

news release

February 23, 2017

Gray Rock Closes Acquisition of Surprise Lake Properties

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Feb. 23, 2017) - Gray Rock Resources Ltd. (**TSX VENTURE:GRK**) ("**Gray Rock**" or the "**Company**") is pleased to announce that further to its press release dated September 30, 2016, it has entered into and closed a definitive agreement (the "**Agreement**") with DeCoors Mining Corp. ("**DeCoors**") to acquire the Surprise Lake Property, located near Atlin, British Columbia, consisting of 33 mineral claims, and covering an area of 5,144 hectares, more or less. The Agreement also includes five other early-stage mineral exploration properties, comprising a further 49 mineral claims, all located in British Columbia, near the Surprise Lake Property. In consideration of the acquisitions, the Company has issued to DeCoors or its nominees 4.0 million common shares (the "**Gray Rock Shares**"), and has reimbursed DeCoors \$30,000 for its location and exploration costs on the Surprise Lake Property. In addition, DeCoors will retain a 1.5% net smelter returns royalty (the "NSR") on each of the purchased properties, until the Company has paid \$2.0 million under the NSR on any property placed into commercial production. Each NSR will be subject to the Company's exclusive option to purchase all of any part of the NSR at any time at the rate of \$666,667 for every one-third of a NSR (i.e., 0.5% NSR), or \$2.0 million in the aggregate for the total NSR.

One of the properties, the Palm Springs property, is also subject to a prior option agreement (the "Palm Springs Option Agreement") granted by DeCoors to Garibaldi Resources Corporation ("**Garibaldi**"), wherein Garibaldi has the right to acquire up to 95% of the Palm Springs property, subject to a 2% net smelter returns royalty reserved to DeCoors. DeCoors has assigned all its interests in the Palm Springs Option Agreement to the Company under the terms of the Agreement.

As part of the Agreement, John Buckle, P. Geo., P. Geoph., has been appointed to the board of directors of the Company as the nominee of DeCoors. In addition, DeCoors will have the right to nominate one (1) additional director to the board of the Company at the next annual general meeting of the Company.

Mr. John Buckle has a long history of geophysical and geological exploration work and was responsible for the discovery of several important mineral deposits. He has more than 40 years of experience as field geologist, geophysicist, exploration consultant and company executive; and has served as president of the Association of Professional Geoscientists of Ontario. Mr. Buckle will provide guidance and evaluation of exploration work on all Gray Rock's properties.

The Gray Rock Shares will be subject to a hold period restricting resale until June 22, 2017, and in addition, DeCoors and its nominees have voluntarily agreed to pooling restrictions for the automatic release from escrow of the Gray Rock Shares in four instalments as follows: (i) 20% of the original number of shares will be released from escrow after four (4) months from the transaction date, or on June 21, 2017; (ii) 10% of the original number of shares will be released from escrow after twelve (12) months from the transaction date, or on February 21, 2018; (iii) 35% of the original number of shares will be released from escrow after twenty-four (24) months from the transaction date, or on February 21, 2019; and (iv) the last 35% of the original number of shares will be released from escrow after thirty-six (36) months from the transaction date, or on February 21, 2020.

Gray Rock also wishes to announce that it has granted incentive stock options for the purchase of 1,465,000 shares at a price of \$0.39 per share exercisable on or before February 23, 2022 to directors, officers, consultants, and employees of the Company. The options are subject to the Company's stock option plan.

ON BEHALF OF THE BOARD

David Wolfin
President & CEO

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This release contains statements that are forward-looking statements and are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the Company's periodic filings with Canadian securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The Company does not assume the obligation to update any forward-looking statement.