GOLD ROYALTY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(Expressed in United States Dollars unless otherwise stated)

December 23, 2021

General

Management's discussion and analysis in this Item 5 are intended to provide the reader with a review of the factors that affected Gold Royalty's performance during the periods presented, including matters that have affected reported operations, and matters that are reasonably likely based on management's assessment to have a material impact on future operations and results.

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Gold Royalty Corp., for the year ended September 30, 2021, should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the years ended September 30, 2021 and 2020.

The Company's financial statements for the year ended September 30, 2021, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Unless otherwise stated, all information contained in this MD&A is as of December 23, 2021.

Unless otherwise stated, references herein to "$" or "dollars" are to United States dollars and references to "C$" are to Canadian dollars. Reference in this MD&A to the "Company" and "GRC" mean Gold Royalty Corp., together with its subsidiaries unless the context otherwise requires.

Forward-looking Statements

Certain statements contained in this MD&A constitute "forward-looking information" within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of securities laws in the United States (collectively, "Forward-Looking Statements"). These statements relate to the expectations of management about future events, results of operations and the Company's future performance (both operational and financial) and business prospects. All statements other than statements of historical fact are Forward-Looking Statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "target", "aim", "pursue", "potential", "objective" and "capable" and the negative of these terms or other similar expressions are generally indicative of Forward-Looking Statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such Forward-Looking Statements. No assurance can be given that these expectations will prove to be correct and such Forward-Looking Statements should not be unduly relied on. These statements speak only as of the date of this MD&A. In addition, this MD&A may contain Forward-Looking Statements attributed to third-party industry sources. Without limitation, this MD&A contains Forward-Looking Statements pertaining to the following:

- the Company's plans and objectives, including its acquisition and growth strategy;
- the Company's future financial and operational performance;
- royalty and other payments to be made to the Company by the owners and operators of the projects underlying the Company's royalties and other interests;
- expectations regarding the royalty and other interests of the Company;
- the plans of the operators of properties where the Company owns royalty interests;
- estimates of Mineral Reserves and Mineral Resources on the projects in which the Company has royalty interests;
- estimates regarding future revenue, expenses and needs for additional financing;
- adequacy of capital and financing needs;
- the Company's proposed credit facility; and
- expectations regarding the impacts of COVID-19 on the operators of the properties underlying the Company's interests.

These forward-looking statements are based on opinions, estimates and assumptions in light of the Company's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company currently believes are appropriate and reasonable in the circumstances, including that:

- the public disclosures of the operators regarding the properties underlying the Company's interests are accurate;
- current gold, base metal and other commodity prices will be sustained, or will improve;
- the proposed development of the Company's royalty projects will be viable operationally and economically and will proceed as expected;
- any additional financing required by the Company will be available on reasonable terms;
- the Company and its proposed lender will complete definitive documentation and satisfy conditions to its proposed credit facility; and
- operators of the properties where the Company holds royalty interests will not experience any material accident, labor dispute or failure of equipment.

Actual results could differ materially from those anticipated in these Forward-Looking Statements as a result of the following risk factors, among others:

- dependence on third-party operators;
- a substantial majority of the Company's current royalty interests are on exploration, advanced-exploration and development stage properties, which are non-producing and are subject to the risk that they may never achieve production;
- volatility in gold and other commodity prices;
- the Company has limited or no access to data or the operations underlying its interests;
- a significant portion of the Company's revenues is derived from a small number of operating properties;
- the Company is subject to many of the risks faced by owners and operators of the properties underlying the Company's interests;
- the Company may enter into acquisitions and other material transactions at any time;
- the Company's future growth is to a large extent dependent on its acquisition strategy;
- as a royalty holder, the Company may become subject to potential disputes with operators regarding the existence, enforceability or terms of its interests;
- certain of the Company's royalty interests are subject to buy-back or other rights of third-parties;
- risks related to epidemics, pandemics or other public health crises, including COVID-19, and the potential impact thereof on the Company and the operators of the properties underlying its interests;
- risks related to Mineral Reserve estimates and Mineral Resource estimates completed by third-party owners and operators on the projects underlying the Company's interests, including that such estimates may be subject to significant revision;
- title, permit or licensing disputes related to any of the properties in which the Company holds or may hold royalties, streams or similar interests;
- potential conflicts of interests;
- regulations and political or economic developments in any of the jurisdictions where properties in which the Company holds or may hold royalties, streams or similar interests are located;
- the availability of any necessary financing in the future on acceptable terms or at all;
- litigation risks;
- the Company holds investments in a concentrated number of equity securities and the fair values thereof are subject to loss in value; and
- the other factors discussed under "*Item 3. Key Information – D. Risk Factors*" in the Company's Annual Report and other disclosure documents, which are available under the Company's profile at www.sedar.com and www.sec.gov.

This list of factors should not be construed as exhaustive. The Company does not intend to and does not assume any obligations to update Forward-Looking Statements, except as required by applicable law.

Please see "*Item 3. Key Information – D. Risk Factors*" in the Annual Report for further information regarding key risks faced by the Company.

Technical Information

Except where otherwise stated, the disclosure herein relating to the properties underlying the Company's royalty and other interests is based on information publicly disclosed by the owners and operators of such properties. Specifically, as a royalty holder, the Company has limited, if any, access to properties included in its asset portfolio. Additionally, the Company may from time to time receive operating information from the owners and operators of the properties, which the Company is not permitted to disclose to the public. The Company is dependent on the operators of the properties and their qualified persons to provide information to the Company or on publicly available information to prepare disclosure pertaining to properties and operations on the properties on which the Company holds interests and generally will have limited or no ability to independently verify such information. Although the Company does not currently have any knowledge that such information may not be accurate, there can be no assurance that such third-party information is complete or accurate.

The scientific and technical information contained in this document relating to the Company's royalty and other interests has been reviewed and approved by Alastair Still, P.Geo., who is the Director of Technical Services of the Company, a qualified person as such term is defined under National Instrument 43-101 and a member of Professional Geoscientists Ontario and Engineers and Geoscientists British Columbia.

Business Overview

GRC is a precious metals focused royalty company offering creative financing solutions to the metals and mining industry. The Company's diversified portfolio includes 191 royalties across producing, developing, advanced-exploration and early-exploration staged properties.

The head office and principal address of the Company is located at 1030 West Georgia Street, Suite 1830, Vancouver, British Columbia, V6E 2Y3, Canada. The Company's common share and its common share purchase warrant are listed on the NYSE American under the symbols 'GROY" and "GROY.WS", respectively.

Business Strategy

The Company's mission is to acquire royalties, streams and similar interests at varying stages of the mine life cycle to build a balanced portfolio offering near, medium and longer-term returns for its investors. The Company does not conduct exploration, development or mining operations on the properties in which it holds interests and it is not required to contribute capital costs for these properties.

In addition, the Company seeks to acquire and manage additional royalties, streams and other interests on gold and other precious metals projects. In the ordinary course of business, the Company engages in a continual review of opportunities to acquire royalty, stream or similar interests, to establish new interests on mining projects, to create new royalty, stream or similar interests through the financing of mine development or exploration, or to acquire companies that hold such interests. The Company currently, and generally at any time, has acquisition opportunities in various stages of active review, including, for example, the engagement of consultants and advisors to analyze particular opportunities, the Company's analysis of technical, financial, legal and other confidential information of particular opportunities, submission of indications of interest and term sheets, participation in preliminary discussions and negotiations and involvement as a bidder in competitive processes.

As a result of its acquisition of Ely Gold Royalties Inc. ("Ely"), Golden Valley Mines and Royalties Ltd. ("Golden Valley") and Abitibi Royalties Inc. ("Abitibi") and the addition of certain of their personnel to our team, the Company also implements a "royalty generator model" to complement its overall royalty business. As part of this model, these acquired subsidiaries hold, and may, from time to time, acquire through prospecting and staking or otherwise additional mineral properties, with the aim of subsequently optioning or selling them to third-party mining companies in transactions where the Company would retain a royalty, carried interest or other similar interest. Currently, the Company indirectly holds approximately 45 exploration properties as part of this royalty generator model. The Company believes the royalty generator model provides increased volume of potential royalty opportunities, targeting opportunities with potential exploration upside.

Fiscal 2021 Highlights

In fiscal 2021, the Company has taken several important steps in advancing its business strategy, which have impacted, and are expected to continue to impact, the Company's financial condition and results of operations. These actions are discussed in greater detail below and include, among other things:

- the Company completed its initial public offering (the "IPO") in March 2021 for gross proceeds of $90 million;
- the Company furthered its stated business plan by successfully completing the acquisitions of the outstanding shares of Ely in August 2021 and the acquisition of five gold royalty interests in August 2021 on properties managed by Monarch Mining Corporation ("Monarch");
- in addition, the Company announced that it had entered into an agreement to acquire the outstanding shares of Golden Valley and Abitibi, which was completed subsequent to the fiscal year end in November 2021; and
- substantially diversified its portfolio to include 6 royalties on producing projects, 21 royalties on developing projects, 30 royalties on advanced-exploration stage projects and 134 royalties on early-exploration stage properties.

Selected 2021 Developments

The following is a description of selected developments respecting the business of the Company since the beginning of the year ended September 30, 2021.

GoldMining Royalty Purchase Agreement

On November 27, 2020, the Company entered into a royalty purchase agreement with GoldMining Inc. ("GoldMining"), pursuant to which GoldMining caused its applicable subsidiaries to create and issue to the Company net smelter return ("NSR") royalties ranging from 0.5% to 2.0% on 17 gold properties and assign certain buyback rights to the Company. The royalties acquired included:

- a 0.5% NSR on the Almaden Project, located in Idaho, USA;
- a 1.0% NSR on the Batistão Project, located in Brazil;
- a 1.0% NSR on the Cachoeira Project, located in Brazil;
- a 1.0% NSR on the Crucero Project, located in Peru;
- a 2.0% NSR on the La Mina Project, located in Colombia;
- a 1.0% NSR on the São Jorge Project, located in Brazil;
- a 1.0% NSR on the Surubim Project, located in Brazil, including the Surubim and Rio Novo areas;
- a 2.0% NSR on the Titiribi Project, located Colombia;
- a 1.0% NSR on the Whistler Project, located in Alaska, USA, including each of the Whistler, Raintree West and Island Mountain properties;
- a 1.0% NSR on the Yarumalito Project, located in Colombia; and
- a 1.0% NSR on the Yellowknife Project, located in the Northwest Territories, Canada, including each of the Nicholas Lake, Ormsby-Bruce, Goodwin Lake, Clan Lake and Big Sky properties.

December 2020 Private Placement

On December 4, 2020, the Company completed a private placement, pursuant to which it issued 1,325,000 common shares at a subscription price of $2.15 per share for gross proceeds of $2,848,750.

Initial Public Offering

On March 8, 2021, the Company entered into an underwriting agreement with H.C. Wainwright & Co., LLC and BMO Capital Markets Corp. (collectively the "Underwriters") for an offering of 18,000,000 units of the Company (the "Units") at a price of $5.00 per Unit. Each Unit consists of one common share (a "GRC Share") and one half of a common share purchase warrant, and each common share purchase warrant entitles the holder to acquire a common share at a price of $7.50 per share until March 11, 2024.

The Company granted the Underwriters the over-allotment option (the "Over-Allotment Option") to purchase up to 2,700,000 GRC Shares and/or 1,350,000 common share purchase warrants at $4.995 per GRC Share and $0.01 per common share purchase warrant, respectively. The Company agreed to reimburse the Underwriters for certain fees and disbursements.

On March 11, 2021, the Company issued 18,000,000 Units at a price of $5.00 per Unit for gross proceeds of $90,000,000. Further, the Underwriters exercised the Over-Allotment Option to purchase 721,347 additional GRC Shares for gross proceeds of $3,603,128 and 1,350,000 additional common share purchase warrants for gross proceeds of $13,500. In connection with the IPO, the Company incurred securities issuance costs of $5,570,844, of which $5,081,064 represented cash fees paid to the Underwriters.

Quartz Mountain Royalty Acquisition

On February 1, 2021, the Company entered into a royalty purchase agreement with Quartz Mountain Resources Ltd. and Wavecrest Resources Inc. Pursuant to the terms of the agreement, the Company acquired a 1% NSR royalty on a portion of the Quartz Mountain Project located in Oregon, USA, for cash consideration of $150,000.

Acquisition of Monarch Royalties

On August 5, 2021 the Company announced that it had completed five gold royalty interests on properties managed by Monarch. The royalties comprised of:

- a C$2.50 per tonne royalty on material processed through Monarch's Beacon Mill originating from the Beaufor mine operations;
- 2.5% NSR on each of Monarch's Croinor Gold, McKenzie Break and Swanson properties, each located in Québec, Canada; and
- a 1% NSR on Monarch's Beaufor property, located in Québec Canada held by Caisse de dépôt et placement du Québec.

The total 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) is payable upon the 6-month anniversary of closing. Pursuant to the royalty agreements, Monarch has 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 may only be 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.

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 (the "Ely Arrangement") under the Business Corporations Act (British Columbia). Pursuant to the Ely Arrangement, the Company issued 30,902,176 GRC Shares and paid $65 million (C$84 million) in cash. As a result of the Ely Arrangement, each of the 15,946,732 warrants to purchase Ely Shares (an "Ely Warrant") that were outstanding immediately prior to the effective time thereof 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 in cash.

In addition, pursuant to the Ely Arrangement, each outstanding option to purchase Ely Shares (the "Ely Options") that was not exercised prior to the effective time of the Ely Arrangement was, at the effective time, assigned and transferred by the holder thereof to Ely and such holder then became entitled to receive a number of Ely Shares equal to the "In-the-Money Amount", being the amount by which the cash consideration of C$1.46 per Ely Share, exceeded the exercise price of the applicable Ely Option , with the number of Ely Shares equal to such amount divided by the cash consideration.

On completion of the transaction, Ely's royalty interests, included, among others:

Project Name	Jurisdiction	Royalty
Producing		
Jerritt Canyon Mine	Nevada, USA	0.5% NSR Per Ton Royalty ("PTR") (sliding scale based on metal price)
Isabella Pearl Project	Nevada, USA	0.375% Gross Revenue Royalty
Marigold Mine	Nevada, USA	0.75% NSR
Rawhide Mine	Nevada, USA	15% Net Profit Interest ("NPI")
Developing		
Fenelon Gold Property	Québec, Canada	2.0% NSR
REN Project	Nevada, USA	1.5% NSR 3.5% NPI
Gold Rock Project	Nevada, USA	0.5% NSR
Lincoln Hill Project	Nevada, USA	2.0% NSR
Hog Ranch Project	Nevada, USA	2.25% NSR

The Ely Arrangement closed approximately one month before the end of our 2021 fiscal year, hence it did not have a significant impact on our results of operation for the 2021 fiscal year. We expect the Ely Arrangement to materially affect the Company's future operating results.

Investment into Prospector Royalty Corp

On August 31, 2021, the Company made a $1.6 million (C$2 million) investment for a 12.5% equity interest in Prospector Royalty Corp. ("PRC"). Concurrent with the transaction, Timothy Young was appointed to the advisory board of the Company.

In conjunction with the 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's proprietary digitized royalty database.

Business Combination with Golden Valley and Abitibi

On September 6, 2021, the Company entered into definitive agreements with each of Golden Valley and Abitibi, pursuant to which the Company would acquire all of the outstanding common shares of Golden Valley and Abitibi by way of statutory plans of arrangements (collectively, the "Golden Valley and Abitibi Arrangements").

The Golden Valley and Abitibi Arrangements became effective on November 5, 2021. Pursuant to the terms thereof, the Company acquired all the issued and outstanding Golden Valley and Abitibi common shares, with:

- 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.

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

Based on the share price of the GRC Shares, and the estimated fair value of GRC share options issued in exchange for Golden Valley options, the total consideration of the acquisition was approximately $306 million. The total amount of cash and marketable securities acquired by the Company through the transactions was approximately $35 million. The Company began consolidating the operating results, cash flows and net assets of Golden Valley and Abitibi from November 5, 2021. Consequently, such operating results, cash flows and net assets are not included in the Company's results for the 2021 fiscal year. We expect such acquisition to materially affect the Company's future operating results.

On completion of the transaction, the Company's directly and indirectly held royalties, included, among other things:

- Four royalties (1.5% NSR, 2% NSR, 3% NSR, 15% 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.

Golden Valley is a company existing under the laws of Canada which carried on generative programs and systematic exploration efforts at majority-owned grassroots projects. Golden Valley owns 44.98% of the common shares of Abitibi Royalties.

See "*Selected Asset Updates*" for information regarding recent developments respecting the selected projects in which the Company holds royalty interests.

Intention to Offer to Acquire Elemental Royalties

On December 20, 2021, the Company announced its intention to pursue an offer to acquire all of the outstanding common shares (the "Elemental Shares") of Elemental Royalties Corp. ("Elemental") for consideration consisting of 0.27 of the Company's common shares in exchange for each Elemental Share (the "Offer").

Details of the Offer will be included in a take-over bid circular and letter of transmittal and notice of guaranteed delivery (collectively, the "Offer Documents") to be filed with applicable Canadian securities regulatory authorities and mailed to Elemental shareholders.

The Offer will be subject to certain customary conditions of completion, including, among others: there having been validly deposited under the Offer, and not withdrawn, that number of Elemental Shares representing more than 50% of the outstanding Elemental Shares, excluding those Elemental Shares beneficially owned, or over which control or direction is exercised, by the Company or by any person acting jointly or in concert with the Company; there having been validly deposited under the Offer and not withdrawn that number of Elemental Shares representing at least 66 2/3% of the outstanding Elemental Shares (calculated on a fully diluted basis), excluding Elemental Shares held by the Company; receipt of all necessary regulatory approvals; customary approval of the NYSE American in relation to the issuance and listing of the additional common shares under the Offer; and the absence of material changes to the business of Elemental. There can be no assurance that the conditions of the Offer will be satisfied or that the Company will otherwise be successful in completing the Offer.

The information herein regarding the proposed Offer is for informational purposes only and does not constitute an offer to buy or sell, or a solicitation of an offer to sell or buy, any securities. The offer to acquire Elemental securities and to issue securities of the Company will be made solely by, and subject to the terms and conditions set out in the Offer Documents.

COVID-19 Pandemic and Current Economic Environment

The Company continues to closely monitor the ongoing COVID-19 pandemic. While governments have implemented vaccination programs, the COVID-19 pandemic continues to result in widespread global infections and fatalities, market volatility and impact global economic activity. From time to time, numerous governments implemented measures, such as travel bans, quarantines, business closures, shelter-in-place and other restrictions, including restrictions that impact mineral exploration and development and mining activities in many jurisdictions. Despite reductions in such measures and the current vaccination programs instituted by many governments, there remains significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on the operations of the projects underlying the Company's interests, on the Company's employees and on global financial markets.

The Company cannot currently predict whether the recent emergence of new strains or continued infections or fatalities may cause governments to re-impose some or all prior or new restrictive measures, including business closures. Continuing effects of the pandemic, including variants of the virus, could result in negative economic effects which could have a material adverse impact on the Company's results of operations and financial condition. In addition, the ongoing COVID-19 pandemic and related mobility, travel and other restrictions are expected to continue to impact the Company's ability to complete site-visits and diligence of potential royalty acquisition opportunities.

Selected Asset Updates

The following is a summary of selected recent developments announced by the operators of certain of the Company's key royalties. Such information is generally from the date of the Company's acquisition of its royalty or similar interest. Please see Item 4 of the Company's Annual Report for additional information regarding the Company's material properties and descriptions of the royalties on such properties and its other key royalty interests.

Canadian Malartic Property

The Company holds four royalties on the Canadian Malartic Property including a 3% NSR royalty on portions of the Canadian Malartic mine. The royalty does not apply to the entire mine property, and only a portion of the open pit areas where a majority of production to date has occurred. However, the royalty does apply to portions of the Odyssey, East Malartic, Sladen and Sheehan zones, all of the Jeffrey zone and the eastern portion of the Barnat Extension of the Canadian Malartic Mine Property.

The Company also holds 2% NSR royalties on the Charlie Zone and the eastern portion of the Gouldie zone, a 1.5% NSR royalty on the Midway Project (1.0% can be bought back for $1 million) and a 15% NPI on the Radium Property.

- On November 2, 2021, Agnico Eagle Mines Limited ("Agnico Eagle") announced an update on exploration drilling at the Odyssey project. This included recent underground drill results in the Odyssey Internal Zone and the Jupiter Zone which Agnico Eagle disclosed continue to demonstrate the potential to add mineral resources in close proximity to the Odyssey North and Odyssey South deposits and planned infrastructure that is currently under development. In addition, Agnico Eagle disclosed the results from the easternmost hole at the East Gouldie deposit, which is trending east, towards the Company's 1.5% NSR over the Midway project (1.0% can be purchased for US$1 million). On October 27, 2021, Agnico Eagle disclosed certain results, including an intercept that returned 4.8m at 6.3 g/t gold at a depth of 1,989m located approximately 750-1,000 metres from the Midway royalty boundary.

- On October 27, 2021, Agnico Eagle announced that during the third quarter ended September 30, 2021, underground development of the ramp at Odyssey continued. While underground development was slightly below plan, Agnico Eagle disclosed that approximately 1,118 linear metres of ramp development has been completed in 2021, which is ahead of schedule and at a lower development unit cost than anticipated. The ramp is designed to support mining the upper zones of the Odyssey Project and provide access for further underground exploration. The concrete headframe pour started on September 29, 2021 and was completed in October 2021. The structural steel installation is expected to start in the fourth quarter of 2021. The contract for the shaft sinking is expected to be awarded in the fourth quarter of 2021. The headframe construction is on schedule and budget.

Jerritt Canyon Mine

The Company holds an 0.5% NSR royalty over the Jerritt Canyon Mine and a sliding scale PTR interest on the Jerritt Canyon processing facility.

On October 12, 2021, First Majestic Silver Corp. ("First Majestic") reported the results for the quarter ended September 30, 2021 from Jerritt Canyon as follows:

- Produced 26,145 ounces of gold, representing a 39% increase compared to the prior quarter. The mill processed a total of 230,415 tonnes of ore with an average gold grade and recovery of 4.19 g/t and 84%, respectively. This was the first full quarter of production at the mine since First Majestic acquired it in April 2021.

- Major capital projects continue at Jerritt Canyon with First Majestic completing the structural fill for the tailings lift on TSF2 and installing approximately 25% of the new liner. In addition, the annual maintenance overhaul for the dual roasters was near completion at the end of September 2021. As a result of this planned 14-day maintenance shutdown, approximately 30,000 tonnes of ore were added to stockpiles which First Majestic expects to be processed in the fourth quarter of 2021.

- On the exploration front, a total of six drill rigs, consisting of three surface rigs and three underground rigs, were active at Jerritt Canyon at the end of the third quarter ended September 30, 2021.

- First Majestic's investment into exploration, the tailings facility, and a new management team supports the potential to fill the processing plant's 4,000 tonnes per day ("tpd") capacity which is currently averaging 2,500 tpd. First Majestic is projecting production of approximately 200,000 ounces of gold per year by 2024.

Fenelon Gold Property

The Company holds a 2.0% NSR royalty over the Fenelon Gold Property.

- On November 9, 2021, Wallbridge Mining Company Limited ("Wallbridge") announced the results of the maiden Mineral Resource estimate for the Fenelon Gold Property. The estimate combined potential surface and underground extraction scenarios and contained a total Indicated Mineral Resource of 2.13 million ounces (36.02 Mt grading 1.84 g/t gold) and a total Inferred Mineral Resource of 1.47 million ounces (28.99 Mt grading 1.57 g/t gold) contained within the Gabbro, Tabasco/Cayenne and Area 51 zones. It also disclosed that it believed the deposit remains open in multiple directions laterally and at depth indicating significant potential for expansion. Further information regarding such estimate is set out in Wallbridge's news release dated November 9, 2021.

- On December 9, 2021, Wallbridge announced further positive assay results from its resource drill program at the Fenelon Gold Property, stating that it planned to continue with its exploration and underground development program for the balance of the calendar year, with future exploration plans being developed.

- In its Management's Discussion and Analysis for the period ended September 30, 2021, Wallbridge disclosed that it completed a 102,000 metre exploration drilling program in 2020 and that in 2021 it was in process of completing a $69 million exploration and evaluation development program including 125 km to 130 km in drilling at Fenelon Gold.

REN Project

The Company holds a 1.5% NSR royalty and 3.5% NPI royalty over the REN Project.

- In its presentation relating to its results for the third quarter of 2021, Barrick Gold Corporation ("Barrick") confirmed that a maiden resource estimate for the REN Project remained on track for year end.

- In such presentation, Barrick further disclosed a potentially significant +700 m strike length discovery, 250m from infrastructure along the JD1/Corono Zone at the project. Further information regarding these results, including assay results for significant intercepts are set out in Barrick's investor presentation dated November 3, 2021 as disclosed on its website.

- In its conference call regarding earnings for the period ended September 30, 2021, Barrick Gold Corporation stated that underground resource drilling at REN has confirmed its model and that it believes there is significant upside potential on the western side of the deposit next to the infrastructure. Barrick further stated that, with these latest results, it is excited and expects to report a maiden resource by the end of the year.

In addition, in calendar year 2022, the following potential additional near-term catalyst events have been announced by the operators of the projects underlying some of our key royalties:

- Fortitude Gold Corp. disclosed in its news release dated November 2, 2021, that it began construction activities respecting its previously announced heap leach pad expansion at the Isabella Pearl property and expects pad completion in early 2022.

- Gold Standard Ventures Corp. disclosed in its management's discussion and analysis for the nine months ended September 30, 2021, that it is advancing the South Railroad portion of the Railroad-Pinion project towards a production decision through a feasibility study. In its press release dated November 10, 2021, it further announced that such feasibility study is expected to be completed in the first calendar quarter of 2022.

- Fiore Gold Ltd., which announced on October 25, 2021 that it had entered into an agreement to be acquired by Calibre Mining Corp. and disclosed in its management's discussion and analysis for the nine months ended September 30, 2021 that it is progressing its program of resource expansion at the Gold Rock project to advance its feasibility study through 2021.

- In its management's discussion and analysis for the quarter ended September 30, 2021, Monarch Mining Corporation disclosed that its main business objectives include the restart of the Beaufor mine and Beacon mill by June 2022. It disclosed that it does not plan to base its production decision on a feasibility study.

Overall Performance

For the year ended September 30, 2021, the Company incurred a net loss of $15,006,235, compared to a net loss of $140,631 for the previous fiscal period. As at September 30, 2021, the Company had working capital (current assets less current liabilities) of $6,379,790.

See "*Selected 2021 Developments*" for further information regarding the Company's activities during the year ended September 30, 2021.

Trends, events and uncertainties that are reasonably likely to have an effect on the business of the Company include developments in the gold markets, as well as general financial market conditions, and the ongoing effects of the COVID-19 pandemic on owners and operators of the properties underlying the Company's interests, as discussed elsewhere in this MD&A.

Selected Annual Information

The following sets forth selected annual financial information for the Company for the two most recently completed fiscal years:

	Year ended September 30, 2021 ($)	Period from incorporation on June 23, 2020 to September 30, 2020 ($)
Total revenue	191,991	-
Net loss	15,006,235	140,631
Net loss per share, basic and diluted	0.45	140,631
Dividends	-	-
Total assets	279,498,841	55,456
Total non-current financial liabilities	4,560,374	-

The increase in total revenues to $191,991 was primarily related to royalty income from Jerritt Canyon and Isabella Pearl royalties. Net loss increased from $140,631 to $15,006,235 as the Company incurred consulting and professional fees and other expenses in connection with the IPO and acquisition of Ely, Golden Valley and Abitibi during the year. Throughout the year, the Company has been successful in recruiting executive management and seasoned professionals to the board of directors. Accordingly, management and directors' fees, together with share-based compensation, increased during the year.

Total assets increased from $55,456 to $279,498,841, which increase was primarily attributed to the acquisition of the portfolio of royalties from GoldMining, the former parent company, and royalties acquired as a result of the acquisition of Ely. Total non-current financial liabilities as of September 30, 2021 mainly represents the fair value of the Ely Warrants that are denominated in Canadian dollars and classified as derivative liabilities in accordance with IAS 32 *Financial Instruments: Presentation*.

Discussion of Operations

Year ended September 30, 2021, compared to period from incorporation on June 23, 2020 to September 30, 2020

During the year ended September 30, 2021, the Company achieved total revenue of $191,991, consisting of royalties received on its Jerritt Canyon and Isabella Pearl royalty interests.

During the year ended September 30, 2021, the Company incurred consulting fees of $2,677,189, which consisted primarily of consulting fees incurred for corporate development and advisory services after the Company completed its IPO, and in connection with its acquisition of Ely. No such consulting fees were paid during the previous fiscal period when the Company was private. During the year ended September 30, 2021, $1,882,643 was expensed for consulting fees paid or payable to the financial advisors of the Company in connection with the acquisition of Ely.

During the year ended September 30, 2021, the Company incurred management and directors' fees of $1,172,286, compared to $15,698 for the previous fiscal period. Management and directors' fees primarily consisted of salaries and bonuses paid or payable to members of senior management and fees paid or payable to the directors of the Company. Bonuses paid to key management personnel of the Company during the year ended September 30, 2021 were $476,648, of which $212,895, $74,513, $141,930 and $47,310 was paid to the Chief Executive Officer, Chief Financial Officer, Chief Development Officer and Vice President, Evaluations, respectively. No bonus was paid by the Company in the previous fiscal period. The Company's Chief Executive Officer and directors did not receive salary or directors' fee before the completion of the IPO.

During the year ended September 30, 2021, the Company incurred general and administrative costs of $2,937,385, compared to $5,106 for the previous fiscal period. The major components of the general and administrative costs for the year ended September 30, 2021 included insurance expense of $1,293,216, advertising and marketing fees of $1,141,405 incurred in connection with the Company's awareness programs, transfer agent and regulatory fees of $190,383, office and technology expenses of $180,510 and employee salaries and benefits of $131,871. The increase in general and administrative costs was primarily the result of a higher level of activity leading up to and after the Company's IPO and as a result of its commencement of business in the current period.

During the year ended September 30, 2021, the Company incurred professional fees of $2,481,019, compared to $119,782 for the previous fiscal period. Professional fees primarily consisted of transaction-related expenses, audit and quarter review fees and legal fees for general corporate matters. During the year ended September 30, 2021, the Company incurred $1,014,894 and $337,349 in professional fees in connection with the acquisition of Ely and its acquisitions of Golden Valley and Abitibi, respectively.

During the year ended September 30, 2021, the Company recognized share-based compensation expense of $3,324,286, of which $408,815 was related to the award of performance based restricted shares vested during the fiscal year, $2,199,837 represents the fair value of share options issued by the Company to management, directors employees and consultants of the Company, as well as share-based compensation related to share options issued by GoldMining to one of the officers of the Company. In April 2021, the Company entered into an agreement with a service provider for the provision of digital marketing and advertising services. Consideration under this agreement was paid in cash and 75,000 common shares of the Company. The Company amortized the service fee over the term of the agreement and recognized $172,500 as share-based compensation expense for the year ended September 30, 2021. On August 23, 2021, the Company recognized share-based compensation of $543,134 in connection with the acquisition of Ely, of which $329,450 was paid from the cash consideration and $213,684 was paid from the share consideration, representing the excess of consideration given to Ely share option holders over the intrinsic value of Ely Options outstanding immediately prior to the closing date.

As of September 30, 2021, 9,105,000 Ely Warrants were classified as derivative liabilities 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 of $1,511,372 is recognized in the consolidated statements of comprehensive loss for the year ended September 30, 2021.

During the year ended September 30, 2021, the Company recognized a foreign exchange loss of $812,429. Effective with the IPO the Company changed its function currency from Canadian to U.S. dollars. The exchange loss for the year ended September 30, 2021 primarily consisted of the exchange rate difference during the period from when the Company converted U.S. dollars to Canadian dollars to satisfy the Canadian dollar cash consideration to be paid for the Ely acquisition to the date of closing the Ely transaction.

The net loss for the year ended September 30, 2021 was $15,006,235, compared to net loss of $140,631 for the previous fiscal period.

Fourth Quarter

During the three months ended September 30, 2021, the Company had total revenues of $191,991, consisting of royalties received under its Jerritt Canyon and Isabella Pearl royalties. The Company did not have any revenues in the comparative period of 2020.

During the three months ended September 30, 2021, the Company incurred consulting fees of $1,933,997, which consisted primarily of consulting fees incurred for corporate development and advisory services in relation to the Company's acquisition of Ely. No such consulting fees were paid during the comparative period when the Company was private. During the three months ended September 30, 2021, $1,600,000 was expensed for consulting fees payable to the financial advisor of the Company in connection with the acquisition of Ely.

During the three months ended September 30, 2021, the Company incurred management and directors' fees of $838,929, compared to $15,698 for the previous fiscal period. Management and directors' fees primarily consisted of salaries and bonuses paid or payable to members of senior management and fees paid to the directors of the Company. Bonuses payable to key management personnel of the Company during the three months ended September 30, 2021 was $476,648. No bonus was paid by the Company in the previous fiscal period. The Company's Chief Executive Officer and directors did not receive salary or directors' fee before the completion of the IPO.

During the three months ended September 30, 2021, the Company incurred general and administrative costs of $1,736,444, compared to $5,106 for the previous fiscal period. The major components of the general and administrative costs for the three months ended September 30, 2021 included insurance expense of $577,742, advertising and marketing fee of $895,787, transfer agent and regulatory fees of $95,659, office and technology expenses of $101,109 and employee salaries and benefits of $66,147. The increase in general and administrative costs was primarily the result of a higher level of activity and marketing efforts.

During the three months ended September 30, 2021, the Company incurred professional fees of $951,288, compared to $119,782 for the previous fiscal period. Professional fees primarily consisted of transaction related expenses, audit and quarter review fees, and legal fees for general corporate matters. During the three months ended September 30, 2021, the Company incurred $488,167 and $337,349 in professional fees in connection with the acquisition of Ely and the business combination with Golden Valley and Abitibi, respectively.

During the three months ended September 30, 2021, the Company recognized share-based compensation expense of $1,397,419, of which $80,813 are related to the award of performance based restricted shares vested during the quarter, $687,222 represents the fair value of share options issued by the Company to management, directors, employees and consultants of the Company. In April 2021, the Company entered into an agreement with a service provider for the provision of digital marketing and advertising services. Consideration under this agreement was paid in cash and 75,000 common shares of the Company. The Company amortized the service fee over the term of the agreement and recognized $86,250 as share-based compensation expense for the three months ended September 30, 2021. On August 23, 2021, the Company recognized share-based compensation of $543,134 in connection with the acquisition of Ely, see "*Year ended September 30, 2021, compared to period from incorporation on June 23, 2020 to September 30, 2020*" in the *"Discussion of Operations"* section for details.

Refer to "*Year ended September 30, 2021, compared to period from incorporation on June 23, 2020 to September 30, 2020*" in the *"Discussion of Operations"* section for the analyses of other expenses and change in fair value of derivative liability for the quarter ended September 30, 2021.

During the three months ended September 30, 2021, the Company recognized a foreign exchange loss of $704,928. The exchange loss for the three months ended September 30, 2021 primarily consisted of the exchange rate difference during the period from when the Company converted U.S. dollars to Canadian dollars to satisfy the Canadian dollar cash consideration to be paid for the Ely acquisition to the date of closing the Ely transaction.

The net loss for the three months ended September 30, 2021 was $9,216,025, compared to net loss of $140,631 for the previous fiscal period.

Subsequent to the fiscal year end in November 2021, the Company completed the acquisition of Golden Valley and Abitibi. The total consideration paid by the Company to holders of Golden Valley and Abitibi shares on closing consisted of an aggregate of 61,104,200 GRC Shares. Additionally, pursuant to the plan of arrangement with Golden Valley, each of Golden Valley's 1,166,389 options that were outstanding immediately prior to the effective time were exchanged for options to purchase 2,498,045 GRC Shares. The fair value of GRC Shares and GRC options issuable to replace Golden Valley's options was approximately $306 million. The total amount of cash and marketable securities acquired by the Company was approximately $35 million. Key assets acquired by the Company consisted of four royalties on portions of the Canadian Malartic Property.

Use of IPO Proceeds

On March 11, 2021, the Company issued 18,000,000 Units of the Company under the IPO at a price of $5.00 per Unit for gross proceeds of $90,000,000. As disclosed in the Prospectus, the net proceeds, assuming no exercise of the Over-Allotment Option by the Underwriters were estimated to be $82,270,000, after deducting underwriting discounts and commissions and estimated offering expenses.

During March 2021, the Underwriters exercised the Over-Allotment Option to purchase 721,347 additional common shares for gross proceeds of $3,603,128 and 1,350,000 additional common share purchase warrants for gross proceeds of $13,500. Including partial exercises of the Over-Allotment Option by the Underwriters, the Company received net proceeds in an aggregate amount of $88,045,784, which comprised of gross proceeds of $93,616,628, less Underwriters' fees of $5,081,064 and securities issuance financing costs of $489,780. The Company also incurred listing expenses associated with the IPO of $699,516. The net proceeds to the Company from the IPO, after deducting listing expenses, were $87,346,268.

The following table sets out the estimated use of the net proceeds of the IPO as disclosed in the Prospectus, and the net proceeds received from the IPO after offering expenses and actual amounts of other items, as indicated below, up to September 30, 2021.

	As disclosed in the Prospectus ($)	Approximate amount expended from March 9, 2021 to September 30, 2021 ($)
Future acquisitions [1]	77,300,000	75,972,886
Operating expenses [2]	3,500,000	6,297,114
Other general working capital purposes	1,470,000	-
Total	**82,270,000**	**82,270,000**

Notes:
(1) Does not include amounts paid or payable as consideration under acquisitions after September 30, 2021. This primarily consisted of cash consideration and transaction costs incurred in connection with the Company's acquisitions of Ely and royalties purchased from Monarch.
(2) Included consulting fees, general and administrative, management and directors' fees and professional fees.

Summary of Quarterly Results

The following table sets forth selected quarterly financial results of the Company for each of the periods indicated:

	Revenues ($)	Net loss ($)	Net loss per share, basic and diluted ($)	Dividends ($)
From incorporation on June 23, 2020 to June 30, 2020	-	(3,794)	(3,794)	-
September 30, 2020	-	(136,837)	(136,837)	-
December 31, 2020	-	(499,803)	(0.04)	-
March 31, 2021	-	(2,255,579)	(0.08)	-
June 30, 2021	-	(3,034,828)	(0.07)	-
September 30, 2021	191,991	(9,216,025)	(0.17)	-

Changes in net loss from quarter to quarter for the period from incorporation to date have been affected primarily by professional and consulting fees incurred in connection with the acquisition of Ely and the business combination with Golden Valley and Abitibi, professional fees incurred in connection with the IPO, and corporate activities conducted during the respective periods. The increase in net loss in the quarter ended September 30, 2021 is primarily attributed to the transaction costs incurred in the acquisition of Ely, accruals for bonuses payable to key management personnel, an increase in marketing expense in connection with the Company's awareness programs, and the recognition of the change in fair value of derivative liability.

Liquidity and Capital Resources

	As at September 30, 2021 ($)	As at September 30, 2020 ($)
Cash and cash equivalents	9,905,480	37,539
Working capital (deficit)	6,379,790	(142,513)
Total assets	279,498,841	55,456
Total current liabilities	6,920,990	196,382
Accounts payable and accrued liabilities	6,884,679	75,452
Total non-current liabilities	47,260,374	-
Shareholders' equity (deficit)	225,317,477	(140,926)

As at September 30, 2021, the Company had cash and cash equivalents of $9,905,480 compared to $37,539 at September 30, 2020, royalties with a carrying value of $256,833,456, which were acquired through issuances of the Company's common shares and cash, and accounts payable and accrued liabilities of $6,884,679 compared to $75,452 at September 30, 2020. The increase in accounts payable and accrued liabilities of $6,809,227 was primarily attributed to the royalties' acquisition payable due to Monarch of $2,956,875, the accrued consulting and professional fees in connection with the acquisition of Ely, bonuses payable to key management personnel and fees payable to directors, and legal fees for general corporate matters. As at September 30, 2021, the Company had working capital of $6,379,790 as compared to a working capital deficit of $142,513 as at September 30, 2020, with the increase primarily due to funds received from the IPO and other business activities.

On September 3, 2021, the Company announced a commitment letter with Bank of Montreal for a $10 million revolving credit facility, which contemplated an accordion feature allowing for an additional $15 million subject to certain conditions being satisfied. The contemplated facility was to be available for general corporate purposes, acquisitions and investments and was subject to, among other things, the parties completing definitive documentation. As a result of the Company's subsequent acquisitions, the Company is in the process of negotiating amended terms for the facility with the lender to better reflect the Company's increased scope and asset base. There can be no assurance that the facility, including definitive documentation therefor, will be finalized on terms acceptable to the Company or at all or that other conditions to the facility will be satisfied.

The Company commenced generating revenue of $191,991 from its royalties in the last quarter of September 30, 2021. The principal sources of financing to date have been the prior issuance of shares, by way of private placement, and the IPO. The Company also acquired cash and marketable securities of approximately $35 million and incurred consulting fees payable to financial advisors of approximately $3 million on the closing of the acquisition of Golden Valley and Abitibi. The Company believes that it has sufficient cash and cash equivalents to meet its obligations and finance its planned activities over the next 12 months. Over the long term, the Company's ability to meet its obligations and finance investment activities depends on its ability to generate cash flow through the issuance of securities pursuant to equity financings and short-term or long-term loans. Additionally, such financing may be necessary to fund the Company's stated acquisition strategy. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. The Company's growth and future success is dependent on external sources of financing which may not be available on acceptable terms, or at all.

Cash Flows

Operating Activities

Net cash used in operating activities during the year ended September 30, 2021 was $11,949,982, which reflected a net loss of $15,006,235 offset by non-cash items including the Company's share-based compensation of $2,994,837 and change in fair value of derivative liability of $1,511,372. Other operating cash flows include non-cash working capital changes including an increase in accounts receivable and prepaids and other receivables of $149,818 and $1,484,992, respectively, a decrease in accounts payable and accrued liabilities of $23,326, and repayment of the amount due to GoldMining of $83,096. Significant operating expenditures during the period included consulting fees, management salaries and directors' fees, general and administrative costs and professional fees.

Investing Activities

In the year ended September 30, 2021, the Company made royalty investments of $9,369,790, primarily consisting of royalties acquired from Monarch, invested $58,247,027 (net of cash acquired) for the acquisition of Ely, and made an equity investment in PRC of $1,586,600.

Financing Activities

During the year ended September 30, 2021, net cash provided by financing activities was $90,946,001, which primarily comprised of the net proceeds of $88,045,784 from the IPO and proceeds received from a private placement in December 2020 of 1,325,000 GRC Shares at $2.15 per share for gross proceeds of $2,848,750.

Contractual Obligations

The following table summarizes the Company's contractual obligations, including payments due for each of the next five years and thereafter:

	Payments Due by Period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Acquisition of royalty [(1)]	$2,956,875	$2,956,875	-	-	-
Lease obligation	$47,611	$36,311	$11,300	-	-
Total	$3,004,486	$2,993,186	$11,300	-	-

Note:
[(1)] Represents purchase consideration of C$3.75 million payable to Monarch upon the 6-month anniversary of closing on August 5, 2021. See "*Selected 2021 Developments - Acquisition of Monarch Royalties*".

Off-Balance Sheet Arrangements

At September 30, 2021, the Company did not have any off-balance sheet arrangements.

Transactions with Related Parties

Related Party Transactions

During the year ended September 30, 2021, the Company incurred $70,699 in general and administrative expenses for advertising services, creating digital web presentations, providing advertising services, website design, hosting and maintenance service provided by Blender Media Inc. ("Blender"), a vendor that is controlled by a family member of a director of the Company, Amir Adnani. 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.

In addition, the Company settled the amount due to GoldMining, the Company's former parent, during the year ended September 30, 2021. See "*Cash Flows - Operating Activities*".

Related party transactions are based on the amounts agreed to by the parties. During the year ended September 30, 2021, the Company did not enter into any contracts or undertake any commitment or obligation with any related parties other than as described herein.

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 three and twelve months ended September 30, 2021 and September 30, 2020 are as follows:

	For the year ended September 30, 2021 ($)	Period from incorporation on June 23, 2020 to September 30, 2020 ($)
Management salaries	938,880	15,698
Directors' fees	233,406	-
Share-based compensation	2,154,325	-
Total	3,326,611	15,698

The amount payable to management and directors of $632,026 (September 30, 2020: $9,364) was included in accounts payable and accrued liabilities as at September 30, 2021. Such payables were fully paid subsequent to year end.

Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments and 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 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 judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

Information about significant sources of estimation uncertainty and judgments made by management in preparing the consolidated financial statements are described below.

- The Company estimates the attributable reserve and resource relating to the mineral properties underlying the royalties that are held by the Company. Reserves and resources are estimates by the operators of the projects underlying the Company's royalty and similar interests of the amount of minerals that can be economically and legally extracted from the mining properties at 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 carrying value of the Company's royalty interests.

- The Company's business is the acquisition of royalties and other mineral property interests. Royalties and other mineral property interests can have unique terms and judgement is required to assess the appropriate accounting treatment. The assessment of whether an acquisition meets the definition of a business or whether assets are acquired is another area of key judgement. If deemed to be a business combination, applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition date fair value. The excess, if any, of the fair value of the consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of the acquisition date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of royalty interests generally require a high degree of judgement, and include estimates of mineral reserves and resources acquired, future metal prices, discount rates and conversion of reserves and resources. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets and liabilities.

- The assessment of impairment of royalty and other interests requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test as well as in the assessment of fair values. 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 reserves and resources estimates or other relevant information received from the operators that indicates production from royalty interests will not likely occur or may be significantly reduced in the future. In addition, the Company may use other approaches in determining fair value which may include estimates related to (i) dollar value per unit of mineral reserve/resource; (ii) cash-flow multiples; (iii) comparable transactions and (iv) market capitalization of comparable companies. Changes in any of the estimates used in determining the fair value of the royalty and other interests could impact the impairment analysis.

- The Company values its investments in private entities at fair value at each reporting date. When the fair values of these financial instruments cannot be measured based upon quoted prices in active markets, their fair value is based on estimates made by management using valuation techniques. The inputs to these valuation models are taken from observable market data where possible, including concurrent third-party investments, but where this is not feasible, a degree of judgement is required in establishing fair value. Changes in assumptions related to these inputs could affect the reported fair value of the financial instruments.

- 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 certain judgments 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.

- In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The current and future impact on global commerce is far-reaching. To date there has been significant stock market volatility, significant volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions including the temporary suspension of mining activities and mine development, and the global movement of people and some goods has become restricted. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on demand and prices for the commodities relating to the Company's royalties, on the operations of its partners, on its employees and on global financial markets.

Change in Functional Currency

On March 11, 2021, GRC, the parent entity, changed its functional currency from the Canadian dollar to the U.S. dollar. The change in functional currency resulted from the growing proportion of expenses paid in U.S. dollars and the receipt of the cash proceeds of $88 million in U.S. dollars upon the completion of the IPO on March 11, 2021.

The effect of the change in functional currency was accounted for prospectively with no impact on prior period information. The Company translates all items into the new functional currency using the exchange rate at the date of the change. The resulting translated amounts for non-monetary items are treated as their historical cost. Exchange differences arising from translation previously recognized in other comprehensive income are not reclassified from equity to profit or loss until the disposal of the operation.

Financial Instruments and Risk Management

The Company's financial instruments consist of cash and cash equivalents, short-term and long-term investments, accounts receivable, accounts payable and accrued liabilities, lease obligation, obligation under royalty acquisition and derivative liability. The Company's short and 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 equity prices. Investments are held for long-term strategic purposes. 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.

Financial risk management objectives and policies

The financial risk arising from the Company's operations are credit risk, liquidity risk, commodity price risk and currency 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 these 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.

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 large, reputable financial institutions.

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 September 30, 2021 was $6,379,790. 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.

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 are minimal.

Equity price risk

The Company is exposed to equity price risk associated with its investment 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 September 30, 2021, a 10% change in the market price of these investments would have an impact of approximately $112,000 on net loss.

Outstanding Share Data

As at the date hereof, the Company has 133,927,501 common shares, 10,350,000 common share purchase warrants and 5,514,245 share options outstanding. In addition, there are 15,212,940 Ely Warrants outstanding as at the date hereof, representing 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. Accordingly, the Ely Warrants are exercisable into 3,727,170 GRC Shares.

Additional Information

Additional information concerning the Company is available under the Company's profile at www.sedar.com.