recorded expenses of $5,955 related to the quarterly unwinding of the discount during the three months ended March 31, 2020 (2019 - $4,665).

During the year ended December 31, 2019, the Company entered into a loan agreement with one of its directors. The Company and the director agreed to convert the current portion due to the director of $31,500 to a long-term promissory note payable. The note payable is non-interest bearing, unsecured and is due on demand after December 31, 2022.

The fair value of the promissory note at March 31, 2020 was $30,342 (December 31, 2019 - $29,458) The Company's calculations were performed using an interest rate of 12%, compounding quarterly over the period. The initial fair value adjustment of $10,330 was recognized in the statement of operations and comprehensive loss. The Company further recorded expenses of $884 related to the quarterly unwinding of the discount during the three months ended March 31, 2020 (2019 - $222).

(d) Related party transactions

During the three months ended March 31, 2020, $13,557 (2019 - $16,123) was charged for office, occupancy, miscellaneous costs and salaries, and administrative services paid on behalf of the Company by Oniva. Further, the Company paid $330 of administrative fees during the three months ended March 31, 2020 (2019 - $320) to Oniva and $Nil (2019 - $500) for reimbursement of mineral claim taxes, license fees, and staking.

The Company takes part in a cost-sharing arrangement to reimburse Oniva for a variable percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses. The arrangement may be terminated with one-month notice by either party.

Critical Judgments and Estimates

The preparation of these 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 amount of revenues and expenses for the periods reported. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period they become known.

Financial Instruments

The fair values of the Company's cash, loan from a related party, trade and other payables, and amounts due to related party approximate their carrying values because of the short-term nature of these instruments. The fair value of the Company's available for sale investments and promissory notes payable are detailed in the notes to the condensed consolidated interim financial statements.

The Company's financial instruments are exposed to certain financial risks comprising credit risk, liquidity risk and market risk.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company manages credit risk, in respect of cash, by maintaining the majority of cash at high credit rated Canadian financial institutions.

Concentration of credit risk exists with respect to the Company's cash, as the majority of the amounts are held with a single Canadian financial institution.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At March 31, 2020, the Company had cash in the amount of $92,627 (December 31, 2019 - $101,846) in order to meet short-term business requirements. At March 31, 2020, the Company had current liabilities of $40,093 (December 31, 2019 – $23,214). Accounts payable have contractual maturities of approximately 30 to 90 days, or are due on demand and are subject to normal trade terms.

The maturity profiles of the Company's contractual obligations and commitments as at March 31, 2020, are summarized as follows:

	Total	**Less Than 1 Year**	**1-5 years**	**More Than 5 Years**
Accounts payable and accrued liabilities	$ 16,181	$ 16,181	$ -	$ -
Due to related parties	19,478	19,478	-	-
Promissory notes payable to related parties	234,845	-	234,845	-
Total	$ 270,504	$ 35,659	$ 234,845	$ -

(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk, and other price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is currently held in highly liquid short-term investments and therefore management considers the interest rate risk to be minimal.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

At this time, the Company is not exposed to significant foreign currency risk, as the company currently has minimal transactions and balances in currencies other than the Canadian dollars.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is exposed to other price risk with respect to its investment in marketable securities, as they are carried at fair value based on quoted market prices.

(d) Classification of Financial instruments

IFRS 7 *'Financial Instruments: Disclosures'* establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as at March 31, 2020:

	Level 1	Level 2	Level 3
Cash	$ 92,627	$ -	$ -
Investments	90,012	-	-
	$ 182,639	$ -	$ -

Risks

Mineral exploration and development involve a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable.

Outstanding Share Data

The Company's authorized share capital consists of unlimited common shares without par value.

As at May 27, 2020, the following common shares, warrants and stock options were outstanding:

	Number of shares	Exercise price	Remaining life (years)
Share capital	22,260,461	-	-
Warrants	1,225,250	$0.10 - $0.60	0.22 – 0.30
Stock options	1,440,000	$0.39 - $0.44	1.75 – 2.07
Total	24,925,711		

The following are details of outstanding warrants as at March 31, 2020, and May 27, 2020:

Expiry Date	Exercise Price Per Share	Number of Underlying Shares (March 31, 2020)	Number of Underlying Shares (May 27, 2020)
August 15, 2020	$0.10	905,000	905,000
September 15, 2020	$0.60	320,250	320,250
Total:		**1,225,250**	**1,225,250**

The following are details of outstanding stock options as at March 31, 2020, and May 27, 2020:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (March 31, 2020)	Number of Shares Remaining Subject to Options (May 27, 2020)
February 23, 2022	$0.39	1,040,000	1,040,000
June 23, 2022	$0.44	400,000	400,000
Total:		**1,440,000**	**1,440,000**

Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for evaluating the effectiveness of the Company's disclosure controls and procedures and have concluded, based on our evaluation, that they are effective as at March 31, 2020 to ensure that information required to be disclosed in reports filed or submitted under Canadian securities legislation is recorded, processed, summarized, and reported within the time period specified in those rules and regulations.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

Cautionary Statement

This MD&A is based on a review of the Company's operations, financial position, and plans for the future based on facts and circumstances as of May 27, 2020. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.