GOLD ROYALTY CORP.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023, THE THREE MONTHS ENDED DECEMBER 31, 2022,
AND THE YEARS ENDED SEPTEMBER 30, 2022, AND 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Gold Royalty Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Gold Royalty Corp. and its subsidiaries (together, the Company) as of December 31, 2023, December 31, 2022, September 30, 2022 and September 2021, and the related consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2023, the three months ended December 31, 2022 and the years ended September 30, 2022 and September 30, 2021, including the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, December 31, 2022, September 30, 2022 and September 30, 2021, and its financial performance and its cash flows for the year ended December 31, 2023, the three months ended December 31, 2022 and the years ended September 30, 2022 and September 30, 2021 in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS).

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada
March 27, 2024

We have served as the Company’s auditor since 2020.

Gold Royalty Corp.
Consolidated Statements of Financial Position
(Expressed in thousands of United States dollars unless otherwise stated)

	Notes	As at December 31, 2023 ($)	As at December 31, 2022 ($)	As at September 30, 2022 ($)	As at September 30, 2021 ($)
Assets					
Current assets					
Cash and cash equivalents		1,443	5,847	7,048	9,905
Short-term investments	4	342	3,840	7,199	1,118
Accounts receivable		931	648	1,033	412
Prepaids and other receivables		2,830	1,201	1,677	1,866
		5,546	11,536	16,957	13,301
Non-current assets					
Royalty and other mineral interests	5	671,722	667,504	668,288	264,545
Long-term investment	6	1,587	1,587	1,587	1,587
Investment in associate	7	1,681	1,459	1,429	—
Gold-linked loan	8	10,139	—	—	—
Other long-term assets		319	324	353	66
		685,448	670,874	671,657	266,198
		690,994	682,410	688,614	279,499
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities		3,851	3,691	6,683	6,921
Government loan		—	44	—	—
Derivative liabilities	9	—	242	528	—
		3,851	3,977	7,211	6,921
Non-current liabilities					
Non-current portion of lease obligation		264	246	256	11
Government loan		—	—	43	—
Derivative liabilities	9	—	—	—	4,549
Bank loan	10	10,031	9,448	9,362	—
Convertible debentures	11	22,763	—	—	—
Embedded derivatives	12	1,921	—	—	—
Deferred income tax liability	13	131,214	135,088	135,523	42,700
		166,193	144,782	145,184	47,260
		170,044	148,759	152,395	54,181
Equity					
Issued Capital	14	556,177	551,074	551,074	228,620
Reserves	14	34,226	22,420	21,374	11,404
Accumulated deficit		(69,816)	(40,168)	(36,525)	(15,147)
Accumulated other comprehensive income		363	325	296	441
		520,950	533,651	536,219	225,318
		690,994	682,410	688,614	279,499

Subsequent events (Note 21)

Approved by the Board of Directors:

/s/ Ken Robertson	*/s/ Warren Gilman*
Ken Robertson	**Warren Gilman**
Director	Director

The accompanying notes are an integral part of these consolidated financial statements

Gold Royalty Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in thousands of United States dollars unless otherwise stated)

	Notes	For the year ended December 31, 2023 ($)	For the three months ended December 31, 2022 (transition period) ($)	For the year ended September 30, 2022 ($)	For the year ended September 30, 2021 ($)
Revenue					
Revenue	15	3,048	582	3,944	192
Cost of sales					
Depletion	5	(943)	(216)	(1,756)	(164)
Gross profit		2,105	366	2,188	28
Other operating income/(expenses)					
General and administrative costs	16	(10,401)	(3,932)	(14,032)	(9,374)
Project evaluation costs	16	(479)	(115)	(5,593)	(3,235)
Share of gain/(loss) in associate	7	172	1	(296)	—
Dilution gain in associate	7	12	—	100	—
Impairments of royalties	5	(22,379)	—	(3,821)	—
Operating loss for the period/year		(30,970)	(3,680)	(21,454)	(12,581)
Other items					
Change in fair value of derivative liabilities	9	242	278	4,588	(1,511)
Change in fair value of gold-linked loan	8	172	—	—	—
Change in fair value of short-term investments	4	(264)	1,060	(569)	(168)
Change in fair value of embedded derivatives	12	30	—	—	—
Foreign exchange gain/(loss)		(132)	1	54	(813)
Interest expense	17	(1,839)	(285)	(633)	—
Gain/(loss) on loan modification	10	(249)	—	316	—
Other income/(expense)		121	(13)	337	67
Net loss before income taxes for the period/year		(32,889)	(2,639)	(17,361)	(15,006)
Current tax expense	13	(50)	—	(114)	—
Deferred tax recovery	13	6,183	435	129	—
Net loss after income taxes for the period/year		(26,756)	(2,204)	(17,346)	(15,006)
Other comprehensive income					
Item that may be reclassified subsequently to net income:					
Foreign currency translation differences		38	29	(145)	441
Total comprehensive loss for the period/year		(26,718)	(2,175)	(17,491)	(14,565)
Net loss per share, basic and diluted		(0.18)	(0.02)	(0.14)	(0.45)
Weighted average number of common shares outstanding, basic and diluted		144,729,662	143,913,069	128,232,364	33,555,265

The accompanying notes are an integral part of these consolidated financial statements

Gold Royalty Corp.
Consolidated Statements of Changes in Equity
(Expressed in thousands of United States dollars unless otherwise stated)

	Notes	Number of Common Shares	Issued Capital ($)	Reserves ($)	Accumulated Deficit ($)	Accumulated Other Comprehensive Income ($)	Total ($)
Balance at September 30, 2020		1	—	—	(141)	—	(141)
Cancellation of common share issued upon incorporation		(1)	—	—	—	—	—
Common shares issued to former parent company for cash	14	5,000,000	50	—	—	—	50
Performance based restricted shares issued	14	1,500,000	—	—	—	—	—
Common shares issued to acquire royalties	5	15,000,000	13,076	—	—	—	13,076
Private placement of common shares for cash		1,325,000	2,849	—	—	—	2,849
Share-based compensation - performance based restricted shares	14	—	409	—	—	—	409
Share-based compensation - share options	14	—	—	2,199	—	—	2,199
Initial public offering:							
Common shares and common share purchase warrants issued for cash		18,000,000	82,969	7,031	—	—	90,000
Common shares issued on exercise of over-allotment option		721,347	3,603	—	—	—	3,603
Common share purchase warrants issued on exercise of over-allotment option		—	—	14	—	—	14
Underwriters' fees and issuance costs		—	(5,154)	(416)	—	—	(5,570)
Common shares issued for marketing services	14	75,000	345	—	—	—	345
Common shares issued to acquire Ely Gold Royalties Inc.	3	30,902,176	130,407	—	—	—	130,407
Common share purchase warrants of Ely Gold Royalties Inc.	3	—	—	2,603	—	—	2,603
Common shares issued upon exercise of common share purchase warrants	14	15,086	66	(27)			39
Net loss for the year		—	—	—	(15,006)	—	(15,006)
Total other comprehensive income		—	—	—	—	441	441
Balance at September 30, 2021		72,538,609	228,620	11,404	(15,147)	441	225,318
Common shares issued to acquire Abitibi Royalties Inc.	14	31,625,931	153,702	—	—	—	153,702
Common shares issued to acquire Golden Valley Mines and Royalties Ltd.	14	29,478,269	143,264	—	—	—	143,264
Share options issued on exchange of options of Golden Valley Mines and Royalties Ltd.	3	—	—	8,991	—	—	8,991
Common shares issued to acquire royalties	5	9,651,130	22,544	—	—	—	22,544
Common shares issued for marketing services	14	216,192	899	—	—	—	899
Common shares issued upon exercise of common share purchase warrants	14	402,938	1,769	(913)	—	—	856
Share-based compensation - performance based restricted shares	14	—	276	—	—	—	276
Share-based compensation - share options	14	—	—	1,551	—	—	1,551
Share-based compensation - restricted share units	14	—	—	341	—	—	341
Net loss for the year		—	—	—	(17,346)	—	(17,346)
Dividends	14	—	—	—	(4,032)	—	(4,032)
Total other comprehensive loss	7	—	—	—	—	(145)	(145)
Balance at September 30, 2022		143,913,069	551,074	21,374	(36,525)	296	536,219
Share-based compensation - share options	14	—	—	845	—	—	845
Share-based compensation - restricted share units	14	—	—	201	—	—	201
Net loss for the period		—	—	—	(2,204)	—	(2,204)
Dividends	14	—	—	—	(1,439)	—	(1,439)
Total other comprehensive income	7	—	—	—	—	29	29
Balance at December 31, 2022		143,913,069	551,074	22,420	(40,168)	325	533,651
Vesting of restricted share units	14	257,489	826	(826)	—	—	—
Exercise of share options	14	332,298	1,991	(1,823)	—	—	168
Common shares issued to acquire royalties	5	496,785	748	—	—	—	748
Common shares issued for marketing services	14	10,000	22	—	—	—	22
Share-based compensation - share options	14	—	—	1,405	—	—	1,405
Share-based compensation - restricted share units	14	—	—	1,318	—	—	1,318
At-the-Market offering:							
Common shares issued to for cash	14	496,438	1,254	—	—	—	1,254
Agent fees	14	—	(31)	—	—	—	(31)
Convertible debentures:							
Equity component of convertible debentures issued for cash, net of taxes	11	—	—	12,270	—	—	12,270
Transaction fees and issuance costs	11	—	—	(538)	—	—	(538)
Net loss for the year		—	—	—	(26,756)	—	(26,756)
Dividends	14	—	—	—	(2,599)	—	(2,599)
Dividends - DRIP	14	162,967	293	—	(293)	—	—
Total other comprehensive income	7	—	—	—	—	38	38
Balance at December 31, 2023		145,669,046	556,177	34,226	(69,816)	363	520,950

The accompanying notes are an integral part of these consolidated financial statements

Gold Royalty Corp.
Consolidated Statements of Cash Flows
(Expressed in thousands of United States dollars unless otherwise stated)

	For the year ended December 31, 2023 ($)	For the three months ended December 31, 2022 (transition period) ($)	For the year ended September 30, 2022 ($)	For the year ended September 30, 2021 ($)
Operating activities				
Net loss for the period/year	(26,756)	(2,204)	(17,346)	(15,006)
Items not involving cash:				
Depreciation	70	29	72	5
Depletion	943	216	1,756	164
Interest expense	1,839	285	633	—
Other (income)/expense	(70)	13	(545)	(64)
Share-based compensation	2,806	1,078	3,146	2,995
Change in fair value of short-term investments	264	(1,060)	569	168
Change in fair value of derivative liabilities	(242)	(278)	(4,588)	1,511
Change in fair value of embedded derivatives	(30)	—	—	—
(Gain)/loss on loan modification	249	—	(316)	—
Change in fair value of gold-linked loan	(172)	—	—	—
Impairments of royalties	22,379	—	3,821	—
Share of (gain)/loss in associate	(172)	(1)	296	—
Dilution gain in associate	(12)	—	(100)	—
Deferred tax recovery	(6,183)	(435)	(129)	—
Unrealized foreign exchange (gain)/loss	38	42	(415)	(28)
Operating cash flows before movements in working capital	(5,049)	(2,315)	(13,146)	(10,255)
Net changes in non-cash working capital items:				
Accounts receivables	(215)	389	(655)	(150)
Prepaids and other receivables	(1,681)	439	2,889	(1,485)
Accounts payable and accrued liabilities	69	(3,043)	(8,350)	23
Due to former parent company	—	—	—	(83)
Cash used in operating activities	(6,876)	(4,530)	(19,262)	(11,950)
Investing activities				
Restricted cash released	—	—	1,815	—
Interest received	36	—	—	64
Dividend received	34	28	—	—
Investment in royalties and other mineral interests	(28,701)	(12)	(19,682)	(9,390)
Acquisition of Ely Gold Royalties Inc. net of cash acquired	—	—	—	(58,247)
Investment in marketable securities	—	(44)	(799)	—
Long-term investments acquired	—	—	—	(1,587)
Proceeds on disposition of marketable securities	3,308	4,531	17,659	—
Cash acquired through acquisition of Abitibi Royalties Inc. and Golden Valley Mines and Royalties Ltd.	—	—	10,393	—
Investment in associate	—	—	(409)	—
Land agreements proceeds credited against mineral properties	1,835	481	1,630	—
Investment in gold-linked loan	(10,000)	—	—	—
Purchase of equipment	—	—	(28)	(2)
Proceeds on disposition of other mineral interests	—	16	—	—
Payment of lease obligations	—	—	—	(3)
Cash provided by / (used in) investing activities	(33,488)	5,000	10,579	(69,165)
Financing activities				
Proceeds from issuance of common shares	1,391	—	856	2,938
Proceeds from initial public offering, net of underwriters' fees and issuance costs	—	—	—	88,046
Net proceeds from bank loan/(payment of bank loan transaction costs)	(131)	—	9,403	—
Payment of government loan	(30)	—	—	—
Proceeds from convertible debentures, net of issuance costs	38,520	—	—	—
Interest paid	(1,115)	(197)	(342)	—
Payment of lease obligations	(76)	(25)	(60)	—
Dividends	(2,599)	(1,439)	(4,032)	—
Repurchase of call options	—	(8)	—	—
Repayment of cash advance from parent company	—	—	—	(38)
Cash provided by / (used in) financing activities	35,960	(1,669)	5,825	90,946
Effect of exchange rate changes on cash	—	(2)	1	36
Net increase (decrease) in cash	(4,404)	(1,201)	(2,857)	9,867
Cash and cash equivalents				
Beginning of period/year	5,847	7,048	9,905	38
End of period/year	1,443	5,847	7,048	9,905

The accompanying notes are an integral part of these consolidated financial statements

(Expressed in thousands of United States dollars unless otherwise stated)

1. Corporate information

Gold Royalty Corp. ("**GRC**" or the "**Company**") is a company incorporated in Canada on June 23, 2020 and domiciled in Canada. GRC is principally engaged in acquiring gold-focused royalty and mineral stream interests. The registered office of the Company is located at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, Canada. The principal address of the Company is located at 1830 – 1188 West Georgia Street Vancouver, BC, V6E 4A2, Canada.

The Company was a subsidiary of GoldMining Inc. ("**GoldMining**") until the Company completed its initial public offering (the "**IPO**") on March 11, 2021. The Company's common shares (the "GRC Shares") are listed on the NYSE American under the symbol "GROY".

On August 23, 2021, the Company acquired all the issued and outstanding common shares of Ely Gold Royalties Inc. ("**Ely**") which has been consolidated from the date of acquisition.

On November 4, 2021, the Company acquired all the issued and outstanding shares of Golden Valley Mines and Royalties Ltd. ("**Golden Valley**") and Abitibi Royalties Inc ("**Abitibi**") which have both been consolidated from the date of acquisition.

The Company elected to change its fiscal year-end from September 30 to December 31, beginning with the three months ended December 31, 2022.

2. Basis of preparation and Material accounting policies

2.1 Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS**"). These consolidated financial statements were authorized for issue by the Company's board of directors on March 27, 2024.

2.2 Basis of presentation

The Company's consolidated financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. The Company's consolidated financial statements are presented in United States dollars ("**U.S. dollar**", "**$**" or "**dollar**"). All values are rounded to the nearest thousand except where otherwise indicated.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of Gold Royalty Corp. and its wholly-owned subsidiaries:

Name of subsidiary	Country of Incorporation	Functional Currency	% Equity Interest as at December 31, 2023	% Equity Interest as at December 31, 2022
Gold Royalty U.S. Corp	USA	U.S. dollar	100%	100%
Ely Gold Royalties Inc.	Canada	U.S. dollar	100%	100%
1320505 B.C. Ltd	Canada	U.S. dollar	100%	100%
Nevada Select Royalty, Inc.	USA	U.S. dollar	100%	100%
Ren Royalties LLC	USA	U.S. dollar	100%	100%
VEK Associates	USA	U.S. dollar	100%	100%
DHI Minerals (U.S.) Ltd	USA	U.S. dollar	100%	100%
Golden Valley Abitibi Royalties Ltd	Canada	U.S. dollar	100%	100%
Calone Mining Ltd.	Canada	U.S. dollar	100%	100%
Abitibi Royalties USA Inc.	USA	U.S. dollar	100%	100%
1398464 B.C. Ltd	Canada	U.S. dollar	100%	Incorporated in 2023
Gold Royalty Holdings Ltd.	Canada	U.S. dollar	100%	Incorporated in 2023
Groyco Mex. S.A. de C.V.	Mexico	U.S. dollar	100%	Acquired in 2023

All subsidiaries are consolidated from the date the Company obtained control, and continue to be consolidated until the date that its control ceases. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All inter-company transactions, balances, income and expenses are eliminated through the consolidation process.

The accounts of all subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. The functional currency of the Company is the U.S. dollar.

2. Basis of preparation and Material accounting policies (continued)

2.4 Material accounting policies

Royalties

Royalties consist of acquired royalty interests in producing, development and exploration and evaluation stage properties. Royalties are recorded at cost and capitalized as tangible assets on a property-by-property basis. They are subsequently measured at cost less accumulated depletion and depreciation and accumulated impairment losses, if any. The Company assesses the carrying costs for impairment when indicators of impairment exist. Project due diligence costs that are not related to a specific agreement are expensed in the period incurred.

Producing royalty interests are recorded at cost in accordance with IAS 16, *Property, Plant and Equipment* and depleted using the units-of production method over the life of the property to which the royalty relates, which is estimated using available information of proven and probable mineral reserves specifically associated with the properties and may include a portion of resources expected to be classified as mineral reserves at the mine corresponding to the specific interest.

On acquisition of a royalty, an allocation of its cost or fair value may be attributed to the exploration potential of the interest. The value of the exploration potential is accounted for in accordance with IFRS 6, *Exploration and Evaluation of Mineral Resources* and is not depleted until such time as the technical feasibility and commercial viability have been established at which point the value of the asset is accounted for in accordance with IAS 16, *Property, Plant and Equipment*.

Exploration and Evaluation Assets

All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are expensed in the period incurred. Exploration and evaluation costs arising following the acquisition of an exploration license are capitalized on a project-by-project basis. Costs incurred include appropriate technical and administrative overheads. Exploration assets are carried at historical cost less any impairment losses recognized. Exploration and evaluation activity includes geological and geophysical studies, exploratory drilling and sampling and resource development.

Upon demonstration of the technical feasibility and commercial viability of a project and a development decision, any past exploration and evaluation costs related to that project are subject to an impairment test and are reclassified in accordance with IAS 16, *Property Plant and Equipment*.

Management assesses exploration assets for impairment at each reporting period or when facts and circumstances suggest that the carrying value of capitalized exploration costs may not be recoverable.

For option payments received pursuant to mineral property option agreements where the Company acts as the optionor in the agreement, option proceeds are recognized as a credit to the amounts previously capitalized as exploration and evaluation asset. Any amounts received in excess of amounts capitalized are recorded as a credit in the consolidated statements of comprehensive loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its royalty and other mineral interests to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash - generating unit to which the assets belong.

Impairment reviews for exploration stage royalties and exploration and evaluation assets are carried out on a property-by-property basis, with each property representing a single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically, when one of the following circumstances apply:

- The right to explore the area has expired or will expire in the near future with no expectation of renewal;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the area is neither planned nor budgeted;
- No commercially viable deposits have been discovered, and the decision had been made to discontinue exploration in the area; and
- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre - tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash - generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash - generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statements of comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash - generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount, net of depreciation, that would have been determined had no impairment loss been recognized for the asset (or cash - generating unit) in prior years.

2. Basis of preparation and Material accounting policies (continued)

2.4 Material accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise of cash on deposit with banks and highly liquid short-term interest-bearing investments with a term to maturity at the date of purchase of 90 days or less which are subject to an insignificant risk of change in value.

Investments in associates

Investments over which the Company exercises significant influence but which it does not control or jointly control are associates. Investments in associates are accounted for using the equity method, except when classified as held for sale. The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Company's proportionate share of the profit (loss), other comprehensive income (loss) and any other changes in the associate's net assets, such as further investment. The equity method requires shares of losses to be recognized only until the carrying amount of an interest in an associate is nil. Any further losses are not recognized unless the entity has a legal or constructive obligation in respect of the liabilities associated with those losses.

At each statement of financial position date, the Company considers whether there is objective evidence of impairment of its investment in associate. If there is such evidence, the Company determines the amount of impairment to record, if any, in relation to the associate.

Foreign currencies

Foreign currency transactions are translated into the functional currency of each entity using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities are translated using period end exchange rates. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of loss and comprehensive loss.

Revenue recognition

Revenue is comprised of revenue earned in the period from royalty interests.

For royalty interests, revenue recognition occurs when control of the relevant commodity is transferred to the end customer by the operator of the royalty property. Revenue is measured at the fair value of the consideration received or receivable when management can reliably estimate the amount, pursuant to the terms of the royalty agreement. In some instances, the Company will not have access to sufficient information to make a reasonable estimate of consideration to which it expects to be entitled and, accordingly, revenue recognition is deferred until management can make a reasonable estimate. Differences between estimates and actual amounts are adjusted and recorded in the period that the actual amounts are known.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Net loss per share

Basic net loss per share includes no potential dilution and is computed by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding for the period. The basic and diluted net loss per share are the same as there are no instruments that have a dilutive effect on earnings.

Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company's operating segments are components of the Company's business for which discrete financial information is available and which are reviewed regularly by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance.

Business combinations

Transactions whereby the assets acquired and liabilities assumed constitute a business are business combinations. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income or generating other income from ordinary activities.

Business combinations in which the Company is identified as the acquirer are accounted for using the acquisition method of accounting, whereby identifiable assets acquired, and liabilities assumed, including contingent liabilities, are recognized at their fair values at the acquisition date. The acquisition date is the date at which the Company obtains control over the acquiree, which is generally the date that consideration is transferred, and the Company acquires the assets and assumes the liabilities of the acquiree.

2. Basis of preparation and Material accounting policies (continued)

2.4 Material accounting policies (continued)

Business combinations (continued)

It generally requires time to obtain the information necessary to identify and measure the assets acquired and liabilities assumed as of the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs,

the Company reports in its consolidated financial statements provisional amounts for the items for which the fair value measurement is incomplete. During the year from the acquisition date to the time the Company receives the relevant information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable (the "**measurement period**"), the Company will retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new relevant information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date, including recognizing additional assets or liabilities. The measurement period does not exceed one year from the acquisition date.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, the liabilities, including contingent consideration, incurred and payable by the Company to former owners of the acquiree and the equity interests issued by the Company. Acquisition-related costs, other than costs to issue debt or equity securities of the Company, are expensed as incurred.

At the acquisition date, non-controlling interests are recorded at their proportionate share of the fair value of identifiable net assets acquired. When the cost of the acquisition exceeds the fair value of the identifiable net assets acquired, the difference is recognized as goodwill.

The results of businesses acquired during the year are included in the consolidated financial statements from the date of acquisition.

Income taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period. Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

2. Basis of preparation and Material accounting policies (continued)

2.4 Material accounting policies (continued)

Financial Instruments

Financial instruments are recognized in the consolidated statements of financial position on the trade date, being the date in which the Company becomes a party to the contractual provisions of the financial instrument. The Company's financial instruments consist of cash and cash equivalents, short-term and long-term investments, gold-linked loan, accounts receivable, accounts payable and accrued liabilities, lease obligation, bank loan, convertible debentures, embedded derivatives and derivative liabilities.

The Company determines the classification of financial assets at initial recognition. Short-term investments, which are equity instruments held for trading, and gold-linked loan are classified as fair value through profit and loss ("**FVTPL**"). Long-term investments in common shares are held for long-term strategic purposes and not for trading. The Company has made an irrevocable election to designate all these investments as fair value through other comprehensive income ("**FVTOCI**") in order to provide a more meaningful presentation based on management's intention, rather than reflecting changes in fair value in net income. Such investments are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized as a component of other comprehensive income under the classification of gain (loss) on revaluation of investments. Cumulative gains and losses are not subsequently reclassified to profit or loss. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or where the Company has opted to measure them at FVTPL.

All financial instruments are initially recorded at fair value and designated as follows:

Financial Assets	Classification
Cash and cash equivalents	Financial assets at amortized cost
Short-term investments	FVTPL
Gold-linked loan	FVTPL
Accounts receivable	Financial assets at amortized cost
Long-term investments	FVTOCI

Financial Liabilities	Classification
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Lease obligation	Financial liabilities at amortized cost
Derivative liabilities	FVTPL
Convertible debentures	Financial liabilities at amortized cost
Embedded derivatives	FVTPL
Government loan	Financial liabilities at amortized cost
Bank loan	Financial liabilities at amortized cost

The initial fair value of the liability portion of the convertible debentures was determined using a market interest rate for an equivalent non-convertible debt at the issue date. The liability excluding the embedded derivatives is subsequently recognized on an amortized cost basis until extinguished on conversion or maturity of the debentures. The embedded derivatives are measured at FVTPL. The remainder of the proceeds is allocated to the conversion option and recognized in equity, net of income tax, and not subsequently remeasured.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or otherwise expire. On derecognition, the difference between the carrying amount (measured at the date or derecognition) and the consideration received (including any new asset obtained less any new liability obtained) is recognized in profit or loss.

Share-based payments

Restricted Shares and Restricted Share Units

The fair values of restricted shares and time-based restricted share units ("RSUs") are measured at grant date and recognized over the period during which the restricted shares and RSUs vest. When restricted shares are conditional upon the achievement of a performance condition, the Company estimates the length of the expected vesting period at the grant date, based on the most likely outcome of the performance condition. The fair value of the restricted shares are determined based on the fair value of the common shares on the grant date, adjusted for minority shareholder discount, liquidity discount and other applicable factors that are generally recognized by market participants.

The fair values of restricted shares and RSUs are recognized as an expense over the vesting period based on the best available estimate of the number of restricted shares and RSUs expected to vest; that estimate will be revised if subsequent information indicates that the number of restricted shares and RSUs expected to vest differs from previous estimates.

2. Basis of preparation and Material accounting policies (continued)

2.4 Material accounting policies (continued)

Share Options

The Company uses the Black-Scholes option-pricing model to determine the grant date fair value of share options. The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes, provides services that could be provided by a direct employee, or has authority and responsibility for planning, directing and controlling the activities of the Company, including non-executive directors. The fair value of share options is measured at the grant date and recognized over the period during which the options vest. Consideration received on the exercise of share options is recorded as issued capital and the related share-based compensation reserve is transferred to issued capital.

Significant accounting policy judgments and sources of estimation uncertainty

The preparation of these consolidated financial statements requires management to make accounting policy judgments and make estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. On an ongoing basis, management evaluates its accounting policy judgments and estimates in relation to assets, liabilities, income and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

Management is required to make judgements in the application of the Company's accounting policies. The significant accounting policy judgements relevant to the current fiscal period are as follows:

- The assessment of impairment of royalty and other mineral interests requires the use of judgments, when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test. When assessing whether there are indicators of impairment, management uses its judgment in evaluating the indicators such as significant changes in future commodity prices, discount rates, foreign exchange rates, taxes, operator reserve and resource estimates or other relevant information received from the operators that indicates production from royalty interests may be deferred, will not likely not occur or may be significantly reduced in the future.
- The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve judgment to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment.

Information about significant sources of estimation uncertainty are described below.

- The Company estimates the attributable reserves and resources relating to the mineral properties underlying the royalties that are held by the Company. Reserves and resources are estimates of the amount of minerals that can be economically and legally extracted from the mining properties in which the Company has royalty interests, adjusted where applicable to reflect the Company's percentage entitlement to minerals produced from such mines. The public disclosures of reserves and resources that are released by the operators of the interests involve assessments of geological and geophysical studies and economic data and the reliance on a number of assumptions, including commodity prices and production costs. The estimates of reserves and resources may change based on additional knowledge gained subsequent to the initial assessment. Changes in the reserve or resource estimates may impact the depletion calculation and carrying value of the Company's royalty interests.
- When impairment indication of royalty and other mineral interests exists, the recoverable amount of the interest is estimated in order to determine the extent of the impairment (if any). The recoverable amount is the higher of the fair value less costs of disposal ("**FVLCD**") and value in use. The assessment of the FVLCD of royalty and other mineral interests requires the use of estimates and assumptions for long-term commodity prices, production start dates, discount rates, mineral reserve/resource conversion, purchase multiples and the associated production implications. In addition, the Company may use other approaches in determining FVLCD which may include estimates related to (i) dollar value per ounce of mineral reserve/resource; (ii) cash-flow multiples; and (iii) market capitalization of comparable assets. Changes in any of the estimates used in determining the recoverable amounts of the royalty and other mineral interests could impact the impairment (or reversal of impairment) analysis.
- The Company's gold-linked loan is carried at fair value at each period end. In order to calculate the fair value at year end, the Company uses a discounted cash flow model and is required to make estimates and assumptions on risk-free interest rate, calibrated credit spread, long-term gold price and volatility of gold. Changes to these assumptions may impact the fair value of the asset at period end.

3. Acquisitions of Ely, Golden Valley and Abitibi

Acquisition of Ely

On August 23, 2021, the Company completed the acquisition of all of the outstanding common shares Ely (the "**Ely Shares**") by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia). The Company issued 30,902,176 GRC Shares and paid $65 million (C$84 million) in cash. Each of the 15,946,732 warrants to purchase Ely Shares (an "**Ely Warrant**") that were outstanding immediately prior to the effective time represent the right to acquire, on valid exercise thereof (including payment of the applicable exercise price), 0.2450 of a GRC Share plus C$0.0001.

(Expressed in thousands of United States dollars unless otherwise stated)

3. Acquisitions of Ely, Golden Valley and Abitibi (continued)

Acquisition of Ely (continued)

The Ely Warrants are exercisable into 3,906,949 of GRC Shares with no change in the aggregate underlying exercise price denominated in Canadian dollar. The estimated total value for the Ely Warrants of $5,641 at the closing date is included in total consideration, of which $2,603 is classified as equity in accordance with IFRS 2 *Share-based Payment* and presented in reserve and $3,038 is classified as derivative liabilities in accordance with IAS 32 *Financial Instruments: Presentation* because they are denominated in Canadian dollars, which differs from the Company's functional currency. The change in fair value on the warrant derivative liabilities has been recorded as change in fair value of derivative liability in the consolidated statements of comprehensive loss.

The following table summarizes the fair value of the consideration paid and the fair values of the assets acquired, and liabilities assumed on the closing date:

	($)
Consideration paid	
Cash paid to Ely shareholders(1)	65,016
GRC Shares issued to Ely shareholders(1)	130,194
15,946,732 Ely Warrants deemed to be exchanged for GRC Shares	5,641
Total consideration	200,851
Allocation of consideration	
Cash and cash equivalents	6,769
Short-term investments	1,291
Accounts receivable	262
Prepaid and other receivables	193
Reclamation bond	22
Property, plant & equipment	48
Royalties and other mineral interests	238,864
Accounts payable and accrued liabilities	(3,847)
Lease obligation	(51)
Deferred income tax liability	(42,700)
Net assets acquired	200,851

(1) Consideration excludes a portion of cash ($330) and share ($213) consideration representing the excess of the value of consideration over the intrinsic value of Ely's share options outstanding prior to the closing date. Such excess is recorded as share-based compensation in the consolidated statements of comprehensive loss on the closing date.

The GRC shares issued to Ely shareholders were measured based on a share price of $4.22, the share price of GRC immediately prior to the closing of the transaction. The fair value of the Ely Warrants at the time of the acquisition was estimated based on the Black-Scholes option pricing model using the following weighted average assumptions: risk-free interest rate of 0.40%, expected life of the Ely Warrant of 1.91 years, expected volatility of 37%, expected dividend yield of 0% and estimated forfeiture rate of 0%. The weighted average fair value of the Ely Warrants deemed to be exchanged on the closing date was $0.35 per Ely Warrant.

The fair value of short-term investments acquired was estimated using their quoted market prices. The fair values of producing and development stage royalties were estimated using discounted cash flow models. Expected future cash flows used to estimate the fair value of these royalties are based on estimates of future gold prices, projected future production, estimated quantities of mineral reserves and resources, expected future production costs, and discount rates at the closing date. The fair values of exploration stage royalties were estimated using a market approach based on comparable market transactions. The fair value of receivables and payables are equal to their gross contractual amounts at the closing date.

Transaction costs of $2.9 million were expensed in the consolidated statements of comprehensive loss and included advisory and consulting fees of $1.9 million and legal and other professional fees of $1.0 million. On closing date, the Company recognized share-based compensation of $543, of which $330 was paid from the cash consideration and $213 was paid from the share consideration, representing the excess of consideration given to Ely share option holders over the intrinsic value of options to purchase Ely Shares outstanding immediately prior to the closing date. The intrinsic value of Ely's share options was determined based on Ely's share price on the last trading day prior to the closing date. The difference between the intrinsic value and the value of the cash consideration and GRC Shares that the Ely Shares were exchanged for, has been treated as share-based compensation expense.

Acquisition of Golden Valley and Abitibi

On November 5, 2021, the Company completed business combinations with Golden Valley and Abitibi by way of statutory plans of arrangement (the "Arrangements"). Pursuant to the Arrangements, the Company acquired all the issued and outstanding Golden Valley and Abitibi common shares, whereby:

- GRC issued 2.1417 GRC Shares to Golden Valley shareholders for each Golden Valley common share; and
- GRC issued 4.6119 GRC Shares to Abitibi shareholders for each Abitibi common share.

(Expressed in thousands of United States dollars unless otherwise stated)

3. Acquisitions of Ely, Golden Valley and Abitibi (continued)

Acquisition of Golden Valley and Abitibi (continued)

The total consideration paid by the Company to holders of Golden Valley and Abitibi shares on the closing date consisted of an aggregate of 61,104,200 GRC Shares. Additionally, pursuant to the Golden Valley Arrangement, each of its 1,166,389 options that were outstanding immediately prior to the effective time were exchanged for 2,498,045 options to purchase GRC Shares.

Based on the GRC share price, GRC Shares issued, and the fair value of GRC share options issued in exchange for Golden Valley options, the total consideration for the acquisition was $305,957. The Company also incurred consulting fees payable to financial advisors of approximately $3,000. On the closing date, the total amount of cash and marketable securities acquired by the Company was $34,922. The Company began consolidating the operating results, cash flows and net assets of Golden Valley and Abitibi beginning on November 5, 2021.

On completion of the transaction, the Company acquired royalties, included, among other things:

- Four royalties (1.5% net smelter return ("**NSR**"), 2% NSR, 3% NSR, 15% Net Profit Interest ("**NPI**")) on portions of the Canadian Malartic Property; and
- A royalty (2.5% to 4.0% NSR) on Cheechoo, proximate to Newmont Corporation's Éléonore Mine in Québec.

The following table summarizes the fair value of the consideration paid and the fair values of the assets acquired, and liabilities assumed on the closing date:

	($)
Consideration paid	
GRC Shares issued to Abitibi and Golden Valley Shareholders	296,966
1,166,389 Golden Valley share options deemed to be exchanged for GRC share options	8,991
Total consideration	305,957
Allocation of consideration	
Cash and cash equivalents	10,393
Restricted cash	1,815
Short-term investments	23,360
Prepaid and other receivables	2,756
Royalties and other mineral interests	366,102
Investment in associate	1,360
Accounts payable and accrued liabilities	(5,561)
Derivative liabilities	(691)
Government loan	(48)
Deferred income tax liability	(93,529)
Net assets acquired	305,957

The fair value of short-term investments and investment in associates was estimated based on quoted market prices. The fair value of derivative liabilities was estimated based on quoted market prices of the put and call option contracts (Note 9). The fair values of producing and development stage royalties were estimated using discounted cash flow models. Expected future cash flows used to estimate the fair value of these royalties are based on estimates of future gold prices, projected future production, estimated quantities of mineral reserves and resources, expected future production costs, and discount rates at the closing date. The fair values of exploration stage royalties were estimated using a market approach based on comparable market transactions. The fair value of receivables and payables are equal to their gross contractual amounts at the closing date. The fair value of the option has been estimated based on the Black-Scholes option pricing model using the following weighted average assumptions: risk-free interest rate of 0.40%, expected life of 4.1 years, expected volatility of 37%, expected dividend yield of 0% and estimated forfeiture rate of 0%.

(Expressed in thousands of United States dollars unless otherwise stated)

4. Short-term investments

	($)
Balance at September 30, 2020	—
Acquisition of marketable securities in merger with Ely	1,291
Fair value change due to price change	(168)
Fair value change due to foreign exchange	(5)
Balance at September 30, 2021	1,118
Acquisition of Golden Valley and Abitibi	23,360
Addition	949
Dispositions	(17,659)
Fair value change due to price change	(619)
Fair value change due to foreign exchange	50
Balance at September 30, 2022	7,199
Additions	112
Disposition	(4,531)
Fair value change due to price change	481
Fair value change due to foreign exchange	579
Balance at December 31, 2022	3,840
Additions	74
Disposition	(3,308)
Fair value change due to price change	(289)
Fair value change due to foreign exchange	25
Balance at December 31, 2023	342

During the year ended December 31, 2023 the Company received shares from various optionees totaling $74 as land agreement payments and disposed of a portion of the short-term investments acquired through the acquisition Abitibi.

During the three months ended December 31, 2022, the Company received shares from various optionees totaling $68 as land agreement payment and disposed of a portion of the short-term investments acquired through the acquisition Abitibi.

During the year ended September 30, 2022, the Company acquired 1,666,667 units of Monarch Mining Corporation ("**Monarch**") at a price of C$0.60 per unit for $799 (C$1 million). Each unit consists of one common share of Monarch and one transferable common share purchase warrant, with each warrant entitling the holder to acquire an additional common share for C$0.95 for a period of 60 months following the date of issuance thereof.

5. Royalty and other mineral interests

	($)
Balance at September 30, 2020	—
Additions	25,496
Acquisition of Ely (Note 3)	238,864
Depletion	(164)
Foreign currency translation	379
Land agreement proceeds	(30)
Balance at September 30, 2021	264,545
Additions	45,008
Disposal	(10)
Acquisition of Golden Valley & Abitibi (Note 3)	366,102
Depletion	(1,756)
Land agreement proceeds	(1,780)
Impairment	(3,821)
Balance at September 30, 2022	668,288
Additions	57
Disposal	(76)
Depletion	(216)
Land agreement proceeds	(549)
Balance at December 31, 2022	667,504
Additions	29,771
Disposal	(322)
Depletion	(943)
Land agreement proceeds	(1,909)
Impairments	(22,379)
Balance at December 31, 2023	671,722

5. Royalty and other mineral interests (continued)

Acquisition of Borborema Royalty

On December 19, 2023, the Company completed the acquisition of a 2.0% NSR royalty from Borborema Inc., wholly-owned subsidiary of Aura Minerals Inc., which owns the Borborema gold project in Rio Grande do Norte State, Brazil ("**Borborema Project"**). The purchase price was $21,000. Transactions cost amounting to $250 were recorded as part of the royalty carrying value.

Acquisition of Québec Royalty Portfolio

On October 2, 2023, the Company entered into an agreement to acquire a portfolio of royalties located in Québec from Société Québécoise d'exploration minière ("**SOQUEM"**), a subsidiary of Investissement Québec, for C$1,000 in common shares of the Company. Transaction costs amounting to $36 were recorded as part of the royalty carrying value. SOQUEM will be entitled to 50% of any buy back proceeds received from the portfolio in the future.

Acquisition of Cozamin Royalty

On August 30, 2023, the Company completed the acquisition of an existing 1.0% net smelter return royalty from Endeavour Silver Corp. ("**Endeavou**r") on portions of the Cozamin Copper-Silver Mine, located in Zacatecas, Mexico, ("**Cozamin"**). The purchase price was $7,500 and the consideration paid of $7,274 reflects pre-acquisition royalty revenue of $226 received at the closing date. Transactions cost amounting to $95 were recorded as part of the carrying value. Cozamin is owned and operated by Capstone Copper Corp. The Company also received the option to acquire a 1% smelter return royalty on five additional concessions if such royalties are granted to Endeavour in the future.

Val d'Or Mining Royalties and Strategic Alliance

On January 30, 2023, Golden Valley completed a transaction with Val-d'Or Mining Corporation ("**VZZ**"). The transaction involved the transfer of interests in 12 properties located in Québec and Ontario, with a carrying value of $322, in exchange for royalties of the same value. Pursuant to the transaction agreement, Golden Valley:

- divested certain mineral rights and other interests to VZZ and retained a 0.5% to 1.0% NSR royalty on the following properties located in Québec and Ontario: Bogside, Bogside NW, Cheechoo B East, Island 27, Matachewan, Munro, North Contact, Recession Larder, Riverside, Sharks, Smokehead and Titanic;
- assigned to VZZ certain mineral rights and interests under an option agreement with Eldorado Gold (Québec) Inc. and retained a 1.5% NSR royalty on the Claw Lake, Cook Lake and Murdoch Creek properties in Ontario and the Perestroika Prospect in Québec; and
- retained a right of first refusal on any royalty or similar interest that VZZ intends to sell, transfer or otherwise dispose of. Such right of first refusal is subject to our and our affiliates holding at least 10% of the outstanding common shares of VZZ. As of the date of this Annual Report, we own 35% of the outstanding common shares of VZZ.

Transaction cost amounting to $59 was capitalized in addition to the carrying value.

Jerritt Canyon

On March 20, 2023, First Majestic Silver Corp. ("**First Majestic**") temporarily suspended mining activities at Jerritt Canyon. This event and continued suspension of operations, with no update on the resumption date of mining activities as at December 31, 2023, resulted in the Company recognizing an impairment charge of $8,264 ($6,528, net of taxes) on the Jerritt Canyon royalty.

Côté Gold Project

On March 1, 2022, the Company completed the acquisition of an existing 0.75% NSR royalty on a portion of the Côté Gold Project, located in Ontario Canada, and owned by IAMGOLD Corporation, as the operator, and Sumitomo Metal Mining Co., Ltd. The Company paid a total consideration of $15,832 at closing which comprised of $15,000 in cash and the issuance of 207,449 GRC Shares with fair value of $832.

In addition, the Company issued an additional 50,000 GRC Shares to third parties in connection with certain acknowledgement in connection with the transaction.

Nevada Gold Mines

On September 27, 2022, the Company completed the acquisition from Nevada Gold Mines LLC ("**NGM**"), a joint venture between Barrick Gold Corporation and Newmont Corporation, of a royalty portfolio consisting of:

- a 10% NPI royalty on Granite Creek Mine operated by i-80 Gold Corp., payable after 120,000 oz of gold or equivalent is cumulatively produced from the project;
- a 2.0% NSR royalty on the Bald Mountain Mine operated by Kinross Gold Corporation ("**Kinross**"), payable after 10 million ounces of gold have been produced from the properties; and
- a 1.25% NSR on the Bald Mountain Joint Venture Zone also operated by Kinross.

The purchase consideration was satisfied by the issuance of 9,393,681 GRC Shares to NGM with fair value of $21,512 at closing.

5. Royalty and other mineral interests (continued)

Monarch Mining Projects

On July 23, 2021, the Company entered into a definitive agreement with Monarch to acquire a portfolio of gold royalty interests, including a C$2.50 per tonne royalty on material processed through Monarch's Beacon mill originating from the Beaufor mine operations, a 2.5% NSR on each of Monarch's Croinor Gold, McKenzie Break and Swanson properties, and a 1% NSR on Monarch's Beaufor property. The consideration was approximately $12 million (C$15 million), of which approximately $9 million (C$11.25 million) was paid on closing and approximately $3 million (C$3.75 million) was payable upon the 6-month anniversary of closing. Monarch had the right to repurchase a 1.25% NSR on each of the Croinor Gold, McKenzie Break and Swanson properties for C$2 million per property. Such rights might have only been exercised by Monarch for a period of 30 days after December 31, 2027 after the gold price as quoted by the London Bullion Market exceeds $2,000 per ounce continuously for 30 consecutive days.

On April 6, 2022, the Company completed a royalty financing transaction with Monarch. Pursuant to the definitive agreement, the Company provided $3,587 (C$4.5 million) in additional royalty financing to Monarch in exchange for increasing the rate on the Company's existing royalties and provided an additional $799 (C$1 million) in equity financing to Monarch by participating in its marketed private placement. Pursuant to the definitive agreement, among other things:

- the existing C$2.50 PTR on material from the Beaufor Mine through the Beacon Mill was increased to C$3.75 per tonne on material from the Beaufor Mine and C$1.25 per tonne on material from the McKenzie Break, Croinor Gold, and Swanson properties;
- the existing 2.50% NSR royalties on Monarch's McKenzie Break, Croinor Gold, and Swanson properties was increased to a 2.75% NSR over the properties;
- Monarch's existing 1.25% NSR royalty buyback rights on the McKenzie Break, Croinor Gold, and Swanson properties was extinguished; and
- the Company retained pre-emptive rights on any future PTRs on the Beacon Mill and retained a right of first refusal on the creation of any additional NSR properties over the McKenzie Break, Croinor Gold, and Swanson properties.

On September 27, 2022, Monarch announced that it had suspended its operations at the Beaufor Mine due to financial and operational challenges. Monarch further disclosed that the mine has been put on care and maintenance for an undetermined period. Monarch has not disclosed the timing or plans for a potential restart of the mine. The Company considered the suspension of operations at the Beaufor Mine an indicator of impairment and conducted an impairment analysis to estimate the recoverable amount at that time.

Subsequently, on March 1, 2024, Monarch disposed of these projects by way of the CCAA proceedings which commenced in November 2023 and, as a result, the Company's royalty interests in the Beaufor, Croinor and McKenzie Break projects no longer apply to such projects. Accordingly, the Company recognized an impairment charge of $9,970 on the Monarch projects royalties. After this impairment, these royalty interests have nil carrying value on the Company's consolidated statement of financial position, with the exception of Croinor which was sold by Monarch to Probe Gold Inc. in November 2023.

Rawhide

During the year ended September 30, 2022, mining operations at the Rawhide mine were suspended due to working capital constraints. Accordingly, the Company recognized an impairment charge of $3,821 ($3,018, net of taxes) on the Rawhide royalty. After this impairment, the Rawhide royalty had nil carrying value on the Company's consolidated statement of financial position.

GoldMining Projects

On November 27, 2020, the Company entered into a royalty purchase agreement with GoldMining, the Company's former parent, pursuant to which GoldMining caused its applicable subsidiaries to create and issue to the Company NSR royalties ranging from 0.5% to 2.0% on 17 gold properties and transfer to the Company certain buyback rights held by its subsidiaries. The purchase consideration with a fair value of $13,076 was satisfied by the issuance of 15,000,000 GRC Shares.

Others

During the year ended December 31, 2023, the Company recognized an impairment charge of $4,145 ($3,262, net of taxes) on the carrying value of exploration stage royalties due to expiration of right to engage in further exploration activities.

(Expressed in thousands of United States dollars unless otherwise stated)

5. Royalty and other mineral interests (continued)

Others (continued)

The following is a summary of selected royalties own by the Company as at December 31, 2023:

Asset	Interest	Jurisdiction
Producing		
Borden Mine [(1)]	0.5% NSR	Ontario, Canada
Canadian Malartic Property (open pit) [(1)]	2.0% – 3.0% NSR	Québec, Canada
Cozamin Mine [(1)]	1.0% NSR	Zacatecas, Mexico
Isabella Pearl Mine [(1)]	0.375% Gross Revenue Royalty	Nevada, USA
Other significant royalties		
Borborema Project	2.0% NSR	Rio Grande do Norte, Brazil
Côté Gold Project [(1)]	0.75% NSR	Ontario, Canada
Fenelon Gold Property	2.0% NSR	Québec, Canada
Gold Rock Project	0.5% NSR	Nevada, USA
Granite Creek	10% NPI	Nevada, USA
Hog Ranch Project	2.25% NSR	Nevada, USA
La Mina Project	2.0% NSR	Colombia
Lincoln Hill Project	2.0% NSR	Nevada, USA
Canadian Malartic - Odyssey Project [(1)] (underground)	3.0% NSR	Québec, Canada
Railroad-Pinion Project [(1)]	0.44% NSR	Nevada, USA
REN - Carlin Mines	1.5% NSR	Nevada, USA
REN - Carlin Mines (NPI)	3.5% NPI	Nevada, USA
São Jorge Project	1.0% NSR	Brazil

Note:
[(1)] Royalty applies to only a portion of the property.

(Expressed in thousands of United States dollars unless otherwise stated)

5. Royalty and other mineral interests (continued)

Others (continued)

	Cost			Accumulated Depletion			Others				Carrying Amount
	December 31, 2022 ($)	Additions ($)	December 31, 2023 ($)	December 31, 2022 ($)	Depletion ($)	December 31, 2023 ($)	Disposition ($)	Impairment ($)	Land agreement proceeds ($)	Total ($)	December 31, 2023 ($)
Beaufor	1,235	—	1,235	—	—	—	—	(1,235)	—	(1,235)	—
Borberema	—	21,250	21,250	—	—	—	—	—	—	—	21,250
Borden	3,889	—	3,889	(586)	(316)	(902)	—	—	—	—	2,987
Cheechoo	12,640	—	12,640	—	—	—	—	—	—	—	12,640
Côté	16,132	—	16,132	—	—	—	—	—	—	—	16,132
Croinor	5,779	—	5,779	—	—	—	—	—	—	—	5,779
Cozamin	—	7,369	7,369	—	(271)	(271)	—	—	—	—	7,098
Fenelon	41,553	—	41,553	—	—	—	—	—	—	—	41,553
Gold Rock	3,275	—	3,275	—	—	—	—	—	—	—	3,275
Granite Creek	21,768	—	21,768	—	—	—	—	—	—	—	21,768
Hog Ranch	12,879	—	12,879	—	—	—	—	—	—	—	12,879
Lincoln Hill	5,421	—	5,421	—	—	—	—	—	—	—	5,421
Malartic	318,393	—	318,393	(817)	(182)	(999)	—	—	—	—	317,394
McKenzie Break	4,301	—	4,301	—	—	—	—	(4,301)	—	(4,301)	—
Railroad-Pinion	3,032	—	3,032	—	—	—	—	—	—	—	3,032
REN (Net Profit Interest)	21,017	—	21,017	—	—	—	—	—	—	—	21,017
REN (Net Smelter Return)	42,921	—	42,921	—	—	—	—	—	—	—	42,921
São Jorge	2,274	—	2,274	—	—	—	—	—	—	—	2,274
Titiribi	3,010	—	3,010	—	—	—	—	—	—	—	3,010
Whistler	2,575	—	2,575	—	—	—	—	—	—	—	2,575
Yellowknife	1,870	—	1,870	—	—	—	—	—	—	—	1,870
Others	145,676	1,152	146,828	(733)	(174)	(907)	(322)	(16,843)	(1,909)	(19,074)	126,847
Total [(1)]	669,640	29,771	699,411	(2,136)	(943)	(3,079)	(322)	(22,379)	(1,909)	(24,610)	671,722

(1) Royalty and other mineral interests include non-depletable asset of $486,982 and depletable assets of $184,740.

	Cost			Accumulated Depletion			Others			Carrying Amount
	September 30, 2022 ($)	Additions ($)	December 31, 2022 ($)	September 30, 2022 ($)	Depletion ($)	December 31, 2022 ($)	Disposition ($)	Land agreement proceeds ($)	Total ($)	December 31, 2022 ($)
Beaufor	1,235	—	1,235	—	—	—	—	—	—	1,235
Borden	3,889	—	3,889	(539)	(47)	(586)	—	—	—	3,303
Cheechoo	12,640	—	12,640	—	—	—	—	—	—	12,640
Côté	16,132	—	16,132	—	—	—	—	—	—	16,132
Croinor	5,779	—	5,779	—	—	—	—	—	—	5,779
Fenelon	41,553	—	41,553	—	—	—	—	—	—	41,553
Gold Rock	3,275	—	3,275	—	—	—	—	—	—	3,275
Granite Creek	21,768	—	21,768	—	—	—	—	—	—	21,768
Hog Ranch	12,879	—	12,879	—	—	—	—	—	—	12,879
Jerritt Canyon	8,921	—	8,921	(528)	(21)	(549)	—	—	—	8,372
Lincoln Hill	5,421	—	5,421	—	—	—	—	—	—	5,421
Malartic	318,393	—	318,393	(691)	(126)	(817)	—	—	—	317,576
Marigold	1,261	—	1,261	(84)	—	(84)	—	—	—	1,177
McKenzie Break	4,301	—	4,301	—	—	—	—	—	—	4,301
Railroad-Pinion	3,032	—	3,032	—	—	—	—	—	—	3,032
REN (Net Profit Interest)	21,017	—	21,017	—	—	—	—	—	—	21,017
REN (Net Smelter Return)	42,921	—	42,921	—	—	—	—	—	—	42,921
São Jorge	2,274	—	2,274	—	—	—	—	—	—	2,274
Titiribi	3,010	—	3,010	—	—	—	—	—	—	3,010
Whistler	2,575	—	2,575	—	—	—	—	—	—	2,575
Yellowknife	1,870	—	1,870	—	—	—	—	—	—	1,870
Others	136,062	57	136,119	(78)	(22)	(100)	(76)	(549)	(625)	135,394
Total [(1)]	670,208	57	670,265	(1,920)	(216)	(2,136)	(76)	(549)	(625)	667,504

(1) Royalty and other mineral interests include non-depletable assets of $479,494 and depletable assets of $188,010.

(Expressed in thousands of United States dollars unless otherwise stated)

6. Long-term investment

As at December 31, 2023, long-term investment includes a $1,587 (C$2 million) (December 31, 2022 and September 30, 2022: $1,587 (C$2 million)) investment for a 12.5% equity interest in Prospector Royalty Corp. ("**PRC**"). PRC is a private company that provides the Company preferred access to a proprietary, extensive and digitized royalty database. In conjunction with this investment, the Company has entered into a royalty referral arrangement with PRC, which will provide the Company with the opportunity to acquire certain royalties identified by PRC.

7. Investment in associate

The Company acquired 25,687,444 common shares of VZZ as part of the acquisition of Golden Valley. On March 18, 2022, the Company participated a VZZ private placement offering and acquired 3,277,606 units at a price of C$0.16 per unit. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable for the purchase of one common share of VZZ at a per share price of C$0.20 until March 18, 2024.As at December 31, 2023, the Company has a 35.09% equity interest in VZZ.

The following table summarizes the changes to investment in associates for the period from September 30, 2021 to December 31, 2023:

	($)
Balance at September 30, 2021	—
Acquisition of Golden Valley	1,360
Addition	409
Share of loss in associate	(296)
Dilution gain	100
Translation gain	(144)
Balance at September 30, 2022	1,429
Share of gain in associate	1
Translation gain	29
Balance at December 31, 2022	1,459
Share of gain in associate	172
Dilution gain	12
Translation gain	38
Balance at December 31, 2023	1,681

8. Gold-linked loan

On December 19, 2023 (the "**Advance Date**"), the Company entered into a definitive agreement with Borborema Inc. (the "**Borrower**"), providing the Borrower with project financing for its Borborema Project of $10,000. The loan is secured against certain assets of the Borrower, and bears interest at 110 ounces of gold per quarter, and is payable through cash settlement or physical delivery of gold. The Borrower has the option to prepay the loan with all interest accrued and unpaid after 24 months following the Advance Date. The Borrower will have the option to elect its choice of payment (the "**Prepayment Option**").

The loan is classified as a financial asset and measured at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*. The Prepayment Option has been accounted for as part of the fair value of the loan in accordance with IFRS 9 *Financial Instruments*. The fair value of the loan is remeasured on the reporting date and the change in fair value is recognized in the consolidated statements of comprehensive loss.

As at December 31, 2023, the fair value of the loan has been estimated using a discounted cash-flow approach based on the following assumptions: risk-free interest rate of 3.53%, calibrated credit spread of 3.48%, estimated long-term gold price of $1,712 per ounce and expected volatility of gold of 14.25%. The Company recorded a fair value gain on the loan of $172 in change in fair value of gold-linked loan in the consolidated statements of comprehensive loss for the year ended December 31, 2023.

	($)
Investment in Gold-linked loan	10,000
Interest income credited against Gold-linked loan	(33)
Change in fair value during the year	172
Balance at December 31, 2023	10,139

(Expressed in thousands of United States dollars unless otherwise stated)

9. Derivative liabilities

The Company acquired put and call options on certain short-term investments as part of the acquisition of Abitibi (the "**Abitibi Options**") and classified them as derivative liabilities in accordance with IAS 32 *Financial Instruments: Presentation*. At each reporting date, the change in fair value is recognized in the consolidated statements of comprehensive loss. On the closing of the business combination, the fair value of these put and call options was $691. All of the Abitibi Options are expired, exercised or repurchased as at December 31, 2023.

As at December 31, 2022, September 30, 2022 and September 30, 2021, each of the 8,849,251 warrants to purchase common shares of Ely (an "**Ely Warrant**") that were outstanding represent the right to acquire, on valid exercise thereof (include payment of the applicable exercise price), 0.2450 of a GRC Share plus C$0.0001, and were classified as derivative liabilities in accordance with IAS 32 *Financial Instruments: Presentation* as they are denominated in Canadian dollars, which differs from the Company's functional currency. The fair value of such Ely Warrants is remeasured on the reporting date and the change in fair value is recognized in the consolidated statements of comprehensive loss. The Ely Warrants expired on May 21, 2023.

The fair value of the Ely Warrants were determined using the Black-Scholes option pricing model, with the following assumptions:

	For the three months ended December 31, 2022 (transition period) ($)	For the year ended September 30, 2022 ($)	For the year ended September 30, 2021 ($)
Risk-free interest rate	4.02%	3.75%	0.23%
Expected life (years)	0.39	0.64	1.64
Expected volatility	41.00%	40.00%	43.00%
Expected dividend yield	0.00%	0.00%	0.00%
Estimated forfeiture rate	0.00%	0.00%	0.00%

The Company recorded a fair value gain of $132, $294, $3,999 and fair value loss of $1,511 in the changes in fair value of derivative liabilities in the consolidated statements of comprehensive loss for the years ended December 31, 2023, the three months ended December 31, 2022, and years ended September 30, 2022 and 2021, respectively. The movement in derivative liabilities is as follows:

	($)
Balance at September 30, 2020	—
Acquisition of Ely (Note 3)	3,038
Change in fair value during the year	1,511
Balance at September 30, 2021	4,549
Acquisition of Abitibi (Note 3)	691
Exercise of Ely warrants	(124)
Change in fair value during the year	(4,588)
Balance at September 30, 2022	528
Repurchase of Abitibi call options	(8)
Change in fair value during the period	(278)
Balance at December 31, 2022	242
Change in fair value during the year	(242)
Balance at December 31, 2023	—

10. Bank loan

On January 24, 2022, the Company entered into a definitive credit agreement with the Bank of Montreal providing for a $10,000 secured revolving credit facility (the "**Facility**"), that includes an accordion feature providing for an additional $15,000 of availability (the "**Accordion**"), subject to certain conditions. The Facility, secured against certain assets of the Company, is available for general corporate purposes, acquisitions, and investments subject to certain limitations. Amounts drawn on the Facility bear interest at a rate determined by reference to the U.S. dollar Base Rate plus a margin of 3.00% per annum or Adjusted Term SOFR plus a margin of 4.00% per annum, as applicable, and the undrawn portion is subject to a standby fee of 0.90% per annum. The Adjusted Term SOFR shall mean on any day the Term SOFR Reference Rate as published by the Term SOFR Administrator for the tenor comparable to the applicable interest period, plus certain credit spread adjustments.

(Expressed in thousands of United States dollars unless otherwise stated)

10. Bank loan (continued)

On September 14, 2022, the Company and Bank of Montreal agreed to extend the maturity date of the Facility from March 31, 2023 to March 31, 2025 with the exercise of the Accordion subject to certain additional conditions and the satisfaction of financial covenants. On February 10, 2023, the Company amended and restated the credit agreement (the "**Amended Facility**") with the Bank of Montreal and National Bank of Canada to expand its existing Facility to $20,000, with an accordion feature providing for an additional $15,000 of availability, subject to certain additional conditions. Subsequently, on February 17, 2023, the Company made an additional drawdown of $10,287 from the Amended Facility to settle the principal amount, all accrued and unpaid interest of the Facility.

On August 30, 2023, the Company expanded the Amended Facility to $25,000 with an accordion feature providing for an additional $10,000 of availability, subject to certain additional conditions, and on August 24, 2023 made an additional drawdown of $7,500 (the "**Additional Drawdown**") from the Amended Facility to acquire Cozamin. On December 15, 2023, the Company settled the principal amount, all accrued and unpaid interest of the Additional Drawdown resulting in total drawn balance of $10,287 as at December 31, 2023.

The following outlines the movement of the bank loan from September 30, 2021 to December 31, 2023:

	($)
Balance at September 30, 2021	—
Draw-down	10,000
Less: transaction costs and fees	(597)
Gain on loan modification	(316)
Interest expense	617
Interest paid	(342)
Balance at September 30, 2022	9,362
Interest expense	279
Interest paid	(193)
Balance at December 31, 2022	9,448
Additional draw-down	17,787
Repayment	(17,500)
Less: transaction costs and fees	(418)
Modification adjustment	249
Interest expense	1,584
Interest paid	(1,119)
Balance at December 31, 2023	10,031

11. Convertible debentures

On December 15, 2023, the Company completed a private placement of $40,000 aggregate principal amount of unsecured convertible debentures (the "**Debentures**") with QRC and Taurus Mining Royalty Fund L.P., a fund managed by Taurus Funds Management Pte Limited. The Debentures are unsecured and bear interest at 10% per annum over a 5-year term, interest is payable 70% in cash and 30% in common shares issuable at a price equal to the 20-day volume-weighted average trading price ("**VWAP**") calculated at each interest payment date.

The Company identified the Debentures as compound financial instruments. In accordance with IFRS 9 *Financial Instruments* and IAS 32 *Financial Instruments: Presentation*, the liability component excluding the Redemption Option (the "**Host Contract**") are classified as debt instruments and are measured at amortized cost.

The Company will be entitled to redeem the Debentures at par within a period of fourteen days from the third anniversary of the date of the issuance of the Debentures. Should the Company exercise its right to redeem the Debentures during this period, the holders are entitled to convert all of the outstanding Debentures into Common Shares at a conversion price of US$1.75 (the "**Redemption Options**"). The Redemption Options are identified as embedded derivatives in accordance with IFRS 9 *Financial Instruments* and estimated at $1,951 on the issuance (Note 12).

The Debentures will be convertible at the holder's option into Common Shares at a conversion price of $1.90 (the "**Conversion Options**"). As the number of Common Shares to be issued under the Conversion Options is determined as the converted amount of the Debentures divided by the fixed conversion price of $1.90, the Conversion Options were accounted for separately as equity instruments in accordance with IAS 32 *Financial Instruments: Presentation*. The Conversion Options were recognized at the residual amount after deducting from the

(Expressed in thousands of United States dollars unless otherwise stated)

11. Convertible debentures (continued)

fair value of the instrument as a whole the amount separately determined for the liability component, in accordance with IFRS 9 *Financial Instruments*.

On the issuance date, principal of $23,471 was allocated to the Host Contract, $1,951 was allocated to the Redemption Options as embedded derivatives (Note 12) and the residual value of $14,578 was allocated to the Conversion Options as equity. A deferred tax liability of $2,309 related to the taxable temporary difference arising from the equity portion of the Debentures was recognized as an offset in equity. The Company incurred transaction costs and fees of $1,481 for the issuance of the Debentures, of which $943 was allocated as an reduction to the liability portion and the residual value of $538 was allocated as reduction to the Conversion Options as equity.

The following outlines the movement of the Debentures during year ended December 31, 2023:

	($)
Face value of the Debentures issued on December 15, 2023	40,000
Less: Transaction costs and fees	(943)
Less: Redemption Option classified as embedded derivatives (Note 12)	(1,951)
Less: Equity component of convertible debentures issued for cash	(14,578)
Interest expense	235
Balance at December 31, 2023	22,763

12. Embedded derivatives

The embedded derivatives related to the Debentures (Note 11) was valued upon initial recognition at fair value of $1,951. At each reporting date, the change in fair value of the embedded derivatives is recognized in the consolidated statements of comprehensive loss.

The following outlines the movement of the embedded derivatives during year ended December 31, 2023:

	($)
Fair value of embedded derivatives on December 15, 2023	1,951
Change in fair value during the year	(30)
Balance at December 31, 2023	1,921

As at December 31, 2023, the fair value of the embedded derivatives has been estimated using the White Hull one factor model based on the following assumptions: share price of $1.47, calibrated credit spread of 23.36%, expected share price volatility of 38.22%, expected interest rate volatility of 1.24% and mean reversion constant of 0.002%.

(Expressed in thousands of United States dollars unless otherwise stated)

13. Income taxes

The Company had no assessable profit for the year ended December 31, 2023, three months ended December 31, 2022 and years ended September 30, 2022 and 2021. A reconciliation of the provision for income taxes computed at the combined Canadian federal and provincial statutory rate to the provision for income taxes as shown in the statements of comprehensive loss is as follows:

	For the year ended December 31, 2023 ($)	For the three months ended December 31, 2022 (transition period) ($)	For the year ended September 30, 2022 ($)	For the year ended September 30, 2021 ($)
Net loss before income taxes	(32,889)	(2,639)	(17,361)	(15,006)
Canadian federal and provincial income tax rates	27%	27%	27%	27%
Income tax recovery based on Canadian federal and provincial income tax rates	(8,880)	(713)	(4,687)	(4,052)
Reconciling items:				
Difference in foreign tax rates	792	12	210	6
Deferred tax asset/(liability) not recognized	1,319	(52)	3,282	2,507
Stock-based compensation	758	291	849	751
Non-taxable dividends	(2)	(5)	(106)	—
Fair value change in warrant liability	(36)	(79)	(1,080)	408
Tax rate difference on fair value change in marketable securities	(2)	(137)	12	—
Permanent difference and others	(82)	248	1,505	380
	(6,133)	(435)	(15)	—

The significant components of deferred income tax assets and liabilities were as follows:

	For the year ended December 31, 2023 ($)	For the three months ended December 31, 2022 (transition period) ($)	For the year ended September 30, 2022 ($)	For the year ended September 30, 2021 ($)
Deferred tax assets and (liabilities):				
Non-capital losses	4,902	1,396	897	591
Capital losses	32	63	63	—
Marketable securities	—	(63)	19	4
Undeducted financing fees	1,685	74	86	114
Other deferred tax assets	691	94	80	192
Royalty and other mineral interests	(133,582)	(136,261)	(136,241)	(41,762)
Gold-linked loan	(19)	—	—	(1,635)
Convertible debentures	(4,717)			
Other deferred tax liabilities	(206)	(391)	(427)	(204)
	(131,214)	(135,088)	(135,523)	(42,700)

(Expressed in thousands of United States dollars unless otherwise stated)

13. Income taxes (continued)

At December 31, 2023 and 2022, September 30, 2022 and 2021, deductible temporary differences for which no deferred tax assets are recognized are below:

	For the year ended December 31, 2023 ($)	For the three months ended December 31, 2022 (transition period) ($)	For the year ended September 30, 2022 ($)	For the year ended September 30, 2021 ($)
Deducted temporary differences are recognized:				
Non-capital losses	14,490	22,652	22,386	9,341
Capital losses	495	—	—	—
Royalty and other mineral interests	9,553	—	—	—
Marketable securities	2,065	2,503	2,704	759
Other deferred tax assets	1,696	3,853	4,294	1
	28,299	29,008	29,384	10,101

The deferred tax assets have not been recognized in the consolidated financial statements, as the Company does not consider it more likely than not that those assets will be realized in the future. As of December 31, 2023, the Company had Canadian net operating loss carryforwards of $32,738 which expires between 2039 and 2043. As of December 31, 2023, there are U.S. net operating loss carryforwards of $3,713, of which $1,262 expires between 2034 and 2036 and the remainder may be carried forward indefinitely. As of December 31, 2023, there are Mexican net operating loss carryforwards of $198 which may be carried forward ten years.

14. Issued capital

14.1 Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series without par value.

On October 16, 2020, GoldMining, the Company's former parent, subscribed for 5,000,000 GRC Shares for cash of $50. On December 4, 2020, the Company completed a private placement of 1,325,000 GRC Shares for gross proceeds of $2,849.

On March 11, 2021, the Company completed its initial public offering and issued 18,000,000 units at a price of $5.00 per unit for gross proceeds of $90,000. Each unit consisted of one GRC Share and one half of a common share purchase warrant, and each common share purchase warrant entitles the holder to acquire a GRC Share at a price of $7.50 per share until March 11, 2024. Further, the underwriters exercised the over-allotment option to purchase 721,347 additional GRC shares for gross proceeds of $3,603 and 1,350,000 additional common share purchase warrants for gross proceeds of $14.

On April 19, 2021, the Company entered into an agreement with a service provider for the provision of digital marketing and advertising services. The total fee was paid in cash and 75,000 GRC Shares with a fair value of $4.60 per share. During the years ended September 30, 2022 and 2021, the Company amortized the prepaid fee over the term of the agreement and recognized $173 and $172, respectively, as share-based compensation expense.

On August 23, 2021, the Company completed its acquisition of Ely by issuing 30,902,176 GRC Shares with fair value of $130,194 (Note 3).

On October 12, 2021, the Company issued 120,000 GRC Shares with a fair value of $626 to Blender Media Inc. ("**Blender**") as compensation for the expanded scope of digital marketing services for a contract term ending on June 27, 2022 (Note 18). $626 was recognized as share-based compensation expense for the year ended September 30, 2022.

On November 5, 2021, the Company completed its acquisitions of Golden Valley and Abitibi by issuing an aggregate of 61,104,200 GRC Shares with a fair value of $296,966 (Note 3).

14. Issued capital (continued)

14.1 Common Shares (continued)

On March 1, 2022, the Company issued 207,449 GRC Shares to acquire a royalty on a portion of the Côté Gold Project. In addition, on May 25, 2022, the Company issued an additional 50,000 GRC Shares to third parties in connection with certain acknowledgement in connection with the transaction (Note 5).

On March 22, 2022 and May 19, 2022, the Company issued 39,435 GRC Shares with fair value of $148 to service providers for the provision of marketing services. The Company amortized the prepaid fee over the term of the agreement and recognized $148 as share-based compensation expense for the year ended September 30, 2022.

On July 5, 2022, the Company issued 56,757 GRC Shares with fair value of $124 to service providers for the provision of marketing services. The Company amortized the prepaid service fee over the term of the agreement and recognized $61, $32 and $31 as share-based compensation expense for the year ended December 31, 2023, the three months ended December 31, 2022 and the year ended ended September 30, 2022, respectively.

On September 27, 2022 the Company issued 9,393,681 GRC Shares to acquire a portfolio of royalties from NGM (Note 5).

During the year ended September 30, 2022, the Company issued 402,938 GRC Shares in exchange for the exercise of 1,644,649 Ely Warrants and received gross proceeds of $856.

On May 18, 2023, the Company issued 10,000 GRC Shares with fair value of $22 to service providers for the provision of marketing services. The Company amortized the prepaid service fee over the term of the agreement and recognized $22 as share-based compensation expense for the year ended December 31, 2023.

During the year ended December 31, 2023, the Company issued 589,787 shares for total proceeds of $168 in satisfaction of stock options held by former officers and directors of Golden Valley, common share purchase warrants and stock options.

During the year ended December 31, 2023, the Company issued 162,967 GRC shares in satisfaction of the dividend reinvestment plan and 496,785 GRC Shares to acquire a portfolio of royalties from SOQUEM (Note 5).

14.2 At-the-Market Program

On August 15, 2022, the Company entered into an equity distribution agreement (the "**Equity Distribution Agreement**") with a syndicate of agents, providing for the issuance of up to $50 million shares of GRC from treasury to the public from time to time pursuant to an "at the market" equity program (the "**ATM Program**"). The Equity Distribution Agreement was terminated on September 1, 2023.

During the year ended December 31, 2023, the Company issued 496,438 under the Company’s ATM for net proceed of $1,223. No shares were issued under the ATM during the three months ended December 31, 2022.

14.3 Restricted Shares

On October 19, 2020, the Company issued 1,500,000 restricted shares (the "**Restricted Shares**") to certain officers and directors of the Company and GoldMining, the terms of which were subsequently amended on January 10, 2021. The Restricted Shares were subject to restrictions that, among other things, prohibited the transfer thereof until certain performance conditions were met. In addition, if such conditions were not met within applicable periods, the restricted shares will be deemed forfeited and surrendered by the holder thereof to the Company without the requirement of any further consideration. The performance conditions were as follows:

(1) with respect to one-third of the Restricted Shares awarded to the holder, if the Company's initial public offering or any liquidity event (being any liquidation, dissolution or winding-up of the Company or distribution of all or substantially all of the Company's assets among shareholders or a change of control transaction) occurs that values the Company at a minimum of $50,000,000 (condition met);
(2) with respect to one-third of the Restricted Shares awarded to the holder, if the Company receives $1,000,000 of royalty payments under any of the Company's royalty interests prior to October 19, 2023 (condition met); and
(3) with respect to one-third of the Restricted Shares awarded to the holder, if the holder continues to be a director, officer, employee or consultant of the Company or an entity that is under common control with the Company for a period of one year after the initial public offering is completed (condition met).

During the years ended September 30, 2022 and 2021, the Company recognized share-based compensation expense of $276 and $409, respectively, related to the Restricted Shares.

(Expressed in thousands of United States dollars unless otherwise stated)

14. Issued capital (continued)

14.4 Restricted Share Units

The following outlines the movements of the Company's RSUs:

	Number of RSUs	Weighted Average Grant Price ($)
Balance at September 30, 2021	—	—
Granted	167,849	4.84
Forfeited	(2,005)	4.92
Balance at September 30, 2022	165,844	4.84
Granted	603,703	2.81
Balance at December 31, 2022	769,547	3.25
Granted	1,556,164	1.55
Vested	(257,489)	3.24
Forfeited	(3,102)	2.81
Balance at December 31, 2023	2,065,120	1.97

The Company's RSUs vest in three equal annual instalments during the recipient's continual service with the Company. The Company classifies RSUs as equity instruments since the Company has the ability and intent to settle the awards in common shares. The compensation expense is calculated based on the fair value of each RSU as determined by the closing value of GRC Shares at the date of the grant. The Company recognizes compensation expense over the vesting period of the RSUs.

The Company granted to certain officers, directors, and consultants 1,556,164 RSUs at a weighted average value of $1.55 during the year ended December 31, 2023, 603,703 RSUs at a weighted average value of $2.81 during the three months ended December 31, 2022 and 167,849 RSUs at a weighted average value of $4.91 during year ended September 30, 2022. Share-based compensation expense of $1,318, $201 and $341 were recognized for the year ended December 31, 2023, the three months ended December 31, 2022 and the year ended September 30, 2022, respectively related to the RSUs.

(Expressed in thousands of United States dollars unless otherwise stated)

14. Issued capital (continued)

14.5 Reserves

The following outlines the movements of the Company's common share purchase warrants, share options, RSUs and convertible debentures:

	Reserves			
	Warrants ($)	Share Based Awards ($)	Convertible Debentures ($)	Total ($)
Balance at September 30, 2020	—	—	—	—
Initial public offering:				
Common share purchase warrants issued to for cash	7,045	—	—	7,045
Underwriters' fees and issuance costs	(416)	—	—	(416)
Ely Warrants recognized in equity	2,603	—	—	2,603
Exercise of Ely Warrants	(27)	—	—	(27)
Share-based compensation - share options	—	2,199	—	2,199
Balance at September 30, 2021	9,205	2,199	—	11,404
Exercise of Ely Warrants	(913)	—	—	(913)
Share options issued to replace Golden Valley's share options	—	8,991	—	8,991
Share-based compensation - share options	—	1,551	—	1,551
Share-based compensation - RSUs	—	341	—	341
Balance at September 30, 2022	8,292	13,082	—	21,374
Share-based compensation - share options	—	845	—	845
Share-based compensation - RSUs	—	201	—	201
Balance at December 31, 2022	8,292	14,128	—	22,420
Vesting of RSUs	—	(826)	—	(826)
Exercise of share options - Golden Valley Abitibi Royalties Ltd	—	(1,823)	—	(1,823)
Convertible debentures:				
Equity component of convertible debentures issued for cash, net of taxes	—	—	12,270	12,270
Transaction fees and issuance costs	—	—	(538)	(538)
Share-based compensation - share options	—	1,405	—	1,405
Share-based compensation - RSUs	—	1,318	—	1,318
Balance at December 31, 2023	8,292	14,202	11,732	34,226

Common Share Purchase Warrants

On March 11 and 12, 2021, the Company issued a total of 10,350,000 common share purchase warrants at an exercise price of $7.50 per share. The number of common share purchase warrants outstanding as at December 31, 2023 was 10,350,000 warrants at an exercise price of $7.50 per share and with a weighted average remaining contractual life of 0.19 years. The number of common share purchase warrants outstanding as at December 31, 2022 was 10,350,000 warrants at an exercise price of $7.50 per share and with a weighted average remaining contractual life of 1.19 years. The number of common share purchase warrants outstanding as at September 30, 2022 was 10,350,000 warrants at an exercise price of $7.50 per share and with a weighted average remaining contractual life of 1.40 years. The number of common share purchase warrants outstanding as at September 30, 2021 was 10,350,000 warrants at an exercise price of $7.50 per share and with a weighted average remaining contractual life of 2.44 years.

As at December 31, 2023, there were 2,430,000 Ely Warrants outstanding which are exercisable into 595,350 GRC Shares based on a 0.2450 exchange ratio. The Ely Warrants has a weighted average exercise price of C$4.59 per GRC Share and with a weighted average remaining contractual life of 1.63 years.

As at December 31, 2022, there were 11,518,252 Ely Warrants outstanding which are exercisable into 2,821,971 GRC Shares based on a 0.2450 exchange ratio. The Ely Warrants has a weighted average exercise price of C$4.31 per GRC Share and with a weighted average remaining contractual life of 0.61 years.

(Expressed in thousands of United States dollars unless otherwise stated)

14. Issued capital (continued)

14.5 Reserves (continued)

Common Share Purchase Warrants (continued)

As at September 30, 2022, there were 13,518,252 Ely Warrants outstanding which are exercisable into 3,311,971 GRC Shares based on a 0.2450 exchange ratio. The Ely Warrants has a weighted average exercise price of C$4.48 per GRC Share and with a weighted average remaining contractual life of 0.98 years.

As at September 30, 2021, there were 15,885,153 Warrants outstanding which are exercisable into 3,891,862 GRC Shares based on a 0.2450 exchange ratio. The Ely Warrants has a weighted average exercise price of C$4.17 per GRC Share and with a weighted average remaining contractual life of 1.80 years.

Share Options

The Company adopted a long-term incentive plan (the "**LTIP**") which provides that the Board of Directors may, from time to time, in its discretion, grant awards of restricted share units, performance share units, deferred share units and share options to directors, officers, employees and consultants. The aggregate number of common shares issuable under the LTIP in respect of awards shall not exceed 10% of the common shares issued and outstanding.

The following outlines the movements of the Company's common share options:

	Number of options	Weighted Average Exercise Price ($)
Balance at September 30, 2020	—	—
Granted	3,016,200	4.97
Balance at September 30, 2021	3,016,200	4.97
Golden Valley share options exchanged for GRC share options (Note 3)	2,498,045	1.32
Granted	577,031	4.52
Forfeited	(61,200)	4.26
Balance at September 30, 2022	6,030,076	3.42
Granted	2,271,592	2.58
Forfeited	(65,000)	4.29
Balance at December 31, 2022	8,236,668	3.18
Granted	5,000	2.33
Exercised - Golden Valley Abitibi Royalties Ltd.	(332,298)	1.04
Forfeited - Golden Valley Abitibi Royalties Ltd.	(143,159)	1.04
Balance at December 31, 2023	7,766,211	3.31

The weighted average share price at the date of exercise of options exercised during the year ended December 31, 2023 was $1.94.

During the year ended December 31, 2023, the Company granted 5,000 share options at an exercise price of $2.33 to an employee. These share options are exercisable for a period of 5 years from the date of grant and will vest as follows: (a) 25% on the grant date; and (b) 25% on each of the dates that are 6, 12 and 18 months thereafter.

During the three months ended December 31, 2022, the Company granted 30,000 share options at an exercise price of $2.13, 5,000 share options at an exercise price of $2.49 per share and 2,236,592 at an exercise price of $2.59 to directors, officers and employees. These share options are exercisable for a period of 5 years from the date of grant and will vest as follows: (a) 25% on the grant date; and (b) 25% on each of the dates that are 6, 12 and 18 months thereafter.

During the year ended September 30, 2022, the Company granted 404,517 share options at an exercise price of $4.93, 5,000 share options at an exercise price of $4.62 per share, 100,000 share options at an exercise price of $4.14, 17,514 share options at an exercise price of $3.06, 25,000 share options at an exercise price of $2.73 and 25,000 share options at an exercise price of $2.16 to directors, officers and employees. These share options are exercisable for a period of 5 years from the date of grant and will vest as follows: (a) 25% on the grant date; and (b) 25% on each of the dates that are 6, 12 and 18 months thereafter.

(Expressed in thousands of United States dollars unless otherwise stated)

14. Issued capital (continued)

14.5 Reserves (continued)

Share Option (continued)

During the year ended September 30, 2021, the Company granted 2,505,000 share options at an exercise price of $5.00, 305,000 share options at an exercise price of $4.78 per share and 206,200 share options at an exercise price of $4.85 to directors, officers and employees. These share options are exercisable for a period of 5 years from the date of grant and will vest as follows: (a) 25% on the grant date; and (b) 25% on each of the dates that are 6, 12 and 18 months thereafter.

The fair values of the share options granted during the year ended December 31, 2023, three months ended December 31, 2022, and years ended September 30, 2022, and 2021 were estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the year ended December 31, 2023 ($)	For the three months ended December 31, 2022 (transition period) ($)	For the year ended September 30, 2022 ($)	For the year ended September 30, 2021 ($)
Risk-free interest rate	4.55%	1.90%	1.39%	0.34%
Expected life (years)	1.37	2.93	2.87	2.99
Expected volatility	41.83%	42.12%	47.99%	37.00%
Expected dividend yield	1.72%	0.65%	0.14%	0.00%
Estimated forfeiture rate	13.33%	1.72%	0.05%	1.98%

As there is insufficient trading history of the Company's common shares prior to the date of grant, the expected volatility is based on the historical share price volatility of a group of comparable companies in the sector in which the Company operates over a period similar to the expected life of the share options.

A summary of share options outstanding and exercisable as at December 31, 2023, are as follows:

	Options Outstanding			Options Exercisable		
Exercise Price ($)	Number of Options Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options exercisable	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)
1.00 to 1.99	1,975,472	1.36	2.55	1,975,472	1.36	2.55
2.00 to 2.99	2,373,708	2.58	3.87	1,797,060	2.58	3.85
3.00 to 3.99	17,514	3.06	3.39	17,514	3.06	3.39
4.00 to 4.99	894,517	4.86	2.73	894,517	4.86	2.73
5.00 and above	2,505,000	5.00	2.19	2,505,000	5.00	2.19
	7,766,211	3.31	2.86	7,189,563	3.37	2.77

The fair value of the Company's share options recognized as share-based compensation expense during the year ended December 31, 2023, the three months ended December 31, 2022 and years ended September 30, 2022 and 2021 were $1,405, $845, $1,551 and $2,199, respectively.

14.6 Dividends

On January 18, 2022, the Company announced and declared an inaugural quarterly cash dividend of $0.01 per common share. The Company paid a dividend of $2,892, $1,439 and $4,032 for the year ended December 31, 2023, the three months ended December 31, 2022, and the year ended September 30, 2022, respectively. On July 31, 2023, the Company suspended its quarterly dividends payments.

(Expressed in thousands of United States dollars unless otherwise stated)

14. Issued capital (continued)

14.7 Dividend Reinvestment Plan ("DRIP")

On February 16, 2023, the Company adopted the DRIP which provides eligible shareholders of the Company with the opportunity to have all or a portion of the cash dividends declared on their common shares automatically reinvested into additional common shares, without paying brokerage commissions. The Company has the discretion to cause share issuances under the DRIP to be satisfied by issuing common shares from treasury or through purchases of common shares on the open market including the facilities of the NYSE American.

15. Revenue

	For the year ended December 31, 2023 ($)	For the three months ended December 31, 2022 (transition period) ($)	For the year ended September 30, 2022 ($)	For the year ended September 30, 2021 ($)
Canadian Malartic	709	195	1,132	—
Cozamin	438	—	—	—
Borden	520	63	954	—
Jerritt Canyon	201	148	808	94
Others	1,180	176	1,050	98
	3,048	582	3,944	192

Others consist of royalty income from the Isabella Pearl Mine, advance mineral royalty and pre-production payment of $646 and $48 and land agreement proceed of $437 and $99 for the year ended December 31, 2023 and three months ended December 31, 2022, respectively. For the year ended September 30, 2022, others consist of royalty income from the Isabella Pearl Mine, advance mineral royalty payment of $386 and land agreement proceed of $450. For the year ended September 30, 2021, others consist of royalty income from the Isabella Pearl Mine, advance mineral royalty payment of $90.

16. General and administrative expenses and project evaluations costs

	For the year ended December 31, 2023 ($)	For the three months ended December 31, 2022 (transition period) ($)	For the year ended September 30, 2022 ($)	For the year ended September 30, 2021 ($)
Corporate administrative costs	3,036	1,366	5,035	2,818
Employee costs	2,824	738	2,998	1,304
Professional fees	2,144	836	8,374	5,158
	8,004	2,940	16,407	9,280
Depreciation	70	29	72	5
Share-based compensation	2,806	1,078	3,146	3,324
	10,880	4,047	19,625	12,609

During the year ended December 31, 2023, three months ended December 31, 2022, and years ended September 30, 2022 and 2021, included in the total general and administrative expenses and project evaluation costs were general and administrative expenses of $10,401, $3,932, $14,032 and $9,374, respectively, and corporate administrative costs of $479, $115, $5,593 and $3,235, respectively.

(Expressed in thousands of United States dollars unless otherwise stated)

17. Interest expenses

	For the year ended December 31, 2023 ($)	For the three months ended December 31, 2022 (transition period) ($)	For the year ended September 30, 2022 ($)	For the year ended September 30, 2021 ($)
Bank loan	1,584	279	617	—
Convertible debentures	235	—	—	—
Lease liabilities	20	6	16	—
	1,839	285	633	—

18. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, short-term and long-term investments, gold-linked loan, accounts receivable, accounts payable and accrued liabilities, lease obligation, bank loan, convertible debentures, embedded derivatives, and derivative liabilities.

The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs have a significant effect on the recorded fair value which are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	As at December 31, 2023			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Recurring measurements				
Financial assets at FVTPL				
Short-term investments	342	—	—	342
Gold-linked loan	—	—	10,139	10,139
Financial assets at FVOCI				
Long-term investments	—	—	1,587	1,587
Financial liabilities at FVTPL				
Embedded derivatives	—	—	1,921	1,921
	342	—	13,647	13,989

	As at December 31, 2022			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Recurring measurements				
Financial assets at FVTPL				
Short-term investments	3840	—	—	3,840
Financial assets at FVOCI				
Long-term investments	—	—	1,587	1,587
Financial liabilities at FVTPL				
Ely Warrants	132	—	—	132
Abitibi Options	110	—	—	110
	4,082	—	1,587	5,669

There were no transfers between the levels of the fair value hierarchy during the year ended December 31, 2023, three months ended December 31, 2022, and years ended September 30, 2022 and 2021.

18. Financial instruments (continued)

The Company's short investments are initially recorded at fair value and subsequently revalued to their fair market value at each period end based on inputs such as quoted equity prices. The Company's short-term investments are measured at fair value on a recurring basis and classified as level 1 within the fair value hierarchy.

The fair value of the gold-linked loan is classified as Level 3 and is determined based on a discounted cash flow approach, which includes significant inputs not based on observable market data such as long-term gold price and expected volatility of gold.

The Company's long-term investments are initially recorded at fair value and subsequently revalued to their fair market value at each period end based on inputs such as quoted equity prices. The fair value of the long-term investment is classified as Level 3 and measured based on data such as the price paid by arm's length parties in a recent transaction.

The fair value of the derivative liabilities related to Ely Warrants is determined using the Black-Scholes valuation model. The fair value of derivative warrants to purchase shares in Monarch and VZZ were initially determined on a residual value basis and subsequently measured using the Black-Scholes valuation model. The significant inputs used are readily available in public markets and therefore have been classified as Level 2. Inputs used in the Black-Scholes model for derivative warrant liabilities include risk-free interest rate, volatility, and dividend yield.

The fair value of the derivative liabilities related to the Abitibi Options is classified as Level 1 and is based on the quoted market price of these contracts.

The fair value of the embedded derivatives related to the convertible debentures is classified as Level 3 and is determined using the White Hull one factor model, which includes significant inputs not based on observable market data such as expected credit spread.

The fair value of the Company's other financial instruments, which include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their carrying values due to their short term to maturity. Bank loan, convertible debentures, and lease obligation are measured at amortized cost. The fair value of the bank loan and lease obligation approximate their carrying values as their interest rates are comparable to current market rates. The fair value of the convertible debentures approximate their carrying values as there were not significant changes in economic and risk parameters or assumptions related to the convertible debentures since the issuance.

18.1 Financial risk management objectives and policies

The financial risk arising from the Company's operations are credit risk, liquidity risk, currency risk, equity price risk and interest rate risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with financial instruments and the policies on how the Company mitigates these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

18.2 Credit risk

Credit risk is the risk of an unexpected loss if a customer or third-party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with the Company's bank balances and accounts receivable. The Company mitigates credit risk associated with its bank balances by holding cash with Schedule I chartered banks in Canada and their US affiliates. The Company's maximum exposure to credit risk is equivalent to the carrying value of its cash and cash equivalents and accounts receivable. In order to mitigate its exposure to credit risk, the Company closely monitors its financial assets.

18.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or manage its obligations associated with financial liabilities. To manage liquidity risk, the Company closely monitors its liquidity position and ensures it has adequate sources of funding to finance its projects and operations. The Company's working capital (current assets less current liabilities) as at December 31, 2023 was $1,695, compared to December 31, 2022 of $7,559. The Company's accounts payable and accrued liabilities are expected to be realized or settled, respectively, within a one-year period.

The Company's future profitability will be dependent on the royalty income to be received from mine operators. Royalties are based on a percentage of the minerals or the products produced, or revenue or profits generated from the property which is typically dependent on the prices of the minerals the property operators are able to realize. Mineral prices are affected by numerous factors such as interest rates, exchange rates, inflation or deflation and global and regional supply and demand. In managing liquidity risk, the Company takes into account the anticipated cash flows from operating activities and its holding of cash and short-term investments. The Company believes it has the adequate liquidity to meet its obligations and to finance its planned activities.

(Expressed in thousands of United States dollars unless otherwise stated)

18. Financial instruments (continued)

18.4 Currency risk

The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currency. The Company currently does not engage in foreign exchange currency hedging. The currency risk on the Company's cash and cash equivalents, short-term investments, accounts payable and accrued liabilities and derivative liabilities are minimal.

18.5 Equity price risk

The Company is exposed to equity price risk associated with its investments in other mining companies. The Company's short-term investments consisting of common shares are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. Based on the Company's short-term investments held as at December 31, 2023, a 10% change in the market price of these investments would have an impact of approximately $25 on net loss. The Company is not exposed to significant equity price risk related to its marketable securities.

18.6 Interest rate risk

The Company's exposure to interest rate risk arises from the impact of interest rates on its cash and secured revolving credit facility, which bear interest at fixed or variable rates. The interest rate risks on the Company's cash balances are minimal. The Company's secured revolving credit facility bears interest at a rate determined by reference to the U.S. dollar Base Rate plus a margin of 3.00% or Adjusted Term SOFR plus a margin of 4.00%, as applicable and an increase (decrease) of 10 basis point in the applicable rate of interest would not have a significant impact on the net loss for the year ended December 31, 2023. The Company's lease liability is determined using the interest rate implicit in the lease and an increase (decrease) of 10 basis points would not have a significant impact on the net loss for the year ended December 31, 2023.

19. Related party transactions

19.1 Related Party Transactions

During the years ended December 31, 2023 and September 30, 2022 and 2021, the Company incurred $4, $136 and $71, respectively, in technology expenses for website design, hosting and maintenance service provided by Blender. Blender is controlled by a family member of Amir Adnani, a former director of the Company. On October 12, 2021, the Company issued 120,000 GRC Shares to Blender as the compensation for the expanded scope of digital marketing services to be provided by Blender for a contract term ending on June 27, 2022. The Company recognized share-based compensation expense of $626 in respect of this contract, during the year ended September 30, 2022.

During the year ended December 31, 2023, the Company incurred interest expense of $176 to Queen's Road Capital Investment Ltd. ("**QRC**") on the Debentures. Warren Gilman, director of the Company, is the chairman and chief executive officer of QRC.

Related party transactions are based on the amounts agreed to by the parties. During the year ended December 31, 2023, the Company did not enter into any contracts or undertake any commitment with any related parties other than as described herein.

19.2 Transactions with Key Management Personnel

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity. Total management salaries and directors' fees incurred for services provided by key management personnel of the Company for the year ended December 31, 2023, three months ended December 31, 2022, and years ended September 30, 2022 and 2021 are as follows:

	For the year ended December 31, 2023 ($)	For the three months ended December 31, 2022 (transition period) ($)	For the year ended September 30, 2022 ($)	For the year ended September 30, 2021 ($)
Management salaries	1,332	275	1,453	939
Directors' fees	332	102	442	233
Share-based compensation	1,701	788	1,628	2,154
	3,365	1,165	3,523	3,326

(Expressed in thousands of United States dollars unless otherwise stated)

19. Related party transactions (continued)

19.2 Transactions with Key Management Personnel (continued)

The amount payable to management and directors of $54, $23, $582 and $632 was included in accounts payable and accrued liabilities as at December 31, 2023, December 31, 2022, September 30, 2022 and September 30, 2021, respectively. Such payables were fully settled subsequent to year end.

20. Operating segments

The Company conducts its business as a single operating segment, being the investment in royalty and mineral stream interests. Except for royalties on gold projects located in the USA, Brazil, Mexico, Colombia, Peru and Turkey, substantially all of the Company's assets and liabilities are held in Canada.

	December 31, 2023 ($)	December 31, 2022 ($)	September 30, 2022 ($)	September 30, 2021 ($)
Non-current assets by geographical region as of:				
Canada	447,519	453,801	453,917	67,271
USA	199,441	217,073	217,740	198,927
Brazil	31,390	—	—	—
Mexico	7,098	—	—	—
Total	685,448	670,874	671,657	266,198

21. Subsequent events

Amendments to Credit Facility

On March 1, 2024, the Facility was amended to extend the maturity date from March 31, 2025 to March 31, 2027. The exercise of the Accordion is subject to certain additional conditions and the satisfaction of financial covenants.