Grenville GOLD CORPORATION TSX.V: GVG

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three and Nine Month Periods Ended September 30, 2017 and 2016

GRENVILLE GOLD CORP.

MANAGEMENT DISCUSSION & ANALYSIS

The following discussion and analysis should be read in conjunction with the condensed interim consolidated financial statements and notes of Grenville Gold Corp. for the three- and nine-month periods ended September 30, 2017 accompanying this report. This MD&A should also be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016 and accompanying MD&A dated May 1, 2017. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional information relating to the Company and other regulatory filings can be found on the SEDAR website at www.sedar.com.

This MD&A is dated November 29, 2017.

Forward-Looking Statements

Forward looking statements are statements that are not historical facts and are generally, but not always identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets” and similar expressions, or that events or conditions “will”, “may”, “could” or “should” occur. The information contained herein may contain forward-looking statements including expectations of future production, cash flows or earnings. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. Factors that could cause the actual results to differ materially from those in forward-looking statements, but are not limited to: risk associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price, price and exchange rate fluctuation and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures.

Although management believes that the expectations represented by such forward-looking statements are reasonable, there is significant risk that the forward-looking statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Forward-looking statements in this management discussion include, but not limited to:

1. Statements concerning Grenville Gold’s primary business activities;
2. Its intention to commence an exploration program on its Peruvian assets, and
3. Grenville Gold’s intention to seek and acquire additional mineral properties worthy of development.

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Management has made numerous assumptions regarding, among other things:

1. Grenville Gold's ability to commence an exploration program on the properties, and
2. Grenville Gold's ability to acquire further exploration funds.

Overall Performance

Description of Business

Grenville Gold Corp. (the "Company" or "Grenville") is a junior natural resource issuer dedicated to developing a sustainable and profitable business by progressively procuring and developing mineral properties in South America.

Grenville was incorporated under the laws of Ontario and on June 19, 2009, the Company completed a continuance of business from Ontario to British Columbia. The Company's principal business is the acquisition, exploration and development of mineral properties. Grenville carries on mineral exploration projects in Peru.

Until March 2, 2012, the Company had two main mineral properties, the Silveria property and the Espanola property, both located in Peru. Early assay results show evidence of silver, gold, copper, zinc and lead on the properties, and have encouraged the Company to continue exploration efforts. Market prices for some of these commodities have improved recently and are at or new near highs, in comparison to historical prices. On March 2, 2012, the Company purchased two additional properties when it acquired the Peruvian company, Upper Canyon Minerals Peru S.A.C. The properties are Josephina and Silver Mountain. They are located in the same area as the other assets are located.

The Company is a reporting venture issuer in Ontario, British Columbia and Alberta and is listed on the TSX Venture Exchange under the symbol "GVG", the Berlin and Frankfurt stock exchanges in Germany under the Symbol "F91Q", and pink sheets in the United States under the symbol "GVLGF".

The head office, registered address, principal address and records office of the Company are located at 4770 – 72nd Street, Surrey, British Columbia, Canada, V4K 3N3.

Going Concern

The consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at September 30, 2017, the Company had not advanced its properties to commercial production and is not able to finance day-to-day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placement of common shares. Should the Company be unable to continue as going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

Mineral Properties

	Balance December 31, 2015	Additions (Impairment)	Balance December 31, 2016	Additions (Impairment)	Balance September 30, 2017
Silveria					
Acquisition	$ 1,671,385	$ -	$ 1,671,385	$ -	$ 1,671,385
Exploration costs	2,045,564	19,319	2,064,883	-	2,064,883
Impairment	(2,761,564)	(974,704)	(3,736,268)	-	(3,736,268)
	955,385	(955,385)	-	-	-
Espanola					
Acquisition	457,502	-	457,502	94,298	551,800
Exploration costs	735,436	73,888	809,324	2,244	811,568
	1,192,938	73,888	1,266,826	96,542	1,363,368
Josefina					
Acquisition	86,663	-	86,663	-	86,663
Exploration costs	20,398	-	20,398	-	20,398
Impairment	(107,061)	-	(107,061)	-	(107,061)
	-	-	-	-	-
Silver Mountain					
Acquisition	39,631	-	39,631	21,817	61,448
Exploration costs	42,564	24,181	66,745	3	66,748
	82,195	24,181	106,376	21,820	128,196
Total	$ 2,230,518	$ (857,316)	$ 1,373,202	$ 118,362	$ 1,491,564

Silveria Property

The Company's interest in the Silveria property consists of claims in the San Mateo Mining District in the province of Huarochiri, Peru. As a result of uncertainty arising in connection with the status of the Company's right to explore the mineral claims underlying the Silveria property, management assessed the Silveria Property as impaired and recorded an impairment charge of $974,704 for the year ended December 31, 2016.

Espanola Property

The Company owns 100% of the Espanola property which consists of 17 claims in the San Mateo Mining District in the Province of Canete, Peru.

Results of Operations

Annual Results

Net loss, loss per common share and total assets for the year ended December 31, 2016, with the year ended December 31, 2015 and with the year ended December 31, 2014, were as follows:

	December 31, 2016	December 31, 2015	December 31, 2014
Revenue	$ -	$ -	$ -
Net loss	$ (1,103,695)	$ (439,457)	$ (259,010)
Net loss per share	$ (0.05)	$ (0.03)	$ (0.04)
Total non-current liabilities	$ -	$ -	$ -
Total Assets	$ 1,377,155	$ 2,238,425	$ 2,799,990

Summary of Quarterly Results

	Q3 - Sep 30, 2017	Q2 - Jun 30, 2017	Q1 - Mar 31, 2017	Q4 - Dec 31, 2016
Revenue	$ -	$ -	$ -	$ -
Gain (loss)	$ (68,734)	$ (4,744)	$ (10,162)	$ (1,006,255)
Gain (loss) per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.05)

	Q3 - Sep 30, 2016	Q2 - Jun 30, 2016	Q1 - Mar 31, 2016	Q4 - Dec 31, 2015
Revenue	$ -	$ 2,667	$ 2,500	$ -
Gain (loss)	$ (7,243)	$ (74,589)	$ (15,608)	$ (161,031)
Gain (loss) per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)

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Results for the Three Months ended September 30, 2017
The three-month period ended September 30, 2017 showed a loss of $68,734 (2016 - $7,243). The difference is mainly attributed to higher foreign exchange loss, office and general expenses as well as higher management in the quarter ended September 30, 2017; while in 2016, there was a foreign exchange gain of $16,350.

Significant expenses for the quarter ended September 30, 2017 were foreign exchange loss $48,158 (2016 – gain of $16,350), professional fees $8,236 (2016 - $9,413), office and general expenses $4,227 (2016 - $(4)), management fees $3,000 (2016 - $nil), rent $3,000 (2016 - $6,010), and filing and transfer fees $2,113 (2016 - $4,160). Higher expenses for the quarter ended September 30, 2016 were offset by foreign exchange gain of $16,350.

Results for the Nine Months ended September 30, 2017
The nine-month period ended September 30, 2017 showed a loss of $61,824 (2016 - $97,440). The loss is mainly attributed to higher foreign exchange loss, management fees, and professional fees in the nine-month period ended September 30, 2017 while a gain from forgiveness of debt of $30,000 offset the loss. In the same period in 2016, loss was mainly attributed to higher professional fees, rent and foreign exchange loss.

Significant expenses for the nine months ended September 30, 2017 were foreign exchange loss $26,143 (2016 - $20,866), professional fees $27,182 (2016 - $23,979), management fees $18,066 (2016- $nil), filing and transfer fees $8,346 (2016 - $14,011) and rent $6,000 (2016 - $22,414). Higher expenses for the nine months ended September 30, 2017 were offset by a gain from forgiveness of debt of $30,000.

Capital Resources and Liquidity
The Company's cash balance as at September 30, 2017 was $15,907 (December 31, 2016 - $1,663) and the working capital deficiency was $258,227 (December 31, 2016 – $137,541).

	September 30, 2017	December 31, 2016
Current Assets	16,426	3,953
Current Liabilities	274,653	141,494
	(258,227)	(137,541)

During the year ended December 31, 2014, the Company arranged for short-term bridge financing with an unrelated, non-financial lender in the principal amount of $119,675 bearing interest at a rate of 4% per annum until December 24, 2014 and prime + 10% subsequently. The loan was repayable in full on December 24, 2014. In July 2016, the Company repaid the loan in full with $18,152 in accrued interests.

During June 2017, the Company entered into a loan agreement with a company formerly related to the Company to borrow $150,000 at an interest rate of 10% per annum. This loan is payable on demand. As of September 30, 2017, the accrued interest payable was $3,863.

Financing Activities

On June 24, 2016, the Company closed a non-brokered private placement of 6,000,000 units at a price of $0.06 per unit for gross proceeds of $360,000. Each unit consists of one common share and one share-purchase warrant exercisable at $0.085 to purchase one additional common share for a 5-year period.

On March 31, 2017, the Company issued 700,000 common shares pursuant to the exercise of warrants at $0.085 for gross proceeds of $59,500.

Disclosure of Outstanding Share Data

As at November 29, 2017, there were 23,720,984 common shares and 5,300,000 warrants outstanding.

Related Party Transactions

The Company considers key management to be directors or senior officers of the Company. During the three-month and nine-month periods ended September 30, 2017 and 2016, the Company did not incur any transaction with key management or companies controlled by key management of the Company.

As at September 30, 2017, the Company has recorded an advance payable of $6,426 (December 31, 2016 - $6,426) to companies controlled by common management and an accounts payable of $8,991 (December 31, 2016 - $15,225) to a company formerly related by common management.

During the year ended December 31, 2016, the Company issued 700,000 units to a company controlled by common management for gross proceeds of $42,000. Each unit consists of one common share and one common share purchase warrant, which entitles the holder to purchase one additional common share of the Company at a price of $0.085 per share for a period of three years.

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Critical Accounting Estimates

A complete listing of the Company's critical accounting estimates is available in the consolidated financial statements and notes for the year ended December 31, 2016.

Accounting Standards Issued But Not Yet Applied

A complete listing of the Company's accounting standards issued but not yet applied is available in the consolidated financial statements and notes for the year ended December 31, 2016.

Significant Accounting Policies

A full listing of the Company's significant accounting policies is available in the consolidated financial statements and notes for the year ended December 31, 2016.

Controls and Procedures

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings of other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost effective basis.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors reviews 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 that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Peru. As most of the Company's cash is held by two banks, there is a concentration of credit risk. However, this risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient holdings of cash and cash equivalents to meet its short-term exploration and evaluation requirements and anticipated operating cash flows.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's Peruvian subsidiaries are exposed to currency risk as they incur expenditures that are denominated in US dollars and the Peruvian Soles, and their functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. A 10% fluctuation in the US dollar and Peruvian Sole would not have a material impact on the results of the Company.

Interest Rate Risk

Interest rate risk refers to the risk that fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company does not have material financial assets or liabilities that are exposed to fluctuation of interest rate. As a result, the exposure to interest rate risk is not significant.

Segmented Information

The Company has just one operating segment, the exploration and evaluation of mineral properties. All of the Company's equipment and exploration and evaluation assets are located in Peru.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest in are in the exploration stage; as such, the Company is dependent on external financing to fund activities. To carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the quarter.

There was no change in the Company's approach to capital management during the quarter. The Company is not subject to any externally imposed capital requirements.

Classification of Financial Instruments

Financial assets and liabilities in the statement of financial position are as follows:

		September 30, 2017		December 31, 2016
Loans and Receivables				
Cash	$	15,907	$	1,663
Other Financial Liabilities				
Trade payables and accrued liabilities	$	114,364	$	135,068
Short-term loan	$	153,863	$	-
Due from related parties	$	6,426	$	6,426

Fair Value

The fair value of the Company's assets and liabilities approximate the carrying amount.

Quantitative and Qualitative Risks

Hedging Risk

The Company is not engaged in any commodity price hedging and has no sales contracts, commodity or derivative instruments in place.

Business Risk

The Company's financial results may be significantly influenced by its business environment. Business risks include, but not limited to:

- cost to find, develop, produce and deliver commodities;
- satisfactory title to property it has agreed to develop;
- government regulations; and
- cost of capital.

Uncertainty of Exploration and Development Programs

Mineral exploration involves a high degree of risk and there is no assurance that expenditures made on exploration by the Company will result in discoveries or production of minerals in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling unknown formations and the costs associated with encountering various drilling conditions. The long-term success of the Company's mineral programs depends on its ability to find, acquire, develop and commercially produce mineral properties.

There is no assurance that the Company will be able to locate satisfactory properties for acquisition or participation. Even if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions, or participations uneconomic. Future mineral exploration may involve unprofitable efforts, not only from unsuccessful exploration drilling, but also from deposits that do not produce sufficient net revenues to return a profit after mining, operating and other costs.

In addition, mining hazards or environmental damage could greatly increase the costs of operations, and various field operating conditions, such as delays in obtaining any necessary governmental consent or approvals, extreme weather conditions or insufficient transportation capacity, may adversely affect the production from successful mines. Mineral exploration and development activities are also dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

Future Acquisition

The Company undertakes evaluations of potential opportunities to acquire additional mining assets from time to time. Any resultant acquisitions or joint ventures may be significant in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its growth strategies depends on its ability to identify suitable acquisitions, acquire them on acceptable terms and integrate them successfully into those already in existence.

Any future acquisitions would be accompanied by risks, such as changes in commodity prices, reserves proving to be below expectations; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of the Company through the successful integrations of acquired assets; the maintenance of uniform standards, controls, procedures and policies; the potential unknown liabilities associated with acquired assets and businesses. In addition, the Company may need additional capital to finance new acquisitions of assets. Equity financing may expose the Company and its existing shareholders to dilution. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisition of assets.

Regulatory Risk

The operations of all mineral explorers and producers are subject to extensive controls and regulations imposed by various levels of government. The Company monitors and adheres to all regulations which could affect its operations and has established standards of operating practice which are designed to minimize risk to our employees, the community and the environment. Changes to regulations could have an adverse effect on the Company's result of operations and financial condition.

Safety and Environmental Risk

The mineral exploration business is subject to extensive regulation pursuant to various state, national and international conventions and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on mine size, mill size and overburden and tailing management.

The Company is committed to meeting its environmental and safety policy that is designed, at minimum to comply with current governmental regulations set for the mineral exploration industry. Changes to government regulations are monitored to ensure compliance. Environmental reviews are completed as part of the due diligence process when evaluating acquisitions and developments.

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Officers & Directors

Directors and officers have a duty to exercise due diligence in overseeing the activities of the Company. They are required to act in "good faith" and in the best interest of the Company.

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