GOLD ROYALTY CORP.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Report of Independent Registered Public Accounting Firm

To the Shareholders 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 September 30, 2021 and 2020, and the related consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year ended September 30, 2021 and for the period from incorporation on June 23, 2020 to September 30, 2020, 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 September 30, 2021 and 2020, and its financial performance and its cash flows for the year ended September 30, 2021 and the period from incorporation on June 23, 2020 to September 30, 2020 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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
December 23, 2021

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

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

	Notes	As at September 30, 2021 ($)	As at September 30, 2020 ($)
Assets			
Current assets			
Cash and cash equivalents	4	9,905,480	37,539
Short-term investments	5	1,117,769	-
Accounts receivable		411,715	-
Prepaids and other receivables	6	1,865,816	16,330
		13,300,780	53,869
Non-current assets			
Royalties	7	256,833,456	-
Exploration and evaluation assets	8	7,711,535	-
Long-term investments	9	1,586,600	-
Other long-term assets		66,470	1,587
		266,198,061	1,587
		279,498,841	55,456
Current Liabilities			
Accounts payable and accrued liabilities	15	6,884,679	75,452
Current portion of lease obligation		36,311	-
Due to former parent company		-	120,930
		6,920,990	196,382
Non-current liabilities			
Lease obligation		11,300	-
Derivative liability	10	4,549,074	-
Deferred income tax liability	11	42,700,000	-
		54,181,364	196,382
Equity			
Issued Capital	12	228,619,530	1
Reserves	12	11,403,811	-
Accumulated deficit		(15,146,866)	(140,631)
Accumulated other comprehensive income (loss)		441,002	(296)
		225,317,477	(140,926)
		279,498,841	55,456

Subsequent events (Note 17)

Approved by the Board of Directors:

/s/ "Ken Robertson"
Ken Robertson
Director

/s/ "Warren Gilman"
Warren Gilman
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 United States dollars unless otherwise stated)

	Notes	For the year ended September 30, 2021 ($)	Period from incorporation on June 23, 2020 to September 30, 2020 ($)
Revenue			
Royalty income		191,991	-
			-
Cost of sales			
Depletion of royalties		163,817	-
Gross profit		28,174	-
Expenses			
Consulting fees		2,677,189	-
Depreciation		4,844	45
Management and directors' fees	15	1,172,286	15,698
General and administrative		2,937,385	5,106
Professional fees		2,481,019	119,782
Share-based compensation	12	3,324,286	-
Exploration and evaluation expenses		12,516	-
Operating loss for the year		(12,581,351)	(140,631)
Other items			
Change in fair value of derivative liability	10	(1,511,372)	-
Change in fair value of short-term investments	5	(168,431)	-
Foreign exchange loss		(812,429)	-
Interest income		67,348	-
Net loss for the year		(15,006,235)	(140,631)
Other comprehensive income (loss)			
Item that may be reclassified subsequently to net income:			
Foreign currency translation differences		441,298	(296)
Total comprehensive loss for the year		(14,564,937)	(140,927)
Net loss per share, basic and diluted		(0.45)	(140,631.00)
Weighted average number of common shares outstanding, basic and diluted		33,555,265	1

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

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

	Notes	Number of Common Shares	Issued Capital ($)	Reserves ($)	Accumulated Deficit ($)	Accumulated Other Comprehensive Income (Loss) ($)	Total ($)
Balance at June 23, 2020							
Issued capital		1	1	-	-	-	1
Net loss for the year		-	-	-	(140,631)	-	(140,631)
Total other comprehensive loss		-	-	-	-	(296)	(296)
Balance at September 30, 2020		1	1	-	(140,631)	(296)	(140,926)
Cancellation of common share issued upon incorporation		(1)	(1)	-	-	-	(1)
Common shares issued to former parent company for cash	12	5,000,000	50,000	-	-	-	50,000
Performance based restricted shares issued	12	1,500,000	-	-	-	-	-
Common shares issued to acquire royalties	7	15,000,000	13,076,000	-	-	-	13,076,000
Private placement of common shares for cash	12	1,325,000	2,848,750	-	-	-	2,848,750
Share-based compensation - performance based restricted shares	12	-	408,815	-	-	-	408,815
Share-based compensation - share options	12	-	-	2,199,837	-	-	2,199,837
Initial public offering:							
Common shares and common share purchase warrants issued for cash	12	18,000,000	82,968,750	7,031,250	-	-	90,000,000
Common shares issued on exercise of over-allotment option	12	721,347	3,603,128	-	-	-	3,603,128
Common share purchase warrants issued on exercise of over-allotment option	12	-	-	13,500	-	-	13,500
Underwriters' fees and issuance costs	12	-	(5,154,455)	(416,389)	-	-	(5,570,844)
Common shares issued for marketing services	12	75,000	345,000	-	-	-	345,000
Common shares issued to acquire Ely Gold Royalties Inc.	3	30,902,176	130,407,183	-	-	-	130,407,183
Common share purchase warrants of Ely Gold Royalties Inc.	3	-	-	2,602,967	-	-	2,602,967
Common shares issued upon exercise of common share purchase warrants	12	15,086	66,359	(27,354)	-	-	39,005
Net loss for the year		-	-	-	(15,006,235)	-	(15,006,235)
Total other comprehensive income		-	-	-	-	441,298	441,298
Balance at September 30, 2021		72,538,609	228,619,530	11,403,811	(15,146,866)	441,002	225,317,477

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

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

	For the September 30, 2021 ($)	Period from incorporation on June 23, 2020 to September 30, 2020 ($)
Operating activities		
Net loss before tax for the year	(15,006,235)	(140,631)
Items not involving cash:		
Accretion and depreciation	5,183	45
Depletion of royalties	163,817	-
Interest income	(63,588)	-
Share-based compensation	2,994,836	-
Change in fair value of short-term investments	168,431	-
Change in fair value of derivative liability	1,511,372	-
Unrealized foreign exchange loss	(29,218)	-
Net changes in non-cash working capital items:		
Accounts receivables	(149,818)	-
Prepaids and other receivables	(1,484,992)	(16,330)
Accounts payable and accrued liabilities	23,326	73,820
Due to former parent company	(83,096)	83,096
Cash used in operating activities	(11,949,982)	-
Investing activities		
Investment in royalties	(9,369,790)	-
Acquisition of Ely Gold Royalties Inc., net of cash acquired	(58,247,027)	-
Investment in exploration and evaluation assets	(20,000)	-
Long-term investments acquired	(1,586,600)	-
Purchase of equipment	(1,632)	-
Payment of lease obligations	(3,722)	-
Interest received	63,699	-
Cash used in investing activities	(69,165,072)	-
Financing activities		
Proceeds from common shares issued to former parent company	50,000	-
Proceeds from private placement of common shares	2,848,750	-
Proceeds from initial public offering, net of underwriters' fees and issuance costs	88,045,784	-
Proceeds from exercise of common share purchase warrants	39,005	-
Proceeds from common shares issued	-	1
Due to former parent company	(37,538)	37,538
Cash provided by financing activities	90,946,001	37,539
Effect of exchange rate changes on cash	36,994	-
Net increase in cash	9,867,941	37,539
Cash and cash equivalents		
Beginning of year	37,539	-
End of year	9,905,480	37,539

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

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 1030 West Georgia Street, Suite 1830, Vancouver, British Columbia, V6E 2Y3, 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 share (the "GRC Shares") and common share purchase warrants are listed on the NYSE American under the symbols "GROY" and "GROY.WS", respectively.

On August 23, 2021, the Company acquired all of the outstanding common shares of Ely Gold Royalties Inc. ("Ely") (Note 3) which has been consolidated from the date of acquisition.

2. Basis of Preparation and Significant Accounting Policies

2.1 Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting 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 December 23, 2021.

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 dollar except where otherwise indicated.

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 is accounted for prospectively with no impact on prior period information. The Company translated 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.

The accounting policies applied in the preparation of consolidated financial statements are consistent with those applied and disclosed in the Company's annual financial statements for the year ended September 30, 2020 except for the newly adopted policies presented below which relate to business combinations, revenue recognition, exploration and evaluation assets, and share-based payments.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of Gold Royalty Corp. and its wholly-owned subsidiaries, being Gold Royalty U.S. Corp., Ely Gold Royalties Inc., 1320505 B.C. Ltd., Nevada Select Royalty, Inc., Ren Royalties LLC, VEK Associates and DHI Minerals (U.S.) Ltd. Subsidiaries are consolidated from the date the Company obtains control, and continue to be consolidated until the date that 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.

2. Basis of Preparation and Significant Accounting Policies (continued)

2.3 Basis of consolidation (continued)

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 all subsidiaries is the United States dollar. For the period prior to the change in functional currency, the results of GRC, the parent entity, were translated from Canadian dollars using period end exchange rate as to assets and liabilities and average exchange rates as to income and expenses. All resulting exchange differences were recognized in other comprehensive income (loss).

2.4 Significant 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 and commercial feasibility 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.

2.4 Significant accounting policies (continued)

Exploration and Evaluation Assets (continued)

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 acquisition costs. Any amounts received in excess of amounts capitalized are recorded as a credit in the consolidated statements of comprehensive loss. When the optionee fulfills all option requirements and acquires interest in the property in which the Company retains a royalty, the property is transferred from exploration and evaluation assets to royalties.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its royalties and exploration and evaluation assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists or when annual impairment testing for an asset is required, 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 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.

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.

2.4 Significant accounting policies (continued)

Foreign currencies

Foreign currency transactions are translated into the functional currency 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.

2.4 Significant accounting policies (continued)

Business combinations (continued)

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.

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 period 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 period 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:

2.4 Significant accounting policies (continued)

Income taxes (continued)

- 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.

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, accounts receivable, accounts payable and accrued liabilities, lease obligation, obligation under royalty acquisition and derivative liability.

The Company determines the classification of financial assets at initial recognition. Short-term investments are equity instruments held for trading and 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
Accounts receivables	Financial assets at amortized cost
Long-term investments	FVTOCI

2.4 Significant accounting policies (continued)

Financial Instruments (continued)

Financial Liabilities	Classification
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Lease obligation	Financial liabilities at amortized cost
Derivative liability	FVTPL

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
The fair value of restricted shares is measured at grant date and recognized over the period during which the restricted shares 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 is 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 value of restricted shares is recognized as an expense over the vesting period based on the best available estimate of the number of restricted shares expected to vest; that estimate will be revised if subsequent information indicates that the number of restricted shares expected to vest differs from previous estimates.

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 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 period are as follows:

2.4 Significant accounting policies (continued)

Significant accounting judgments and estimates (continued)

- The Company's business is the acquisition of royalties. Each royalty has its own 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 an area of judgement. In evaluating whether a transaction is a business combination management must consider if the acquired assets or entities encompass an integrated set of activities and assets that is capable of being conducted and managed for the purpose of generating income. Additionally, an optional asset concentration test may be applied. 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 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 is required to make a number of estimates in the application of business combination accounting. 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 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 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 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.

- 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 in which it holds royalty interests, on its employees and on global financial markets.

3. 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). 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.

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 $5,640,669 at the closing date is included in total consideration, of which $2,602,967 is classified as equity in accordance with IFRS 2 *Share-based Payment* and presented in reserve and $3,037,702 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 preliminary fair values of the assets acquired, and liabilities assumed on the closing date:

	($)
Consideration paid	
Cash paid to Ely shareholders(1)	65,016,496
GRC Shares issued to Ely shareholders(1)	130,193,499
15,946,732 Ely Warrants deemed to be exchanged for GRC Shares	5,640,669
Total consideration	200,850,664
Allocation of consideration	
Cash and cash equivalents	6,769,469
Short-term investments	1,291,022
Accounts receivable	261,897
Prepaid and other receivables	193,055
Reclamation bond	21,915
Property, plant & equipment	47,714
Royalties	231,172,628
Exploration and evaluation assets	7,691,535
Accounts payable and accrued liabilities	(3,847,216)
Lease obligation	(51,355)
Deferred income tax liability	(42,700,000)
Net assets acquired	200,850,664

(1) Consideration excludes a portion of cash ($329,450) and share ($213,684) 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.

(Expressed in United States dollars unless otherwise stated)

3. Acquisition of Ely (continued)

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 $543,134, 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 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.

The Company's preliminary purchase accounting was based upon preliminary valuations performed to determine the fair value of the net assets as of the acquisition date and is subject to adjustments for up to one year after the closing date of the acquisition to reflect final valuations. The accounting for the business combination is not complete as the valuation for certain acquired employee related liabilities have not been finalized. These final valuations of the assets and liabilities could have a material impact on the preliminary purchase price allocation disclosed above.

4. Cash and cash equivalents

	September 30, 2021 ($)	September 30, 2020 ($)
Cash and cash equivalents consist of:		
Cash at bank	5,905,480	37,539
Guaranteed Investment Certificates	4,000,000	-
Total	9,905,480	37,539

5. Short-term investments

The Company's short-term investments comprise of common shares of the following companies:

	September 30, 2021 Number of Shares	September 30, 2021 ($)
Contact Gold Corp.	2,362,941	93,434
Eminent Gold Corp.	200,000	131,858
Fortitude Gold Corp.	74,946	506,635
Lahontan Gold Corp.	325,000	89,279
McEwen Mining Inc.	53,600	55,952
Sanatana Resources Inc.	1,666,666	150,433
Solitario Royalty & Exploration Corp.	119,352	66,240
VR Resources Ltd.	100,000	23,938
		1,117,769

(Expressed in United States dollars unless otherwise stated)

5. Short-term investments (continued)

The short-term investments were acquired as part of the Company's acquisition of Ely. At the time of acquisition, these investments had a fair value of $1,291,022. During the year ended September 30, 2021, the Company recognized a loss on the change in the fair value on short-term investments of $168,431 (2020: $Nil).

6. Prepaids and other receivables

As at September 30, 2021, the amount of prepaid insurance premiums and marketing fees was $998,489 (2020: $Nil) and $296,208 (2020: $Nil), respectively. A portion of the prepaid marketing fee was satisfied by the issuance of 75,000 common shares of the Company (Note 12). On September 30, 2021, the amount of other tax receivable was $303,748 (2020: $Nil).

7. Royalties

	($)
Balance at September 30, 2020	-
Additions	25,445,415
Acquisition from Ely (Note 3)	231,172,628
Depletion	(163,817)
Functional currency translation	379,230
Balance at September 30, 2021	256,833,456

	Cost			Accumulated Depletion			Foreign Currency	Carrying
	Opening	Additions	Ending	Opening	Depletion	Ending	Translation	Amount
September 30, 2021	($)	($)	($)	($)	($)	($)	($)	($)
Depletable Royalties								
Isabella Pearl	-	2,820,538	2,820,538	-	5,579	5,579	-	2,814,959
Jerritt Canyon	-	8,920,908	8,920,908	-	73,948	73,948	-	8,846,960
Marigold	-	1,261,207	1,261,207	-	84,290	84,290	-	1,176,917
Subtotal	-	13,002,653	13,002,653	-	163,817	163,817	-	12,838,836
Non-depletable Royalties								
Beaufor	-	1,235,414	1,235,414	-	-	-	-	1,235,414
Croinor	-	5,329,811	5,329,811	-	-	-	-	5,329,811
Fenelon	-	41,552,905	41,552,905	-	-	-	-	41,552,905
Gold Rock	-	3,275,322	3,275,322	-	-	-	-	3,275,322
Hog Ranch	-	12,879,239	12,879,239	-	-	-	-	12,879,239
Lincoln Hill	-	5,288,677	5,288,677	-	-	-	-	5,288,677
McKenzie Break	-	4,010,405	4,010,405	-	-	-	-	4,010,405
Railroad-Pinion	-	3,032,071	3,032,071	-	-	-	-	3,032,071
Rawhide	-	3,820,573	3,820,573	-	-	-	-	3,820,573
REN (Net Profit Interest)	-	21,016,741	21,016,741	-	-	-	-	21,016,741
REN (Net Smelter Return)	-	42,364,755	42,364,755	-	-	-	-	42,364,755
São Jorge	-	2,194,333	2,194,333	-	-	-	79,793	2,274,126
Titiribi	-	2,904,333	2,904,333	-	-	-	105,625	3,009,958
Whistler	-	2,575,033	2,575,033	-	-	-	-	2,575,033
Yellowknife	-	1,804,433	1,804,433	-	-	-	65,607	1,870,040
Others	-	90,331,345	90,331,345	-	-	-	128,205	90,459,550
Subtotal	-	243,615,390	243,615,390	-	-	-	379,230	243,994,620
Total	-	256,618,043	256,618,043	-	163,817	163,817	379,230	256,833,456

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 net smelter return ("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 $13,076,000 was satisfied by the issuance of 15,000,000 GRC Shares.

(Expressed in United States dollars unless otherwise stated)

7. Royalties (continued)

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 on a portion of the Quartz Mountain Project located in Oregon, USA, for a cash consideration of $150,000.

On July 23, 2021, the Company entered into a definitive agreement with Monarch Mining Corporation ("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) is payable upon the 6-month anniversary of closing. 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. The transaction closed on August 5, 2021.

On August 23, 2021, the Company completed its acquisition of Ely and acquired a portfolio of royalties in Canada and the U.S.A for a total fair value of $231,172,628 (Note 3).

The following is a summary of selected royalties own by the Company as of September 30, 2021:

Property	Jurisdiction	Property Stage	Royalty
Isabella Pearl Mine	Nevada, USA	Producing	0.375% Gross Revenue Royalty
Jerritt Canyon Mine	Nevada, USA	Producing	0.5% NSR and Per Ton Royalty (sliding scale based on metal price)
Beaufor Project	Québec, Canada	Development	1.0% NSR
Croinor Gold Project	Québec, Canada	Advanced - Exploration	2.5% NSR
Fenelon Gold Property	Québec, Canada	Development	2.0% NSR
Gold Rock Project	Nevada, USA	Development	0.5% NSR
Hog Ranch Project	Nevada, USA	Development	2.25% NSR
Lincoln Hill Project	Nevada, USA	Development	2.0% NSR
Railroad-Pinion Project	Nevada, USA	Development	0.44% NSR
Rawhide Mine	Nevada, USA	Producing	15% Net Profit Interest ("NPI")
REN Project	Nevada, USA	Development	1.5% NSR, 3.5% NPI
Sao Jorge Project	Para State, Brazil	Development	1.0% NSR

8. Exploration and evaluation assets

	($)
Balance at September 30, 2020	-
Acquisition of Ely (Note 3)	7,691,535
Addition	50,000
Option payments received	(30,000)
Balance at September 30, 2021	7,711,535

Mineral properties in the exploration and evaluation stage were acquired as part of the Company's acquisition of Ely. Fixed option payments were received in relation to certain exploration and evaluation assets.

9. Long-term investments

On August 31, 2021, the Company made a $1,586,600 (C$2,000,000) 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 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.

10. Derivative liability

As at September 30, 2021, 9,105,000 Ely Warrants 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.

As at September 30, 2021, the fair value of the Ely Warrants has been estimated based on the Black-Scholes option pricing model using the following weighted average assumptions: risk-free interest rate of 0.23%, expected life of the Ely Warrant of 1.64 years, expected volatility of 43%, expected dividend yield of 0% and estimated forfeiture rate of 0%. The change in fair value on the warrant derivative liabilities of $1,511,372 has been recorded as change in fair value of derivative liability in the consolidated statements of comprehensive loss.

The movement in derivative liability is as follows:

	($)
Balance at September 30, 2020	-
Fair value of derivative liability assumed on Ely acquisition (Note 3)	3,037,702
Change in fair value during the year	1,511,372
Balance at September 30, 2021	4,549,074

11. Income Taxes

The Company had no assessable profit for the period ended September 30, 2020 and year ended September 30, 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:

(Expressed in United States dollars unless otherwise stated)

11. Income Taxes (continued)

	Year ended September 30, 2021 (S)	Period from incorporation on June 23, 2020 to September 30, 2020 ($)
Net loss for the year before taxes	(15,006,235)	(140,631)
Canadian federal and provincial income tax rates	27%	27%
Income tax recovery based on Canadian federal and provincial income tax rates	(4,051,683)	(37,970)
Reconciling items:		
Difference in foreign tax rates	5,852	-
Deferred tax asset not recognized	2,507,125	37,966
Stock-based compensation	750,911	-
Fair value change in warrant liability	408,070	-
Permanent differences and other	379,725	4
	-	-

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

	September 30 2021 ($)	2020 ($)
Deferred tax assets and (liabilities):		
Non-capital losses	590,968	-
Marketable securities	3,587	-
Undeducted financing fees	114,064	-
Other deferred tax assets	192,302	-
Royalty assets	(41,762,451)	-
Mineral and royalty interests	(1,634,863)	-
Other deferred tax liabilities	(203,607)	-
Deferred income tax liabilities, net	(42,700,000)	-

At September 30, 2021 and 2020, deductible temporary differences for which no deferred tax assets are recognized are below:

(Expressed in United States dollars unless otherwise stated)

11. Income Taxes (continued)

	September 30 2021 ($)	September 30 2020 ($)
Deductible temporary differences not recognized:		
Non-capital losses	9,341,488	38,034
Marketable securities	759,068	-
Mineral and royalty interests	-	-
Other deferred tax assets	1,326	12
Deductible temporary differences not recognized	10,101,882	38,046

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 September 30, 2021, the Company had Canadian net operating loss carryforwards of $9,458,151 which expire between 2040 and 2041. As of September 30, 2021, there are net operating loss carryforwards of $2,664,138 in the U.S.A, of which $2,050,857 expire between 2034 and 2037 and the remainder may be carried forward indefinitely.

12. Issued Capital

12.1 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 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.

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.

The net proceeds from the issuance of the Units were allocated to the Company's common shares and common share purchase warrants on a relative fair value basis. Inputs used to calculate the relative fair value of the common shares and common share purchase warrants are based on the quoted closing prices of the Company's common shares and common share purchase warrants on the first day of trading on the NYSE American. The fair value of common shares and common share purchase warrants issued upon exercise of the Over-Allotment Option are equal to the net proceeds received by the Company. The allocation of the fair value of the Company's common shares and common share purchase warrants is as follows:

(Expressed in United States dollars unless otherwise stated)

12. Issued Capital (continued)

12.1 Initial Public Offering (continued)

	($)
Fair value of common shares	86,571,878
Fair value of common share purchase warrants	7,044,750
Total gross proceeds from the IPO	93,616,628
Gross proceeds	93,616,628
Common share issuance costs	(5,154,455)
Common share purchase warrant issuance costs	(416,389)
Net proceeds received	88,045,784
Fair value allocation to:	
Common shares	81,417,423
Common share purchase warrants	6,628,361
	88,045,784

12.2 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.

The Company issued one GRC Share for consideration of $1.00 upon incorporation on June 23, 2020. On October 16, 2020, GoldMining, the Company's former parent, subscribed for 5,000,000 GRC Shares of the Company for cash of $50,000 and surrendered the one GRC Share issued by the Company upon incorporation for no consideration.

On December 4, 2020, the Company completed a private placement of 1,325,000 GRC Shares for gross proceeds of $2,848,750.

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 of the Company with a fair value of $4.60 per share. The common shares issued thereunder are subject to a four-month hold period. The Company amortized the prepaid 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 completed its acquisition of Ely by issuing 30,902,176 GRC Shares with a fair value of $130,407,183. (Note 3).

During the year ended September 30, 2021, the Company issued 15,086 GRC Shares in exchange for the exercise of 61,576 Ely Warrants and received gross proceeds of $39,005.

12.3 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 are subject to restrictions that, among other things, prohibit the transfer thereof until certain performance conditions are met. In addition, if such conditions are 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 are 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);

(Expressed in United States dollars unless otherwise stated)

12. Issued Capital (continued)

12.3 Restricted Shares (continued)

(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 partially 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 partially met).

During the year ended September 30, 2021, the Company recognized share-based compensation expense of $408,815, related to the Restricted Shares.

12.4 Reserves

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

	Reserves		
	Warrants ($)	Share Options ($)	Total ($)
Balance at June 23, 2020 and September 30, 2020	-	-	-
Initial public offering:			
Common share purchase warrants issued to for cash (Note 12.1)	7,044,750	-	7,044,750
Underwriters' fees and issuance costs (Note 12.1)	(416,389)	-	(416,389)
Ely Warrants recognized in equity (Note 3)	2,602,967	-	2,602,967
Exercise of Ely Warrants	(27,354)	-	(27,354)
Share-based compensation - share options	-	2,199,837	2,199,837
Balance at September 30, 2021	9,203,974	2,199,837	11,403,811

Common Share Purchase Warrants

During the year ended September 30, 2021, the Company issued 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 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 September 30, 2021, there were 15,885,153 Ely Warrants outstanding which are exercisable into 3,891,862 GRC Shares based on a 0.245 exchange ratio (Note 3). The Ely Warrants have 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 movements of the Company's share options:

(Expressed in United States dollars unless otherwise stated)

12. Issued Capital (continued)

12.4 Reserves (continued)

Share Options (continued)

	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

On March 7, 2021, the Company granted 2,505,000 stock options at an exercise price of $5.00 per share. The share options are exercisable for a period of five 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.

On May 20, 2021, the Company granted 305,000 stock options at an exercise price of $4.78 per share. The share options are exercisable for a period of five 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.

On August 25, 2021, the Company granted 206,200 stock options at an exercise price of $4.85 per share. The share options are exercisable for a period of five 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 value of the share options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.34%
Expected life (years)	2.99
Expected volatility	37.0%
Expected dividend yield	0.00%
Estimated forfeiture rate	1.98%

As there is no 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 at September 30, 2021, 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)
4.78	305,000	0.48	4.64	76,250	0.26	4.64
5.00	2,505,000	4.15	4.44	1,252,500	4.54	4.44
4.85	206,200	0.33	4.90	51,550	0.18	4.90
	3,016,200	4.97	4.49	1,380,300	4.98	4.46

The fair value of share options recognized as share-based compensation expense during the year ended September 30, 2021 was $2,187,545 using the Black-Scholes option pricing model.

12. Issued Capital (continued)

12.4 Reserves (continued)

Share Options (continued)

Pursuant to the agreement with an officer of the Company, the officer received options to purchase 25,000 common shares of GoldMining (the "GoldMining Options") at an exercise price of C$2.88 per share. These GoldMining Options are exercisable for a period of five 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 value of GoldMining Options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.30%, expected life of 2.87 years, expected volatility of 57%, expected dividend yield of 0% and estimated forfeiture rate of 0%. The fair value of the GoldMining Options recognized by the Company as share-based compensation expense during the year ended September 30, 2021 was $12,292.

13. Capital Risk Management

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements and future acquisitions of royalty and mineral stream interests, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, debt, acquire or dispose of assets or adjust the amount of cash.

At September 30, 2021, the Company's capital structure consists of the equity of the Company (Note 12). The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

14. Financial Instruments

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 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.

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. 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 short-term investments is based on the quoted market price of the short-term investments. 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 values of the derivative liabilities are determined using the Black-Scholes valuation model. The significant inputs used in this model are readily available in public markets and therefore have been classified as Level 2. Inputs used in the Black-Scholes model for derivative liabilities include risk-free interest rate, volatility, and dividend yield.

14. Financial Instruments (continued)

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.

14.1 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.

14.2 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 balance by holding cash with large, reputable financial institutions. The Company's maximum exposure to credit risk is equivalent to the carrying value of its cash and cash equivalents and accounts receivable.

14.3 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 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.

14.4 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 are minimal.

14.5 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 $117,000 on net loss.

(Expressed in United States dollars unless otherwise stated)

15. Related Party Transactions

15.1 Related Party Transactions

During the year ended September 30, 2021, the Company incurred $70,699 in general and administrative expenses for managing promotional campaigns, creating digital web presentation, 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.

In addition, the Company settled the amount of $37,358 due to GoldMining, the Company's former parent, during the year ended September 30, 2021.

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.

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

15.2 Transactions with Key Management Personnel (continued)

	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.

16. Operating Segments

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

17. Subsequent Events

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 under a contract term ending on June 27, 2022.

On November 5, 2021, the Company completed business combinations with Golden Valley Mines and Royalties Ltd. ("Golden Valley") and Abitibi Royalties Inc. ("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:

17. Subsequent Events (continued)

- 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 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 estimated fair value of GRC share options issued in exchange for Golden Valley options, the total consideration for the acquisition was approximately $306 million. The Company also incurred consulting fees payable to financial advisors of approximately $3 million. On the closing date, the total amount of cash and marketable securities acquired by the Company was approximately $35 million. The Company began consolidating the operating results, cash flows and net assets of Golden Valley and Abitibi beginning on November 5, 2021.

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 GRC Shares in exchange for each Elemental Share (the "Offer"). 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 GRC Shares under the Offer; and the absence of material changes to the business of Elemental.